88R3775 DRS-D

By:  Holland H.B. No. 1257

A BILL TO BE ENTITLED

AN ACT

relating to a seller's notice of special district ad valorem taxes or assessments on newly constructed residential real properties.

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

SECTION 1.  Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.0146 to read as follows:

Sec. 5.0146.  NOTICE OF CERTAIN AD VALOREM TAXES OR ASSESSMENTS ON NEWLY CONSTRUCTED RESIDENTIAL PROPERTIES. (a) In this section, "special district" means a political subdivision of this state with a limited geographic area created by local law or under general law for a special purpose.

(b)  A seller of a newly constructed residential real property that is located in a special district shall give to the first purchaser of the property a written notice that reads substantially similar to the following:

NOTICE OF OBLIGATION TO PAY AD VALOREM TAX OR ASSESSMENT IMPOSED BY (name of the special district) CONCERNING THE PROPERTY AT (street address)

The property at (street address) is located in (name, type, and purpose of the special district). As a purchaser of this parcel of real property you are obligated to pay an ad valorem tax or assessment imposed by (name of the special district). The ad valorem tax rate imposed by (the special district) in the (previous tax year) tax year was (previous year's tax rate). The assessment rate or amount imposed by (the special district) is (assessment rate or amount). More information concerning the rate of the ad valorem tax or the rate or amount of the assessment and the terms of payment may be obtained from the special district imposing the ad valorem tax or assessment.

The rate of the ad valorem tax or the rate or amount of the assessment is subject to change. Your failure to pay the ad valorem tax or assessment could result in a lien on and the foreclosure of your property.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_        \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date                    Signature of Seller

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_        \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date                    Signature of Purchaser

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

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

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

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

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

SECTION 2.  Section 5.0146, Property Code, as added by this Act, applies only to a sale of property for which a contract is entered into on or after the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2023.