

By: Holland

H.B. No. 1674

A BILL TO BE ENTITLED

AN ACT

relating to certain sales or purported sales of homestead property that are classified as loans.

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

SECTION 1. Sections 41.006(a) and (c), Property Code, are amended to read as follows:

(a) Except as provided by Subsection (c), 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, 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, Finance Code.

(c) This section does not apply to:

(1) the sale of a family homestead to a parent, stepparent, grandparent, child, stepchild, brother, half brother, sister, half sister, or grandchild of an adult member of the family;

or

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

SECTION 2. This Act takes effect September 1, 2023.