

AN ACT

relating to the use of executory contracts for the purchase of land to be used as a residence in certain counties.

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

SECTION 1. Subchapter D, Chapter 5, Property Code, is amended by adding Section 5.0622 to read as follows:

Sec. 5.0622. ADDITIONAL APPLICABILITY: CERTAIN COUNTIES.

(a) This section applies only to a county with a population of less than 100,000 that is located in a metropolitan statistical area as defined by the federal Office of Management and Budget:

(1) with a population of more than 1.5 million; and

(2) adjacent to a different metropolitan statistical area as defined by the federal Office of Management and Budget with a population of more than 2 million.

(b) The commissioners court of a county may adopt an order requiring an executory contract for the conveyance of land used or to be used as a residence located in the county to be subject to this subchapter. The order must specify a method for determining whether the land is used or to be used as a residence.

(c) The order may not include an executory contract for the conveyance of land:

(1) described by Section 5.062(b), (c), or (d); or

(2) that is to be used primarily for agricultural use, as defined by Section 1-d, Article VIII, Texas Constitution, or for

1 farm, ranch, wildlife management, or timber production use within  
2 the meaning of Section 1-d-1, Article VIII, Texas Constitution, and  
3 for which no part of the land is to be used as a residence.

4 (d) If a tract described by Subsection (c)(2) ceases to be  
5 used primarily for agricultural use or for farm, ranch, wildlife  
6 management, or timber production use, or any part of the land is  
7 used as a residence, the executory contract for the conveyance of  
8 the land may be included in an order authorized by this section.

9 SECTION 2. Subchapter D, Chapter 5, Property Code, is  
10 amended by adding Section 5.087 to read as follows:

11 Sec. 5.087. ADDITIONAL PROVISIONS: CERTAIN COUNTIES. (a)  
12 This section applies only to a county adopting an order under  
13 Section 5.0622.

14 (b) The commissioners court may not modify the provisions of  
15 this subchapter except the commissioners court may provide in the  
16 order that an executory contract to which the order applies may not  
17 be used to purchase land for residential purposes unless the  
18 conversion authorized by Section 5.081 is required to occur not  
19 later than three years after the date the executory contract is  
20 entered into.

21 SECTION 3. Sections 5.0622 and 5.087, Property Code, as  
22 added by this Act, apply only to an executory contract entered into  
23 on or after the date the commissioners court adopts an order  
24 authorized by this Act.

25 SECTION 4. This Act takes effect September 1, 2021.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4374 was passed by the House on May 11, 2021, by the following vote: Yeas 139, Nays 4, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4374 on May 28, 2021, by the following vote: Yeas 145, Nays 2, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4374 was passed by the Senate, with amendments, on May 27, 2021, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor