

## **BILL ANALYSIS**

H.B. 1940  
By: Orr  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Recently enacted legislation created a uniform system for correcting recorded documents relating to the conveyance of real property. Interested parties assert that some confusion has risen regarding the period of effect of the corrected document and the procedures for filing a corrected instrument with an attachment or exhibit inadvertently omitted from the original instrument. H.B. 1940 seeks to address these issues by clarifying the law relating to certain correction instruments in the conveyance of real property.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1940 amends the Property Code to authorize a person who has personal knowledge of facts relevant to the correction of a recorded original instrument of conveyance of real property to prepare or execute a correction instrument to make a nonmaterial change that results from an inadvertent error, including the addition, correction, or clarification of a legal description prepared in connection with the preparation of the original instrument but inadvertently omitted from the original instrument or an omitted call in a metes-and-bounds legal description in the original instrument that completes the description of the property. The bill extends to such a person the authorization to prepare, in addition to executing, a correction instrument to make a nonmaterial change resulting from a clerical error.

H.B. 1940 establishes that a correction instrument replaces and is a substitute for the original instrument and makes a correction instrument subject to the property interest of a creditor or a subsequent purchaser for valuable consideration without notice acquired on or after the date the original instrument was acknowledged, sworn to, or proved and filed for record as required by law and before the correction instrument has been acknowledged, sworn to, or proved and filed for record as required by law.

### **EFFECTIVE DATE**

September 1, 2013.