

1-1 By: Holland, et al. (Senate Sponsor - Hughes) H.B. No. 1993
 1-2 (In the Senate - Received from the House April 21, 2021;
 1-3 May 4, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 21, 2021, reported favorably by the following vote:
 1-5 Yeas 6, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9			X	
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16			X	

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to certain seller's disclosures for the sale of
 1-20 residential real property.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 5.008(b), Property Code, is amended to
 1-23 read as follows:

1-24 (b) The notice must be executed and must, at a minimum, read
 1-25 substantially similar to the following:

1-26 SELLER'S DISCLOSURE NOTICE

1-27 CONCERNING THE PROPERTY AT _____

1-28 (Street Address and City)

1-29 THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF
 1-30 THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY
 1-31 SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR
 1-32 WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT
 1-33 A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

1-34 Seller ___ is ___ is not occupying the Property.

1-35 If unoccupied, how long since Seller has occupied the Property?

1-36 _____

1-37 1. The Property has the items checked below:

1-38 Write Yes (Y), No (N), or Unknown (U).

- | | | | |
|------|---------------------|----------------------|------------------|
| 1-39 | | | |
| 1-40 | ___ Range | ___ Oven | ___ Microwave |
| 1-41 | ___ Dishwasher | ___ Trash Compactor | ___ Disposal |
| 1-42 | ___ Washer/Dryer | ___ Window | ___ Rain Gutters |
| 1-43 | ___ Hookups | ___ Screens | |
| 1-44 | ___ Security | ___ Fire Detection | ___ Intercom |
| 1-45 | ___ System | ___ Equipment | ___ System |
| 1-46 | | ___ Smoke Detector | |
| 1-47 | | ___ Smoke Detector - | |
| 1-48 | | ___ Hearing Impaired | |
| 1-49 | | ___ Carbon Monoxide | |
| 1-50 | | ___ Alarm | |
| 1-51 | | ___ Emergency Escape | |
| 1-52 | | ___ Ladder(s) | |
| 1-53 | ___ TV Antenna | ___ Cable TV | ___ Satellite |
| 1-54 | | ___ Wiring | ___ Dish |
| 1-55 | ___ Ceiling Fan(s) | ___ Attic Fan(s) | ___ Exhaust |
| 1-56 | | | ___ Fan(s) |
| 1-57 | ___ Central A/C | ___ Central Heating | ___ Wall/Window |
| 1-58 | | | ___ Air |
| 1-59 | | | ___ Conditioning |
| 1-60 | ___ Plumbing System | ___ Septic System | ___ Public Sewer |

- 2-1 _____ System
- 2-2 Patio/Decking Outdoor Grill Fences
- 2-3 Pool Sauna Spa
- 2-4 _____ Hot Tub
- 2-5 Pool Equipment Pool Heater Automatic Lawn
- 2-6 _____ Sprinkler
- 2-7 _____ System
- 2-8 Fireplace(s) & Fireplace(s) &
- 2-9 Chimney Chimney
- 2-10 (Woodburning) (Mock)
- 2-11 Natural Gas Lines Gas Fixtures
- 2-12 Liquid Propane Gas: LP Community LP on Property
- 2-13 _____ (Captive)
- 2-14 Fuel Gas Piping: Black Iron Pipe Corrugated
- 2-15 Copper Stainless Steel
- 2-16 Tubing
- 2-17 Garage: Attached Not Attached Carport
- 2-18 Garage Door Opener(s): Electronic Control(s)
- 2-19 Water Heater: Gas Electric
- 2-20 Water Supply: City Well MUD Co-op
- 2-21 Roof Type: _____ Age: _____ (approx)
- 2-22 Are you (Seller) aware of any of the above items that are not in
- 2-23 working condition, that have known defects, or that are in need of
- 2-24 repair? Yes No Unknown.
- 2-25 If yes, then describe. (Attach additional sheets if necessary):
- 2-26 _____
- 2-27 _____
- 2-28 2. Does the property have working smoke detectors installed in
- 2-29 accordance with the smoke detector requirements of Chapter 766,
- 2-30 Health and Safety Code?* Yes No Unknown.
- 2-31 If the answer to the question above is no or unknown,
- 2-32 explain. (Attach additional sheets if necessary): _____
- 2-33 _____
- 2-34 _____
- 2-35 *Chapter 766 of the Health and Safety Code requires
- 2-36 one-family or two-family dwellings to have working smoke detectors
- 2-37 installed in accordance with the requirements of the building code
- 2-38 in effect in the area in which the dwelling is located, including
- 2-39 performance, location, and power source requirements. If you do
- 2-40 not know the building code requirements in effect in your area, you
- 2-41 may check unknown above or contact your local building official for
- 2-42 more information. A buyer may require a seller to install smoke
- 2-43 detectors for the hearing impaired if: (1) the buyer or a member of
- 2-44 the buyer's family who will reside in the dwelling is hearing
- 2-45 impaired; (2) the buyer gives the seller written evidence of the
- 2-46 hearing impairment from a licensed physician; and (3) within 10
- 2-47 days after the effective date, the buyer makes a written request for
- 2-48 the seller to install smoke detectors for the hearing impaired and
- 2-49 specifies the locations for installation. The parties may agree
- 2-50 who will bear the cost of installing the smoke detectors and which
- 2-51 brand of smoke detectors to install.
- 2-52 3. Are you (Seller) aware of any known defects/malfunctions in any
- 2-53 of the following?
- 2-54 Write Yes (Y) if you are aware, write No (N) if you are not aware.
- 2-55 _____
- 2-56 Interior Walls Ceilings Floors
- 2-57 Exterior Walls Doors Windows
- 2-58 Roof Foundation/ Basement
- 2-59 _____ Slab(s)
- 2-60 Walls/Fences Driveways Sidewalks
- 2-61 Plumbing/Sewers/ Electrical Lighting
- 2-62 Septics Systems Fixtures
- 2-63 Other Structural Components (Describe): _____
- 2-64 _____
- 2-65 _____
- 2-66 If the answer to any of the above is yes, explain. (Attach
- 2-67 additional sheets if necessary): _____
- 2-68 _____
- 2-69 _____

- 3-1 4. Are you (Seller) aware of any of the following conditions?
 3-2 Write Yes (Y) if you are aware, write No (N) if you are not aware.
 3-3
 3-4 ___ Active Termites ___ Previous Structural
 3-5 (includes or Roof Repair
 3-6 wood-destroying insects)
 3-7 ___ Termite or Wood Rot Damage ___ Hazardous or Toxic Waste
 3-8 Needing Repair
 3-9 ___ Previous Termite Damage ___ Asbestos Components
 3-10 ___ Previous Termite ___ Urea formaldehyde
 3-11 Treatment ___ Insulation
 3-12 ___ Radon Gas
 3-13 ___ Improper Drainage ___ Lead Based Paint
 3-14 ___ Water Damage Not Due to a ___ Aluminum Wiring
 3-15 Flood Event
 3-16 ___ Previous Fires
 3-17
 3-18 ___ Unplatted Easements
 3-19
 3-20 ___ Landfill, Settling, Soil ___ Subsurface
 3-21 Movement, Fault Lines Structure or Pits
 3-22 ___ Single Blockable Main ___ Previous Use of Premises
 3-23 Drain in Pool/Hot for Manufacture of
 3-24 Tub/Spa* Methamphetamine
 3-25 If the answer to any of the above is yes, explain. (Attach
 3-26 additional sheets if necessary): _____
 3-27 _____
 3-28 _____

3-29 *A single blockable main drain may cause a suction entrapment
3-30 hazard for an individual.

- 3-31 5. Are you (Seller) aware of any item, equipment, or system in or
 3-32 on the property that is in need of repair? ___ Yes (if you are
 3-33 aware) ___ No (if you are not aware). If yes, explain (attach
 3-34 additional sheets as necessary).
 3-35 _____

- 3-36 6. Are you (Seller) aware of any of the following conditions?
 3-37 * Write Yes (Y) if you are aware, write No (N) if you are not aware.

- 3-38 ___ Present flood insurance coverage
 3-39 ___ Previous flooding due to a failure or breach of a reservoir or a
 3-40 controlled or emergency release of water from a reservoir
 3-41 ___ Previous water penetration into a structure on the property due
 3-42 to a natural flood event
 3-43 Write Yes (Y) if you are aware and check wholly or partly as
 3-44 applicable, write No (N) if you are not aware.

- 3-45 ___ Located () wholly () partly in a 100-year floodplain (Special
 3-46 Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)
 3-47 ___ Located () wholly () partly in a 500-year floodplain (Moderate
 3-48 Flood Hazard Area-Zone X (shaded))
 3-49 ___ Located () wholly () partly in a floodway
 3-50 ___ Located () wholly () partly in a flood pool
 3-51 ___ Located () wholly () partly in a reservoir
 3-52 If the answer to any of the above is yes, explain (attach additional
 3-53 sheets as necessary): _____
 3-54 _____

3-55 * For purposes of this notice:
 3-56 "100-year floodplain" means any area of land that:
 3-57 (A) is identified on the flood insurance rate map as a
 3-58 special flood hazard area, which is designated as Zone A, V, A99,
 3-59 AE, AO, AH, VE, or AR on the map;
 3-60 (B) has a one percent annual chance of flooding, which
 3-61 is considered to be a high risk of flooding; and
 3-62 (C) may include a regulatory floodway, flood pool, or
 3-63 reservoir.

3-64 "500-year floodplain" means any area of land that:
 3-65 (A) is identified on the flood insurance rate map as a
 3-66 moderate flood hazard area, which is designated on the map as Zone X
 3-67 (shaded); and

4-1 (B) has a two-tenths of one percent annual chance of
4-2 flooding, which is considered to be a moderate risk of flooding.

4-3 "Flood pool" means the area adjacent to a reservoir that lies
4-4 above the normal maximum operating level of the reservoir and that
4-5 is subject to controlled inundation under the management of the
4-6 United States Army Corps of Engineers.

4-7 "Flood insurance rate map" means the most recent flood hazard
4-8 map published by the Federal Emergency Management Agency under the
4-9 National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et
4-10 seq.).

4-11 "Floodway" means an area that is identified on the flood
4-12 insurance rate map as a regulatory floodway, which includes the
4-13 channel of a river or other watercourse and the adjacent land areas
4-14 that must be reserved for the discharge of a base flood, also
4-15 referred to as a 100-year flood, without cumulatively increasing
4-16 the water surface elevation more than a designated height.

4-17 "Reservoir" means a water impoundment project operated by the
4-18 United States Army Corps of Engineers that is intended to retain
4-19 water or delay the runoff of water in a designated surface area of
4-20 land.

4-21 7. Have you (Seller) ever filed a claim for flood damage to the
4-22 property with any insurance provider, including the National Flood
4-23 Insurance Program (NFIP)?* Yes No. If yes, explain (attach
4-24 additional sheets as necessary): _____

4-25 _____
4-26 *Homes in high risk flood zones with mortgages from federally
4-27 regulated or insured lenders are required to have flood
4-28 insurance. Even when not required, the Federal Emergency
4-29 Management Agency (FEMA) encourages homeowners in high risk,
4-30 moderate risk, and low risk flood zones to purchase flood insurance
4-31 that covers the structure(s) and the personal property within the
4-32 structure(s).

4-33 8. Have you (Seller) ever received assistance from FEMA or the
4-34 U.S. Small Business Administration (SBA) for flood damage to the
4-35 property? Yes No. If yes, explain (attach additional sheets
4-36 as necessary): _____

4-37 _____
4-38 9. Are you (Seller) aware of any of the following?
4-39 Write Yes (Y) if you are aware, write No (N) if you are not aware.

4-40 _____
4-41 Room additions, structural modifications, or other
4-42 alterations or repairs made without necessary permits or not
4-43 in compliance with building codes in effect at that time.

4-44 Homeowners' Association or maintenance fees or assessments.

4-45 Any "common area" (facilities such as pools, tennis courts,
4-46 walkways, or other areas) co-owned in undivided interest with
4-47 others.

4-48 Any notices of violations of deed restrictions or
4-49 governmental ordinances affecting the condition or use of the
4-50 Property.

4-51 Any lawsuits directly or indirectly affecting the Property.

4-52 Any condition on the Property which materially affects the
4-53 physical health or safety of an individual.

4-54 Any rainwater harvesting system located on the property that
4-55 is larger than 500 gallons and that uses a public water supply
4-56 as an auxiliary water source.

4-57 Any portion of the property that is located in a groundwater
4-58 conservation district or a subsidence district.

4-59 If the answer to any of the above is yes, explain. (Attach
4-60 additional sheets if necessary): _____

4-61 _____
4-62 _____

4-63 10. If the property is located in a coastal area that is seaward of
4-64 the Gulf Intracoastal Waterway or within 1,000 feet of the mean high
4-65 tide bordering the Gulf of Mexico, the property may be subject to
4-66 the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63,
4-67 Natural Resources Code, respectively) and a beachfront
4-68 construction certificate or dune protection permit may be required
4-69 for repairs or improvements. Contact the local government with

5-1 ordinance authority over construction adjacent to public beaches
5-2 for more information.

5-3 11. This property may be located near a military installation and
5-4 may be affected by high noise or air installation compatible use
5-5 zones or other operations. Information relating to high noise and
5-6 compatible use zones is available in the most recent Air
5-7 Installation Compatible Use Zone Study or Joint Land Use Study
5-8 prepared for a military installation and may be accessed on the
5-9 Internet website of the military installation and of the county and
5-10 any municipality in which the military installation is located.

5-11 12. Are you (Seller) aware of the property being located within a
5-12 special district? Yes if you are aware No if you are not
5-13 aware. If yes, provide the following information about each
5-14 special district in which the property is located:

5-15 (A) the name of the district; and

5-16 (B) the dollar amount of any ad valorem taxes or special
5-17 assessments imposed by the district for the preceding tax year.
5-18 (Attach additional sheets if necessary):

5-19 _____
5-20 _____
5-21 _____

5-22 Date Signature of Seller

5-23 The undersigned purchaser hereby acknowledges receipt of the
5-24 foregoing notice.

5-25 _____
5-26 Date Signature of Purchaser

5-27 SECTION 2. Section 5.008(b), Property Code, as amended by
5-28 this Act, applies only to a transfer of property that occurs on or
5-29 after the effective date of this Act. A transfer of property that
5-30 occurs before the effective date of this Act is governed by the law
5-31 applicable to the transfer immediately before that date, and the
5-32 former law is continued in effect for that purpose. For the
5-33 purposes of this section, a transfer of property occurs before the
5-34 effective date of this Act if the contract binding the purchaser to
5-35 purchase the property is executed before that date.

5-36 SECTION 3. This Act takes effect September 1, 2021.

5-37 * * * * *