

By: Wray

H.B. No. 4086

A BILL TO BE ENTITLED

AN ACT

relating to the expunction of a notice of lis pendens.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.0071, Property Code, is amended by amending Subsection (f) and adding Subsection (h) to read as follows:

(f) After a certified copy of an order expunging a notice of lis pendens has been recorded, the notice of lis pendens and any information derived or that could be derived from the notice:

(1) does not:

(A) constitute constructive or actual notice of any matter contained in the notice or of any matter relating to the action in connection with which the notice was filed [proceeding];

(B) create any duty of inquiry in a person with respect to the property described in the notice; or

(C) affect the validity of a conveyance to a purchaser for value or of a mortgage to a lender for value; and

(2) is not enforceable against a purchaser or lender described by Subdivision (1)(C), regardless of whether the purchaser or lender knew of the lis pendens action.

(h) When a notice of lis pendens is expunged in accordance with this section, the notice of lis pendens or the action in connection with which the notice was filed does not encumber any transfer of the real property.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2017.