

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

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
5 for the seller's failure to provide the notice required by this
6 section.

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

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