

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**March 27, 2017**

**TO:** Honorable Abel Herrero, Chair, House Committee on Land & Resource Management

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1386** by Guillen (Relating to the use of earnest money contracts and other offers for the sale of land before a subdivision plat is filed in certain border counties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code allowing a person to enter into an earnest money contract for a piece of land before a plat has been finally approved and recorded. The earnest money can be no more than \$250. The contract is void if after the 91st day the plat for the land has not been finally approved and recorded. If the contract is voided the seller would be required to refund all money to the purchaser within 30 days. If the seller fails to refund the money the purchaser can recover the money in a suit equal to three times the amount of earnest money plus reasonable attorney's fees.

The bill would repeal Section 232.021(9) of the Local Government Code.

The bill would take effect September 1, 2017.

**Local Government Impact**

According to the Texas Association of Counties (TAC), no significant fiscal impact to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** UP, SZ, GG, BM, SD