**BILL ANALYSIS**

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| Senate Research Center | S.B. 613 |
| 88R6514 SHH-F | By: Springer |
|  | Business & Commerce |
|  | 3/31/2023 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The real estate market, much like every other market, has evolved immensely with the advent of online technologies. One creative solution in the real estate market is to offer homeowners the chance to sell, remain in their homes, and maintain a right/option to repurchase at a later date.

The bill ensures Texans' rights are protected when selling a homestead by clarifying that "noncash consideration" is included in determining what qualifies as a lawful sale-leaseback of a homestead. This clarification ensures that any purported sale-leaseback of a homestead will be performed in a fair, transparent, and market-based manner. It also codifies Texas case law that says "options to repurchase" are not loans, have value, and should be treated as consideration in a qualifying transaction. This ensures that homeowners' rights to repurchase (or direct sale for additional proceeds) are protected under law.

As proposed, S.B. 613 amends current law relating to certain sales or purported sales of homestead property that are classified as loans.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 41.006(a) and (c), Property Code, as follows:

(a) Provides that any sale or purported sale in whole or in part of a homestead at a fixed purchase price, inclusive of any noncash consideration or other things of value, that is less than the appraised fair market value of the property at the time of the sale or purported sale, and in connection with which the buyer of the property executes a lease of the property to the seller at lease payments that exceed the fair rental value of the property, except as provided by Subsection (c), is considered to be a loan with all payments made from the seller to the buyer in excess of the sales price considered to be interest subject to Title 4 (Regulation of Interest, Loans, and Financed Transactions), Finance Code.

(c) Provides that Section 41.006 (Certain Sales of Homestead) does not apply to:

(1) creates this subdivision from existing test and makes nonsubstantive changes; or

(2) a transaction described by Subsection (a) that includes an option agreement.

SECTION 2. Effective date: September 1, 2023.