

By: Leman

H.B. No. 4219

A BILL TO BE ENTITLED

AN ACT

relating to the enforceability of certain contracts to acquire real property for a high-speed rail project.

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

SECTION 1. Subchapter B, Chapter 112, Transportation Code, is amended by adding Section 112.0535 to read as follows:

Sec. 112.0535. CONTRACT TO ACQUIRE REAL PROPERTY UNDER FALSE REPRESENTATION OF EMINENT DOMAIN AUTHORITY. (a) In this section, "high-speed rail" has the meaning assigned by Section 112.201.

(b) A contract to acquire real property entered into by an entity proposing to build a high-speed rail project is voidable by the property owner if:

(1) before the execution of the contract, the entity represented to the property owner that the entity had the authority to acquire the property through eminent domain; and

(2) after the execution of the contract, a court enters a final judgment declaring that the entity does not have eminent domain authority.

(c) A property owner who voids a contract under this section is entitled to retain any money paid by the entity to the property owner before the contract is voided.

(d) Not later than the 90th day after the date of the final judgment described by Subsection (b)(2), the entity that is subject

1 to the final judgment shall provide written notice by certified
2 mail to each property owner with whom the entity entered into a
3 contract described by Subsection (b) informing the property owner
4 of the property owner's right to void the contract.

5 (e) To void a contract under this section, a property owner
6 must, not later than the 120th day after the date the property owner
7 receives the notice required by Subsection (d), provide notice to
8 the entity that the property owner is voiding the contract.

9 (f) An entity subject to a final judgment described by
10 Subsection (b)(2) may not exercise the entity's rights under a
11 contract described by Subsection (b) before the expiration of the
12 120-day period provided by Subsection (e).

13 SECTION 2. This Act takes effect September 1, 2019.