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H.B. No. 697

A BILL TO BE ENTITLED

1 AN ACT

2 relating to seller's disclosures for the sale of residential real
3 property.

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

5 SECTION 1. Section 5.008(b), Property Code, is amended to
6 read as follows:

7 (b) The notice must be executed and must, at a minimum, read
8 substantially similar to the following:

9 SELLER'S DISCLOSURE NOTICE

10 CONCERNING THE PROPERTY AT _____
11 (Street Address and City)

12 THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF
13 THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY
14 SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR
15 WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT
16 A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

17 Seller ___ is ___ is not occupying the Property.

18 If unoccupied, how long since Seller has occupied the Property?

19 _____

20 1. The Property has the items checked below:

21 Write Yes (Y), No (N), or Unknown (U).

- | | | | |
|----|------------------|----------------------|------------------|
| 22 | 23 ___ Range | ___ Oven | ___ Microwave |
| 24 | ___ Dishwasher | ___ Trash Compactor | ___ Disposal |
| 25 | ___ Washer/Dryer | ___ Window | ___ Rain Gutters |
| 26 | ___ Hookups | ___ Screens | |
| 27 | ___ Security | ___ Fire Detection | ___ Intercom |
| 28 | ___ System | ___ Equipment | ___ System |
| 29 | | ___ Smoke Detector | |
| 30 | | ___ Smoke Detector - | |
| 31 | | ___ Hearing Impaired | |
| 32 | | ___ Carbon Monoxide | |
| 33 | | ___ Alarm | |

- 1 ___ Emergency Escape
- 2 Ladder(s)
- 3 ___ TV Antenna ___ Cable TV ___ Satellite
- 4 Wiring Dish
- 5 ___ Ceiling Fan(s) ___ Attic Fan(s) ___ Exhaust
- 6 Fan(s)
- 7 ___ Central A/C ___ Central Heating ___ Wall/Window
- 8 Air
- 9 Conditioning
- 10 ___ Plumbing System ___ Septic System ___ Public Sewer
- 11 System
- 12 ___ Patio/Decking ___ Outdoor Grill ___ Fences
- 13 ___ Pool ___ Sauna ___ Spa
- 14 Hot Tub
- 15 ___ Pool Equipment ___ Pool Heater ___ Automatic Lawn
- 16 Sprinkler
- 17 System
- 18 ___ Fireplace(s) & ___ Fireplace(s) &
- 19 Chimney Chimney
- 20 (Woodburning) (Mock)
- 21 ___ Natural Gas Lines ___ Gas Fixtures
- 22 ___ Liquid Propane Gas: ___ LP Community ___ LP on Property
- 23 (Captive)
- 24 ___ Fuel Gas Piping: ___ Black Iron Pipe ___ Corrugated
- 25 ___ Copper ___ Stainless Steel
- 26 ___ Tubing
- 27 Garage: ___ Attached ___ Not Attached ___ Carport
- 28 Garage Door Opener(s): ___ Electronic ___ Control(s)
- 29 Water Heater: ___ Gas ___ Electric
- 30 Water Supply: ___ City ___ Well ___ MUD ___ Co-op

31 Roof Type: _____ Age: _____(approx)

32 Are you (Seller) aware of any of the above items that are not in
 33 working condition, that have known defects, or that are in need of
 34 repair? ___ Yes ___ No ___ Unknown.

35 If yes, then describe. (Attach additional sheets if necessary):

36 _____

37 _____

38 2. Does the property have working smoke detectors installed in
 39 accordance with the smoke detector requirements of Chapter 766,
 40 Health and Safety Code?* ___ Yes ___ No ___ Unknown.

1 If the answer to the question above is no or unknown,
2 explain. (Attach additional sheets if necessary): _____
3 _____
4 _____

5 *Chapter 766 of the Health and Safety Code requires
6 one-family or two-family dwellings to have working smoke detectors
7 installed in accordance with the requirements of the building code
8 in effect in the area in which the dwelling is located, including
9 performance, location, and power source requirements. If you do
10 not know the building code requirements in effect in your area, you
11 may check unknown above or contact your local building official for
12 more information. A buyer may require a seller to install smoke
13 detectors for the hearing impaired if: (1) the buyer or a member of
14 the buyer's family who will reside in the dwelling is hearing
15 impaired; (2) the buyer gives the seller written evidence of the
16 hearing impairment from a licensed physician; and (3) within 10
17 days after the effective date, the buyer makes a written request for
18 the seller to install smoke detectors for the hearing impaired and
19 specifies the locations for installation. The parties may agree
20 who will bear the cost of installing the smoke detectors and which
21 brand of smoke detectors to install.

22 3. Are you (Seller) aware of any known defects/malfunctions in any
23 of the following?

24 Write Yes (Y) if you are aware, write No (N) if you are not aware.

- 25
26 Interior Walls Ceilings Floors
27 Exterior Walls Doors Windows
28 Roof Foundation/
29 Slab(s)
30 Walls/Fences Driveways Sidewalks

1 Plumbing/Sewers/ Electrical Lighting
2 Septics Systems Fixtures

3 Other Structural Components (Describe): _____

4 _____

5 _____

6 If the answer to any of the above is yes, explain. (Attach
7 additional sheets if necessary): _____

8 _____

9 _____

10 4. Are you (Seller) aware of any of the following conditions?

11 Write Yes (Y) if you are aware, write No (N) if you are not aware.

- 12 Active Termites Previous Structural
- 13 (includes or Roof Repair
- 14 wood-destroying insects)
- 15 Termite or Wood Rot Damage Hazardous or Toxic Waste
- 16 Needing Repair
- 17 Previous Termite Damage Asbestos Components
- 18 Previous Termite Urea formaldehyde
- 19 Treatment Insulation
- 20 Radon Gas
- 21 Improper Drainage Lead Based Paint
- 22 Water Damage Not Due to a Aluminum Wiring
- 23 Flood Event
- 24 Previous Fires
- 25 Landfill, Settling, Soil Unplatted Easements
- 26 Movement, Fault Lines Subsurface
- 27 Single Blockable Main Structure or Pits
- 28 Drain in Pool/Hot Previous Use of Premises
- 29 Tub/Spa* for Manufacture of
- 30 Methamphetamine
- 31 Methamphetamine

32 If the answer to any of the above is yes, explain. (Attach
33 additional sheets if necessary): _____

34 _____

35 _____

36 *A single blockable main drain may cause a suction entrapment
37 hazard for an individual.

38 5. Are you (Seller) aware of any item, equipment, or system in or

1 on the property that is in need of repair? Yes (if you are
2 aware) No (if you are not aware). If yes, explain (attach
3 additional sheets as necessary).

4 _____

5 6. Are you (Seller) aware of any of the following conditions?

6 * Write Yes (Y) if you are aware, write No (N) if you are not aware.

7 Present flood insurance coverage

8 Previous flooding due to a failure or breach of a reservoir or a
9 controlled or emergency release of water from a reservoir

10 Previous water penetration into a structure on the property due
11 to a natural flood event

12 Write Yes (Y) if you are aware and check wholly or partly as
13 applicable, write No (N) if you are not aware.

14 Located () wholly () partly in a 100-year floodplain (Special
15 Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)

16 Located () wholly () partly in a 500-year floodplain (Moderate
17 Flood Hazard Area-Zone X (shaded))

18 Located () wholly () partly in a floodway

19 Located () wholly () partly in a flood pool

20 Located () wholly () partly in a reservoir

21 If the answer to any of the above is yes, explain (attach additional
22 sheets as necessary): _____

23 _____

24 * For purposes of this notice:

25 "100-year floodplain" means any area of land that:

26 (A) is identified on the flood insurance rate map as a
27 special flood hazard area, which is designated as Zone A, V, A99,
28 AE, AO, AH, VE, or AR on the map;

29 (B) has a one percent annual chance of flooding, which
30 is considered to be a high risk of flooding; and

31 (C) may include a regulatory floodway, flood pool, or
32 reservoir.

1 "500-year floodplain" means any area of land that:

2 (A) is identified on the flood insurance rate map as a
3 moderate flood hazard area, which is designated on the map as Zone X
4 (shaded); and

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

7 "Flood pool" means the area adjacent to a reservoir that lies
8 above the normal maximum operating level of the reservoir and that
9 is subject to controlled inundation under the management of the
10 United States Army Corps of Engineers.

11 "Flood insurance rate map" means the most recent flood hazard
12 map published by the Federal Emergency Management Agency under the
13 National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et
14 seq.).

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

21 "Reservoir" means a water impoundment project operated by the
22 United States Army Corps of Engineers that is intended to retain
23 water or delay the runoff of water in a designated surface area of
24 land.

25 7. Have you (Seller) ever filed a claim for flood damage to the
26 property with any insurance provider, including the National Flood
27 Insurance Program (NFIP)?* Yes No. If yes, explain (attach

1 additional sheets as necessary): _____

2 _____

3 *Homes in high risk flood zones with mortgages from federally
4 regulated or insured lenders are required to have flood
5 insurance. Even when not required, the Federal Emergency
6 Management Agency (FEMA) encourages homeowners in high risk,
7 moderate risk, and low risk flood zones to purchase flood insurance
8 that covers the structure(s) and the personal property within the
9 structure(s).

10 8. Have you (Seller) ever received assistance from FEMA or the
11 U.S. Small Business Administration (SBA) for flood damage to the
12 property? ___ Yes ___ No. If yes, explain (attach additional sheets
13 as necessary): _____

14 _____

15 9. Are you (Seller) aware of any of the following?

16 Write Yes (Y) if you are aware, write No (N) if you are not aware.

- 17
18 ___ Room additions, structural modifications, or other
19 alterations or repairs made without necessary permits or not
20 in compliance with building codes in effect at that time.
21 ___ Homeowners' Association or maintenance fees or assessments.
22 ___ Any "common area" (facilities such as pools, tennis courts,
23 walkways, or other areas) co-owned in undivided interest with
24 others.
25 ___ Any notices of violations of deed restrictions or
26 governmental ordinances affecting the condition or use of the
27 Property.
28 ___ Any lawsuits directly or indirectly affecting the Property.
29 ___ Any condition on the Property which materially affects the
30 physical health or safety of an individual.
31 ___ Any rainwater harvesting system located on the property that
32 is larger than 500 gallons and that uses a public water supply
33 as an auxiliary water source.
34 ___ Any portion of the property that is located in a groundwater
35 conservation district or a subsidence district.

36 If the answer to any of the above is yes, explain. (Attach

1 additional sheets if necessary): _____
2 _____
3 _____

4 10. If the property is located in a coastal area that is seaward of
5 the Gulf Intracoastal Waterway or within 1,000 feet of the mean high
6 tide bordering the Gulf of Mexico, the property may be subject to
7 the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63,
8 Natural Resources Code, respectively) and a beachfront
9 construction certificate or dune protection permit may be required
10 for repairs or improvements. Contact the local government with
11 ordinance authority over construction adjacent to public beaches
12 for more information.

13 11. This property may be located near a military installation and
14 may be affected by high noise or air installation compatible use
15 zones or other operations. Information relating to high noise and
16 compatible use zones is available in the most recent Air
17 Installation Compatible Use Zone Study or Joint Land Use Study
18 prepared for a military installation and may be accessed on the
19 Internet website of the military installation and of the county and
20 any municipality in which the military installation is located.

21 12. Provide the following information about each special district
22 in which the property is located:

23 (A) the name of the district;

24 (B) the ad valorem tax rate or assessment rate imposed by
25 the district for the preceding tax year; and

26 (C) the dollar amount of any ad valorem taxes or assessments
27 imposed by the district for the preceding tax year. (Attach

1 additional sheets if necessary):

2 _____
3 _____

4 _____
5 Date Signature of Seller

6 The undersigned purchaser hereby acknowledges receipt of the
7 foregoing notice.

8 _____
9 Date Signature of Purchaser

10 SECTION 2. Section 5.008(b), Property Code, as amended by
11 this Act, applies only to a transfer of property that occurs on or
12 after the effective date of this Act. A transfer of property that
13 occurs before the effective date of this Act is governed by the law
14 applicable to the transfer immediately before that date, and the
15 former law is continued in effect for that purpose. For the
16 purposes of this section, a transfer of property occurs before the
17 effective date of this Act if the contract binding the purchaser to
18 purchase the property is executed before that date.

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