86R9600 PMO-F

By:  Bell of Montgomery H.B. No. 1658

A BILL TO BE ENTITLED

AN ACT

relating to seller's disclosure of certain residential real property conditions and related property insurance issues.

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

SECTION 1.  Section 5.008(b), Property Code, is amended to read as follows:

(b)  The notice must be executed and must, at a minimum, read substantially similar to the following:

SELLER'S DISCLOSURE NOTICE

CONCERNING THE PROPERTY AT \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                           (Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller \_\_ is \_\_ is not occupying the Property.

If unoccupied, how long since Seller has occupied the Property?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1.  The Property has the items checked below:

Write Yes (Y), No (N), or Unknown (U).

|  |
| --- |
|  |
| \_\_ Range |  | \_\_ Oven |  | \_\_ Microwave |
| \_\_ Dishwasher |  | \_\_ Trash Compactor |  | \_\_ Disposal |
| \_\_ Washer/Dryer |  | \_\_ Window |  | \_\_ Rain Gutters |
| Hookups |  | Screens |  |  |
| \_\_ Security |  | \_\_ Fire Detection |  | \_\_ Intercom |
| System |  | Equipment |  | System |
|  |  | \_\_ Smoke Detector |  |  |
|  |  | \_\_ Smoke Detector - |  |  |
|  |  | Hearing Impaired |  |  |
|  |  | \_\_ Carbon Monoxide |  |  |
|  |  | Alarm |  |  |
|  |  | \_\_ Emergency Escape |  |  |
|  |  | Ladder(s) |  |  |
| \_\_ TV Antenna |  | \_\_ Cable TV |  | \_\_ Satellite |
|  |  | Wiring |  | Dish |
| \_\_ Ceiling Fan(s) |  | \_\_ Attic Fan(s) |  | \_\_ Exhaust |
|  |  |  |  | Fan(s) |
| \_\_ Central A/C |  | \_\_ Central Heating |  | \_\_ Wall/Window |
|  |  |  |  | Air |
|  |  |  |  | Conditioning |
| \_\_ Plumbing System |  | \_\_ Septic System |  | \_\_ Public Sewer |
|  |  |  |  | System |
| \_\_ Patio/Decking |  | \_\_ Outdoor Grill |  | \_\_ Fences |
| \_\_ Pool |  | \_\_ Sauna |  | \_\_ Spa |
|  |  |  |  | \_\_ Hot Tub |
| \_\_ Pool Equipment |  | \_\_ Pool Heater |  | \_\_ Automatic Lawn |
|  |  |  |  | Sprinkler |
|  |  |  |  | System |
| \_\_ Fireplace(s) & |  |  |  | \_\_ Fireplace(s) & |
| Chimney |  |  |  | Chimney |
| (Woodburning) |  |  |  | (Mock) |
| \_\_ Natural Gas Lines |  |  |  | \_\_ Gas Fixtures |
| \_\_ Liquid Propane Gas: |  | \_\_ LP Community |  | \_\_ LP on Property |
|  |  | (Captive) |  |  |
| Garage: \_\_ Attached |  | \_\_ Not Attached |  | \_\_ Carport |
| Garage Door Opener(s): |  | \_\_ Electronic |  | \_\_ Control(s) |
| Water Heater: |  | \_\_ Gas |  | \_\_ Electric |
| Water Supply: \_\_ City |  | \_\_ Well \_\_ MUD |  | \_\_ Co-op |

Roof Type:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Age:  \_\_\_\_\_(approx)

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair?  \_\_ Yes  \_\_ No  \_\_ Unknown.

If yes, then describe.  (Attach additional sheets if necessary):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2.  Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766, Health and Safety Code?\*  \_\_ Yes  \_\_ No  \_\_ Unknown.

If the answer to the question above is no or unknown, explain.  (Attach additional sheets if necessary):\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\*Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements.  If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information.  A buyer may require a seller to install smoke detectors for the hearing impaired if:  (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing impaired and specifies the locations for installation.  The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

3.  Are you (Seller) aware of any known defects/malfunctions in any of the following?

Write Yes (Y) if you are aware, write No (N) if you are not aware.

|  |
| --- |
|  |
| \_\_ Interior Walls |  | \_\_ Ceilings |  | \_\_ Floors |  |
| \_\_ Exterior Walls |  | \_\_ Doors |  | \_\_ Windows |  |
| \_\_ Roof |  | \_\_ Foundation/ |  | \_\_ Basement |  |
|  |  | Slab(s) |  |  |  |
| \_\_ Walls/Fences |  | \_\_ Driveways |  | \_\_ Sidewalks |  |
| \_\_ Plumbing/Sewers/ |  | \_\_ Electrical |  | \_\_ Lighting |  |
| Septics |  | Systems |  | Fixtures |  |

\_\_ Other Structural Components (Describe):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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If the answer to any of the above is yes, explain.  (Attach additional sheets if necessary):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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4.  Are you (Seller) aware of any of the following conditions?

Write Yes (Y) if you are aware, write No (N) if you are not aware.

|  |
| --- |
|  |
| \_\_ Active Termites |  | \_\_ Previous Structural |
| (includes |  | or Roof Repair |
| wood-destroying insects) |  |  |
| \_\_ Termite or Wood Rot Damage |  | \_\_ Hazardous or Toxic Waste |
| Needing Repair |
| \_\_ Previous Termite Damage |  | \_\_ Asbestos Components |
| \_\_ Previous Termite |  | \_\_ Urea formaldehyde |
| Treatment |  | Insulation |
| [~~\_\_ Previous Flooding~~] |  | \_\_ Radon Gas |
| [~~\_\_ Improper Drainage~~] |  | \_\_ Lead Based Paint |
| [~~\_\_ Water Penetration~~] |  | \_\_ Aluminum Wiring |
| [~~\_\_ Located in 100-Year~~ |  | \_\_ Previous Fires |
| ~~Floodplain~~] |  |  |
| [~~\_\_ Present Flood Insurance~~ |  | \_\_ Unplatted Easements |
| ~~Coverage~~] |  |  |
| \_\_ Landfill, Settling, Soil |  | \_\_ Subsurface |
| Movement, Fault Lines |  | Structure or Pits |
| \_\_ Single Blockable Main |  | \_\_ Previous Use of Premises |
| Drain in Pool/Hot |  | for Manufacture of |
| Tub/Spa\* |  | Methamphetamine |

If the answer to any of the above is yes, explain.  (Attach additional sheets if necessary):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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\*A single blockable main drain may cause a suction entrapment hazard for an individual.

4-a.  Are you (Seller) aware of any of the following conditions?

Write Yes (Y) if you are aware, write No (N) if you are not aware.

|  |
| --- |
|  |
| \_\_ Previous Flooding |  |  |
| \_\_ Improper Drainage |  |  |
| \_\_ Water Penetration |  |  |
| \_\_ Located in 100-Year |  |  |
| Floodplain |  |  |
| \_\_ Present Flood Insurance |  |  |
| Coverage |  |  |
| \_\_ Located in a Flood Pool |  |  |
| \_\_ Located in a Flood Reservoir |  |  |

If the answer to any of the above is yes, explain.  (Attach additional sheets if necessary):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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5.  Are you (Seller) aware of any item, equipment, or system in or on the property that is in need of repair?  \_\_ Yes (if you are aware)  \_\_ No (if you are not aware).  If yes, explain (attach additional sheets as necessary). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6.  Are you (Seller) aware of any of the following?

Write Yes (Y) if you are aware, write No (N) if you are not aware.

|  |
| --- |
|  |
| \_\_ | Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time. |
| \_\_ | Homeowners' Association or maintenance fees or assessments. |
| \_\_ | Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others. |
| \_\_ | Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property. |
| \_\_ | Any lawsuits directly or indirectly affecting the Property. |
| \_\_ | Any condition on the Property which materially affects the physical health or safety of an individual. |
| \_\_ | Any rainwater harvesting system located on the property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source. |
| \_\_ | Any portion of the property that is located in a groundwater conservation district or a subsidence district. |

If the answer to any of the above is yes, explain.  (Attach additional sheets if necessary):  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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7.  If the property is located in a coastal area that is seaward of the Gulf Intracoastal Waterway or within 1,000 feet of the mean high tide bordering the Gulf of Mexico, the property may be subject to the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63, Natural Resources Code, respectively) and a beachfront construction certificate or dune protection permit may be required for repairs or improvements.  Contact the local government with ordinance authority over construction adjacent to public beaches for more information.

8.  This property may be located near a military installation and may be affected by high noise or air installation compatible use zones or other operations. Information relating to high noise and compatible use zones is available in the most recent Air Installation Compatible Use Zone Study or Joint Land Use Study prepared for a military installation and may be accessed on the Internet website of the military installation and of the county and any municipality in which the military installation is located.

9.  You may want to consider purchasing a separate insurance policy that provides flood insurance coverage. If you do not have a separate insurance policy that provides flood insurance coverage, flood damage to this property caused by winds and rain may not be covered by insurance. Please discuss with your insurance agent the advisability of purchasing a separate insurance policy that provides flood insurance coverage.

10.  If the property is located in an area eligible for windstorm insurance coverage provided by the Texas Windstorm Insurance Association, construction, repairs, and other structural changes to the property may require a certificate of compliance before the association can issue that coverage. A certificate of compliance, such as a WPI-8 or WPI-8-C, indicates the construction, repairs, or structural changes made to the property meet the windstorm building code requirements for the property on the date the certificate was issued. More information about windstorm building code requirements for coverage provided by the Texas Windstorm Insurance Association may be available at www.TWIA.org.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_         \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date                     Signature of Seller

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_         \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date                     Signature of Purchaser

SECTION 2.  Section 5.008(b), Property Code, as amended by this Act, applies only to a transfer of property that occurs on or after the effective date of this Act. A transfer of property that occurs before the effective date of this Act is governed by the law applicable to the transfer immediately before that date, and the former law is continued in effect for that purpose. For the purposes of this section, a transfer of property occurs before the effective date of this Act if the contract binding the purchaser to purchase the property is executed before that date.

SECTION 3.  This Act takes effect September 1, 2019.