By: Holland

H.B. No. 1257

	A BILL TO BE ENTITLED
1	AN ACT
2	relating to a seller's notice of special district ad valorem taxes
3	or assessments on 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 5.0146 to read as follows:
7	Sec. 5.0146. NOTICE OF CERTAIN AD VALOREM TAXES OR
8	ASSESSMENTS ON NEWLY CONSTRUCTED RESIDENTIAL PROPERTIES. (a) In
9	this section, "special district" means a political subdivision of
10	this state with a limited geographic area created by local law or
11	under general law for a special purpose.
12	(b) A seller of a newly constructed residential real
13	property that is located in a special district shall give to the
14	first purchaser of the property a written notice that reads
15	substantially similar to the following:
16	NOTICE OF OBLIGATION TO PAY AD VALOREM TAX OR ASSESSMENT IMPOSED BY
17	(name of the special district) CONCERNING THE PROPERTY AT (street
18	address)
19	The property at (street address) is located in (name, type,
20	and purpose of the special district). As a purchaser of this parcel
21	of real property you are obligated to pay an ad valorem tax or
22	assessment imposed by (name of the special district). The ad
23	valorem tax rate imposed by (the special district) in the (previous
24	tax year) tax year was (previous year's tax rate). The assessment

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1	rate or amount imposed by (the special district) is (assessment
2	rate or amount). More information concerning the rate of the ad
3	valorem tax or the rate or amount of the assessment and the terms of
4	payment may be obtained from the special district imposing the ad
5	valorem tax or assessment.
6	The rate of the ad valorem tax or the rate or amount of the
7	assessment is subject to change. Your failure to pay the ad valorem
8	tax or assessment could result in a lien on and the foreclosure of
9	your property.
10	
11	Date Signature of Seller
12	The undersigned purchaser hereby acknowledges receipt of the
13	foregoing notice.
14	
15	Date <u>Signature of Purchaser</u>
16	(c) The seller shall deliver the notice required under
17	Subsection (b) to the purchaser before the effective date of an
18	executory contract binding the purchaser to purchase the property.
19	The notice may be given separately, as part of the contract during
20	the negotiations, or as part of any other notice the seller delivers
21	to the purchaser.
22	(d) If an executory contract is entered into without the
23	seller providing the notice required by this section, the purchaser
24	may terminate the contract for any reason not later than the earlier
25	<u>of:</u>
26	(1) the seventh day after the date the purchaser
27	receives the notice; or

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1 (2) the date the transfer occurs as provided by the 2 executory contract. 3 (e) The purchaser's right to terminate the executory 4 contract under Subsection (d) is the purchaser's exclusive remedy for the seller's failure to provide the notice required by this 5 6 section. SECTION 2. Section 5.0146, Property Code, as added by this 7 Act, applies only to a sale of property for which a contract is 8 entered into on or after the effective date of this Act. 9

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

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