1	AN ACT
2	relating to the filing and release of record of a unilateral
3	memorandum of contract concerning residential property.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Chapter 12, Property Code, is amended by adding
6	Section 12.020 to read as follows:
7	Sec. 12.020. FILING AND RELEASE OF UNILATERAL MEMORANDUM OF
8	CONTRACT CONCERNING RESIDENTIAL PROPERTY. (a) In this section:
9	(1) "Residential property" means the real property and
10	existing improvements for a single-family house, duplex, triplex,
11	or quadruplex or a unit in a multiunit structure used for
12	residential purposes in which title to the individual units is
13	transferred to the owners under a condominium system.
14	(2) "Unilateral memorandum of contract" means a
15	written document that is signed only by a person who is not an owner
16	of the residential property and asserts that the person has entered
17	into a contract with an owner of residential property for the
18	purchase of an interest in the property, for an option to purchase
19	an interest in the property, for a right of first refusal or first
20	offer to purchase an interest in the property, or for a right to
21	match any offer to purchase an interest in the property. The term
22	does not include a deed or a document granting a right of first
23	
	refusal pursuant to a condominium declaration.

1	of contract concerning residential property shall:
2	(1) provide to the county clerk the person's mailing
3	address and a certificate of mailing that substantially complies
4	with Subsection (h) for recording with the unilateral memorandum of
5	contract; and
6	(2) not later than the date the person files the
7	memorandum with the county clerk, send a copy of the filed
8	memorandum and a letter notifying the owner of the property of the
9	filing of the memorandum by registered or certified mail, return
10	receipt requested, to:
11	(A) the address of the property; and
12	(B) any mailing address shown for the owner on
13	the filed memorandum, in the real property records for the
14	property, or in the records of the relevant appraisal district with
15	respect to the property.
16	(c) An owner of residential property who receives a letter
17	described by Subsection (b) or otherwise has notice of a recorded
18	unilateral memorandum of contract concerning the property may file
19	for recording in the real property records of the county in which
20	the property is located:
21	(1) an affidavit that substantially complies with
22	Subsection (i); and
23	(2) a certificate of mailing that substantially
24	complies with Subsection (j).
25	(d) An owner of residential property who files an affidavit
26	under Subsection (c) shall send a copy of the filed affidavit and a
27	letter notifying the person who filed the unilateral memorandum of

contract of the filing of the affidavit. The letter and the copy of 1 the affidavit must be sent by registered or certified mail, return 2 3 receipt requested, to: 4 (1) the address provided to the county clerk by the 5 person who filed the memorandum; and 6 (2) the address of any other person referenced in the memorandum other than the property owner. 7 (e) Subject to Subsection (f) and except as provided by 8 Subsection (g): 9 (1) an affidavit filed under Subsection (c) serves as 10 a release of record of a contract, option, or right asserted to 11 12 exist by the unilateral memorandum of contract referenced in the affidavit; and 13 14 (2) after the affidavit is recorded: 15 (A) the memorandum and any information derived or that could be derived from the memorandum does not: 16 17 (i) constitute constructive or actual notice of any contract, option, or right concerning the residential 18 19 property that is asserted to exist by the memorandum; (ii) create any duty of inquiry in a person 20 with respect to the residential property described in the 21 22 memorandum; or 23 (iii) affect the validity of a conveyance 24 to a purchaser for value or of a mortgage to a lender for value; 25 (B) a contract, option, or right asserted to 26 exist by the memorandum is not enforceable against a purchaser or lender described by Paragraph (A)(iii), regardless of whether the 27

H.B. No. 4063

1 purchaser or lender knew of the memorandum; and 2 (C) an interest in the residential property may 3 be transferred or encumbered free of all interests asserted in the 4 memorandum. 5 (f) If an owner of residential property has filed an affidavit and certificate of mailing under Subsection (c) and a 6 7 contradicting affidavit is not filed under Subsection (g): 8 (1) a bona fide purchaser or a mortgagee for value or a successor or assign of a bona fide purchaser or mortgagee for value 9 may rely conclusively on the affidavit filed by the owner under 10 Subsection (c) on and after the 45th day after the date the 11 12 certificate of mailing was recorded; and (2) the sole remedy available in an action brought to 13 14 enforce a person's rights asserted under the unilateral memorandum of contract referenced in the affidavit is money damages. 15 (g) An affidavit filed under Subsection (c) does not serve 16 17 as a release of record of a contract, option, or right asserted to exist by a unilateral memorandum of contract filed for recording 18 19 under this section with respect to a purchaser or mortgagee of the residential property that acquires the purchaser's or mortgagee's 20 interest from the owner if, not later than the 45th day after the 21 22 date a certificate of mailing was recorded under Subsection (c), 23 the person who filed the memorandum files for recording in the real 24 property records of the county in which the residential property is located a contradicting affidavit asserting that: 25 26 (1) the affidavit or certificate of mailing filed by 27 the owner under Subsection (c) is untrue; or

	H.B. No. 4063
1	(2) another reason exists as to why the memorandum
2	serves as a valid notice of record of a contract for the purchase of
3	an interest in residential property, for an option to purchase an
4	interest in the property, for a right of first refusal or first
5	offer to purchase an interest in the property, or for a right to
6	match any offer to purchase an interest in the property.
7	(h) A certificate of mailing filed under Subsection (b) must
8	be in substantially the following form:
9	CERTIFICATE OF MAILING OF NOTICE OF FILED UNILATERAL MEMORANDUM OF
10	CONTRACT
11	Before me, the undersigned authority, on this day personally
12	<pre>appeared ("Affiant(s)") (insert name(s) of Affiant(s))</pre>
13	who, being first duly sworn, upon oath state(s):
14	(1) My name is/Our names are (insert
14 15	(1) My name is/Our names are (insert
15	<pre>name(s) of Affiant(s)).</pre>
15 16	<pre>name(s) of Affiant(s)).         (2) On the day of, 20, Affiant(s) caused a Unilateral Memorandum of Contract asserting the existence</pre>
15 16 17	<pre>name(s) of Affiant(s)).         (2) On the day of, 20, Affiant(s) caused a Unilateral Memorandum of Contract asserting the existence</pre>
15 16 17 18	<pre>name(s) of Affiant(s)).         (2) On the day of, 20, Affiant(s) caused a Unilateral Memorandum of Contract asserting the existence of a contract for the purchase of an interest in residential</pre>
15 16 17 18 19	<pre>name(s) of Affiant(s)).</pre>
15 16 17 18 19 20	<pre>name(s) of Affiant(s)).</pre>
15 16 17 18 19 20 21	<pre>name(s) of Affiant(s)).         (2) On the day of, 20, Affiant(s) caused a Unilateral Memorandum of Contract asserting the existence of a contract for the purchase of an interest in residential property, for an option to purchase an interest in residential property, for a right of first refusal or first offer to purchase an interest in residential property, or for a right to match any offer</pre>
15 16 17 18 19 20 21 22	<pre>name(s) of Affiant(s)).         (2) On the day of, 20, Affiant(s) caused a Unilateral Memorandum of Contract asserting the existence of a contract for the purchase of an interest in residential property, for an option to purchase an interest in residential property, for a right of first refusal or first offer to purchase an interest in residential property, or for a right to match any offer for the purchase of an interest in residential property</pre>
15 16 17 18 19 20 21 22 23	<pre>name(s) of Affiant(s)).</pre>
15 16 17 18 19 20 21 22 23 24	<pre>name(s) of Affiant(s)).</pre>

	H.B. NO. 4063
1	of the filing of the Memorandum, by registered or certified mail,
2	return receipt requested, to:
3	(A) the address of the Property; and
4	(B) any mailing address shown for the owner of
5	the Property on the Memorandum, in the real property records for the
6	Property, or in the records of the relevant appraisal district with
7	respect to the Property.
8	(4) Attached to this certificate are:
9	(A) a true and correct copy of the letter
10	described by Subdivision (3) of this certificate; and
11	(B) proof of mailing of the letter as described
12	by Subdivision (3) of this certificate.
13	Signed on the day of, 20
14	
15	
16	(Signature of Affiant(s))
17	State of
18	County of
19	SWORN TO AND SUBSCRIBED before me on the day of
20	, 20
21	My commission expires:
22	
23	
24	Notary Public, State of Texas
25	Notary's printed name:
26	
27	(i) An affidavit filed under Subsection (c) must be in

1	substantially the following form:
2	AFFIDAVIT FOR RELEASE OF UNILATERAL MEMORANDUM OF CONTRACT
3	Before me, the undersigned authority, on this day personally
4	<pre>appeared ("Affiant(s)") (insert name(s) of Affiant(s))</pre>
5	who, being first duly sworn, upon oath state(s):
6	(1) My name is/Our names are (insert
7	name(s) of Affiant(s)). I/We own the following described
8	residential property ("Property"):
9	(describe the residential property)
10	(2) This affidavit is made for the purpose of
11	effecting a release of a contract for the purchase of an interest in
12	the Property, an option to purchase an interest in the Property, a
13	right of first refusal or first offer to purchase an interest in the
14	Property, or a right to match any offer to purchase an interest in
15	the Property under a contract asserted to exist by that unilateral
16	<pre>memorandum of contract recorded in (refer to recording</pre>
17	information of unilateral memorandum of contract) ("Unilateral
18	Memorandum of Contract").
19	(3) The factual basis for this affidavit is:
20	(describe the relevant facts)
21	(4) This affidavit serves as a release of any contract
22	for the purchase of an interest in the Property, option to purchase
23	an interest in the Property, right of first refusal or first offer
24	to purchase an interest in the Property, or right to match any offer
25	to purchase an interest in the Property under the contract asserted
26	to exist by the Unilateral Memorandum of Contract in accordance
27	with Section 12.020, Property Code.

		H.B. No. 4063
1	Signed on this day of,	<u>.</u>
2		
3		
4	(Signature of Affiant(s))	
5	State of	
6	County of	
7	SWORN TO AND SUBSCRIBED before me on the	day of
8	, 20	
9	My commission expires:	
10		
11		
12	Notary Public	, State of Texas
13	Notary	's printed name:
14		
15	(j) A certificate of mailing filed under Subs	section (c) must
16	be in substantially the following form:	
17	CERTIFICATE OF MAILING OF AFFIDAVIT FOR RELEASE O	)F UNILATERAL
18	MEMORANDUM OF CONTRACT	
19	Before me, the undersigned authority, on this	3 day personally
20	<pre>appeared ("Affiant(s)") (insert name(s)</pre>	of Affiant(s))
21	<pre>who, being first duly sworn, upon oath state(s):</pre>	
22	(1) My name is/Our names are	(insert
23	<pre>name(s) of Affiant(s)).</pre>	
24	(2) On the day of, 20	0, Affiant(s)
25	caused an Affidavit for Release of UNILATERAL	MEMORANDUM OF
26	CONTRACT to be recorded in (refer to affi	davit recording
27	information) ("Affidavit").	

	H.B. No. 4063
1	(3) On the day of, 20_, Affiant(s)
2	sent a copy of the Affidavit and a letter notifying the person who
3	filed the Unilateral Memorandum of Contract referenced in the
4	Affidavit ("Memorandum") of the Affiant's/Affiants' claim for the
5	filing and release of the Affidavit, by registered or certified
6	mail, return receipt requested, to:
7	(A) the address of the person who filed the
8	Memorandum, as provided to the county clerk; and
9	(B) the address of any other person referenced in
10	the Memorandum.
11	(4) Attached to this certificate are:
12	(A) a true and correct copy of the letter
13	described by Subdivision (3) of this certificate; and
14	(B) proof of mailing of the letter as described
15	by Subdivision (3) of this certificate.
16	Signed on the day of, 20
17	
18	
19	(Signature of Affiant(s))
20	State of
21	County of
22	SWORN TO AND SUBSCRIBED before me on the day of
23	, 20 <u></u> .
24	My commission expires:
25	
26	
27	Notary Public, State of Texas

	H.B. No. 4063
1	Notary's printed name:
2	
3	(k) If a unilateral memorandum of contract filed for
4	recording on or after September 1, 2025, does not comply with
5	Subsection (b):
6	(1) the memorandum and any information derived or that
7	could be derived from the memorandum does not:
8	(A) constitute constructive or actual notice of
9	any contract, option, or right concerning the residential property
10	that is asserted to exist by the memorandum;
11	(B) create any duty of inquiry in a person with
12	respect to the residential property described in the memorandum; or
13	(C) affect the validity of a conveyance to a
14	purchaser for value or of a mortgage to a lender for value;
15	(2) a contract, option, or right asserted to exist by
16	the memorandum is not enforceable against a purchaser or lender
17	described by Subdivision (1)(C), regardless of whether the
18	purchaser or lender knew of the memorandum;
19	(3) an interest in the residential property may be
20	transferred or encumbered free of all interests asserted in the
21	memorandum; and
22	(4) the sole remedy available in an action brought to
23	enforce a person's rights asserted under the unilateral memorandum
24	of contract referenced in the affidavit is money damages.
25	SECTION 2. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 4063 was passed by the House on May 6, 2025, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4063 was passed by the Senate on May 26, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED:

Date

Governor