

By: Holland

H.B. No. 3414

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a seller's notice of special district assessments on
3 newly constructed residential real properties.

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

5 SECTION 1. Subchapter A, Chapter 5, Property Code, is
6 amended by adding Section 5.0141 to read as follows:

7 Sec. 5.0141. NOTICE OF CERTAIN ASSESSMENTS ON NEWLY
8 CONSTRUCTED RESIDENTIAL PROPERTIES. (a) A seller of a newly
9 constructed residential real property that is located in a special
10 district, as defined under Section 178.001, Local Government Code,
11 shall give to the first purchaser of the property a written notice
12 that reads substantially similar to the following:

13 NOTICE OF OBLIGATION TO PAY (name of special district) ASSESSMENT
14 TO (municipality or county levying assessment) CONCERNING THE
15 PROPERTY AT (street address)

16 As a purchaser of this parcel of real property you are
17 obligated to pay an assessment to a municipality or county for
18 (name, type, and purpose of the district) under (applicable law).
19 The rate of the assessment imposed by (the special district) in the
20 (previous tax year) tax year was (previous year's tax rate). The
21 amount of the assessment imposed by (the special district) in the
22 (previous tax year) tax year for real property with an appraised
23 value of (appraised value of property) was \$(dollar amount of
24 assessment). More information concerning the amount of the

1 assessment and the due dates of that assessment may be obtained from
2 the municipality or county levying the assessment.

3 The amount and rate of the assessment is subject to change.
4 Your failure to pay the assessment could result in a lien on and the
5 foreclosure of your property.

6 Date: _____

7 Signature of Purchaser

8 (b) The seller shall deliver the notice required under
9 Subsection (a) to the purchaser before the effective date of an
10 executory contract binding the purchaser to purchase the property.
11 The notice may be given separately, as part of the contract during
12 the negotiations, or as part of any other notice the seller delivers
13 to the purchaser.

14 (c) If an executory contract is entered into without the
15 seller providing the notice required by this section, the purchaser
16 may terminate the contract for any reason not later than the earlier
17 of:

18 (1) the seventh day after the date the purchaser
19 receives the notice; or

20 (2) the date the transfer occurs as provided by the
21 executory contract.

22 (d) The purchaser's right to terminate the executory
23 contract under Subsection (c) is the purchaser's exclusive remedy
24 for the seller's failure to provide the notice required by this
25 section.

26 SECTION 2. Section 5.0141, Property Code, as added by this
27 Act, applies only to a sale of property for which a contract is

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1 entered into on or after the effective date of this Act.

2 SECTION 3. This Act takes effect September 1, 2021.