

By: Hughes

S.B. No. 1955

A BILL TO BE ENTITLED

AN ACT

relating to expunction of a notice of lis pendens.

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

SECTION 1. Section 12.0071(f), Property Code, is amended to read as follows:

(f) After a certified copy of an order expunging a notice of lis pendens has been recorded:

(1) [~~1~~] the notice of lis pendens and any information derived or that could be derived from the notice:

(A) [~~1~~] does not:

(i) [~~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~~];

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

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

(B) [~~2~~] is not enforceable against a purchaser or lender described by Paragraph (A)(iii) [~~Subdivision (1)(C)~~], regardless of whether the purchaser or lender knew of the lis pendens action; and

(2) an interest in the real property may be

1 transferred or encumbered free of all matters asserted or disclosed
2 in the notice and all claims or other matters asserted or disclosed
3 in the action in connection with which the notice was filed.

4 SECTION 2. The change in law made by this Act applies only
5 to a certified copy of an order expunging a notice of lis pendens
6 recorded on or after the effective date of this Act. A certified
7 copy of an order expunging a notice of lis pendens recorded before
8 the effective date of this Act is governed by the law in effect at
9 that time, and that law is continued in effect for that purpose.

10 SECTION 3. This Act takes effect September 1, 2017.