By:  Murr H.B. No. 2424

A BILL TO BE ENTITLED

AN ACT

relating to the definition of homestead.

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

SECTION 1.  Section 241.002, Property Code, is amended to read as follows:

Sec. 41.002.  DEFINITION OF HOMESTEAD. (a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or more contiguous lots, together with any improvements thereon.

(b)  If used for the purposes of a rural home, the homestead shall consist of:

(1)  for a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon; or

(2)  for a single, adult person, not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.

(c)  A homestead is considered to be urban if, at the time the designation is made, the property is:

(1)  located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and

(2)  served by police protection, paid or volunteer fire protection, and at least three of the following services provided by a municipality or under contract to a municipality:

(A)  electric;

(B)  natural gas;

(C)  sewer;

(D)  storm sewer; and

(E)  water.

(d)  The definition of a homestead as provided in this section applies to all homesteads in this state whenever created.

(e)  A conveyance of a parcel not meeting the definition of an urban homestead under (a) and (c) by an individual to an entity in which the individual or individual's spouse has a direct or indirect ownership interest shall not be a prohibited pretended sale under Article XVI, Section 50(c) of the Texas Constitution if:

(1)  the deed conveying the parcel was recorded at least 30 days before the entity granted a mortgage, trust deed, or other lien on the parcel;

(2)  the individual does not reside on the parcel at the time of the conveyance;

(3)  the parcel is not contiguous to the parcel on which the individual resides;

(4)  the deed conveying the parcel does not contain a condition of defeasance; and

(5)  the individual recorded contemporaneously with the deed an affidavit substantially in the form set forth in (h).

(f)  An individual executing a deed under (e) shall be estopped from claiming the conveyance is a pretended sale under Article XVI, Section 50(c) of the Texas Constitution.

(g)  For the purposes of (e) an entity is defined as a domestic or foreign:

(1)  corporation, professional corporation, or profession association;

(2)  limited liability company or professional limited liability company; or

(3)  limited partnership.

(h)  At the time of recording a deed under (e) an individual grantor of the deed shall record an affidavit containing the following:

(1)  a title caption stating "Affidavit Regarding Conveyance To An Entity";

(2)  the date of the affidavit;

(3)  a description of the deed containing:

(A)  the title of the deed;

(B)  the date of the deed;

(C)  the name and address of the individual grantor; and

(D)  the name and address of the entity grantee.

(4)  a description of the parcel being conveyed to the entity;

(5)  a description of the parcel upon which the individual currently resides;

(6)  a statement that the parcel being conveyed is not contiguous to the parcel upon which the individual currently resides;

(7)  a statement that the parcel upon which the individual currently resides is not located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and is not served by police protection, paid or volunteer fire protection, and at least three of the following services provided by a municipality or under contract to a municipality: electric, natural gas, sewer, storm sewer, and water;

(8)  a statement that the individual is either a single person or a married person with the name of the individual's spouse;

(9)  a statement that the individual or individual's spouse owns a direct or indirect interest in the entity;

(10)  a statement that the individual has executed the deed conveying the parcel to the entity;

(11)  a statement that the individual intends to vest title in the entity;

(12)  a statement that there are no written or oral agreements regarding a defeasance of the parcel upon the passage of time or occurrence or non-occurrence of any event;

(13)  a statement that the individual acknowledges that he or she will be estopped from claiming the conveyance to the entity is a pretended sale under Article XVI, Section 50(c) of the Texas Constitution; and

(14)  a statement that the individual had an opportunity to review the affidavit prior to its execution and had an opportunity to consult with an attorney (whether or not the opportunity to consult with an attorney was exercised) before its execution.

(i)  If the individual conveying a parcel under (e) is married, the individual's spouse must join in the execution of the deed and Affidavit Regarding Conveyance To An Entity.

(j)  All references to "parcel" include one or more parcels.

SECTION 2.  This Act takes effect September 1, 2021.