

1-1 By: Ordaz, et al. (Senate Sponsor - Zaffirini) H.B. No. 4063  
1-2 (In the Senate - Received from the House May 6, 2025;  
1-3 May 7, 2025, read first time and referred to Committee on Business  
1-4 & Commerce; May 22, 2025, reported favorably by the following vote:  
1-5 Yeas 11, Nays 0; May 22, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the filing and release of record of a unilateral  
1-22 memorandum of contract concerning residential property.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Chapter 12, Property Code, is amended by adding  
1-25 Section 12.020 to read as follows:

1-26 Sec. 12.020. FILING AND RELEASE OF UNILATERAL MEMORANDUM OF  
1-27 CONTRACT CONCERNING RESIDENTIAL PROPERTY. (a) In this section:

1-28 (1) "Residential property" means the real property and  
1-29 existing improvements for a single-family house, duplex, triplex,  
1-30 or quadruplex or a unit in a multiunit structure used for  
1-31 residential purposes in which title to the individual units is  
1-32 transferred to the owners under a condominium system.

1-33 (2) "Unilateral memorandum of contract" means a  
1-34 written document that is signed only by a person who is not an owner  
1-35 of the residential property and asserts that the person has entered  
1-36 into a contract with an owner of residential property for the  
1-37 purchase of an interest in the property, for an option to purchase  
1-38 an interest in the property, for a right of first refusal or first  
1-39 offer to purchase an interest in the property, or for a right to  
1-40 match any offer to purchase an interest in the property. The term  
1-41 does not include a deed or a document granting a right of first  
1-42 refusal pursuant to a condominium declaration.

1-43 (b) A person who files for recording a unilateral memorandum  
1-44 of contract concerning residential property shall:

1-45 (1) provide to the county clerk the person's mailing  
1-46 address and a certificate of mailing that substantially complies  
1-47 with Subsection (h) for recording with the unilateral memorandum of  
1-48 contract; and

1-49 (2) not later than the date the person files the  
1-50 memorandum with the county clerk, send a copy of the filed  
1-51 memorandum and a letter notifying the owner of the property of the  
1-52 filing of the memorandum by registered or certified mail, return  
1-53 receipt requested, to:

1-54 (A) the address of the property; and

1-55 (B) any mailing address shown for the owner on  
1-56 the filed memorandum, in the real property records for the  
1-57 property, or in the records of the relevant appraisal district with  
1-58 respect to the property.

1-59 (c) An owner of residential property who receives a letter  
1-60 described by Subsection (b) or otherwise has notice of a recorded  
1-61 unilateral memorandum of contract concerning the property may file

for recording in the real property records of the county in which the property is located:

(1) an affidavit that substantially complies with Subsection (i); and

(2) a certificate of mailing that substantially complies with Subsection (j).

(d) An owner of residential property who files an affidavit under Subsection (c) shall send a copy of the filed affidavit and a letter notifying the person who filed the unilateral memorandum of contract of the filing of the affidavit. The letter and the copy of the affidavit must be sent by registered or certified mail, return receipt requested, to:

(1) the address provided to the county clerk by the person who filed the memorandum; and

(2) the address of any other person referenced in the memorandum other than the property owner.

(e) Subject to Subsection (f) and except as provided by Subsection (g):

(1) an affidavit filed under Subsection (c) serves as a release of record of a contract, option, or right asserted to exist by the unilateral memorandum of contract referenced in the affidavit; and

(2) after the affidavit is recorded:  
(A) the memorandum and any information derived or that could be derived from the memorandum does not:

(i) constitute constructive or actual notice of any contract, option, or right concerning the residential property that is asserted to exist by the memorandum;

(ii) create any duty of inquiry in a person with respect to the residential property described in the memorandum; or

(iii) affect the validity of a conveyance to a purchaser for value or of a mortgage to a lender for value;

(B) a contract, option, or right asserted to exist by the memorandum is not enforceable against a purchaser or lender described by Paragraph (A)(iii), regardless of whether the purchaser or lender knew of the memorandum; and

(C) an interest in the residential property may be transferred or encumbered free of all interests asserted in the memorandum.

(f) If an owner of residential property has filed an affidavit and certificate of mailing under Subsection (c) and a contradicting affidavit is not filed under Subsection (g):

(1) a bona fide purchaser or a mortgagee for value or a successor or assign of a bona fide purchaser or mortgagee for value may rely conclusively on the affidavit filed by the owner under Subsection (c) on and after the 45th day after the date the certificate of mailing was recorded; and

(2) the sole remedy available in an action brought to enforce a person's rights asserted under the unilateral memorandum of contract referenced in the affidavit is money damages.

(g) An affidavit filed under Subsection (c) does not serve as a release of record of a contract, option, or right asserted to exist by a unilateral memorandum of contract filed for recording under this section with respect to a purchaser or mortgagee of the residential property that acquires the purchaser's or mortgagee's interest from the owner if, not later than the 45th day after the date a certificate of mailing was recorded under Subsection (c), the person who filed the memorandum files for recording in the real property records of the county in which the residential property is located a contradicting affidavit asserting that:

(1) the affidavit or certificate of mailing filed by the owner under Subsection (c) is untrue; or

(2) another reason exists as to why the memorandum serves as a valid notice of record of a contract for the purchase of an interest in residential property, for an option to purchase an interest in the property, for a right of first refusal or first offer to purchase an interest in the property, or for a right to match any offer to purchase an interest in the property.

(h) A certificate of mailing filed under Subsection (b) must be in substantially the following form:

CERTIFICATE OF MAILING OF NOTICE OF FILED UNILATERAL MEMORANDUM OF CONTRACT

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ ("Affiant(s)") (insert name(s) of Affiant(s)) who, being first duly sworn, upon oath state(s):

(1) My name is/Our names are \_\_\_\_\_ (insert 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 ("Property") to be recorded in \_\_\_\_\_ (refer to affidavit recording information) ("Memorandum").

(3) On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Affiant(s) sent a copy of the Memorandum and a letter notifying the owner of the residential property referenced in the Memorandum ("Property") of the filing of the Memorandum, by registered or certified mail, return receipt requested, to:

(A) the address of the Property; and  
(B) any mailing address shown for the owner of the Property on the Memorandum, in the real property records for the Property, or in the records of the relevant appraisal district with respect to the Property.

(4) Attached to this certificate are:  
(A) a true and correct copy of the letter described by Subdivision (3) of this certificate; and  
(B) proof of mailing of the letter as described by Subdivision (3) of this certificate.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

(Signature of Affiant(s))

State of \_\_\_\_\_

County of \_\_\_\_\_

SWORN TO AND SUBSCRIBED before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My commission expires: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Notary's printed name:

(i) An affidavit filed under Subsection (c) must be in substantially the following form:

AFFIDAVIT FOR RELEASE OF UNILATERAL MEMORANDUM OF CONTRACT

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ ("Affiant(s)") (insert name(s) of Affiant(s)) who, being first duly sworn, upon oath state(s):

(1) My name is/Our names are \_\_\_\_\_ (insert name(s) of Affiant(s)). I/We own the following described residential property ("Property"):

(describe the residential property)

(2) This affidavit is made for the purpose of effecting a release of a contract for the purchase of an interest in the Property, an option to purchase an interest in the Property, a right of first refusal or first offer to purchase an interest in the Property, or a right to match any offer to purchase an interest in the Property under a contract asserted to exist by that unilateral memorandum of contract recorded in \_\_\_\_\_ (refer to recording information of unilateral memorandum of contract) ("Unilateral Memorandum of Contract").

(3) The factual basis for this affidavit is:

(describe the relevant facts)

(4) This affidavit serves as a release of any contract

for the purchase of an interest in the Property, option to purchase an interest in the Property, right of first refusal or first offer to purchase an interest in the Property, or right to match any offer to purchase an interest in the Property under the contract asserted to exist by the Unilateral Memorandum of Contract in accordance with Section 12.020, Property Code.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(Signature of Affiant(s))

State of \_\_\_\_\_

County of \_\_\_\_\_

SWORN TO AND SUBSCRIBED before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My commission expires:

Notary Public, State of Texas

Notary's printed name:

(j) A certificate of mailing filed under Subsection (c) must be in substantially the following form:

CERTIFICATE OF MAILING OF AFFIDAVIT FOR RELEASE OF UNILATERAL  
MEMORANDUM OF CONTRACT

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ ("Affiant(s)") (insert name(s) of Affiant(s)) who, being first duly sworn, upon oath state(s):

(1) My name is/Our names are \_\_\_\_\_ (insert name(s) of Affiant(s)).

(2) On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Affiant(s) caused an Affidavit for Release of UNILATERAL MEMORANDUM OF CONTRACT to be recorded in \_\_\_\_\_ (refer to affidavit recording information) ("Affidavit").

(3) On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Affiant(s) sent a copy of the Affidavit and a letter notifying the person who filed the Unilateral Memorandum of Contract referenced in the Affidavit ("Memorandum") of the Affiant's/Affiants' claim for the filing and release of the Affidavit, by registered or certified mail, return receipt requested, to:

(A) the address of the person who filed the Memorandum, as provided to the county clerk; and

(B) the address of any other person referenced in the Memorandum.

(4) Attached to this certificate are:  
(A) a true and correct copy of the letter described by Subdivision (3) of this certificate; and  
(B) proof of mailing of the letter as described by Subdivision (3) of this certificate.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Signature of Affiant(s))

State of \_\_\_\_\_

County of \_\_\_\_\_

SWORN TO AND SUBSCRIBED before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My commission expires:

Notary Public, State of Texas

Notary's printed name:

(k) If a unilateral memorandum of contract filed for recording on or after September 1, 2025, does not comply with Subsection (b):

(1) the memorandum and any information derived or that could be derived from the memorandum does not:

(A) constitute constructive or actual notice of any contract, option, or right concerning the residential property

that is asserted to exist by the memorandum;

(B) create any duty of inquiry in a person with respect to the residential property described in the memorandum; or

(C) affect the validity of a conveyance to a purchaser for value or of a mortgage to a lender for value;

(2) a contract, option, or right asserted to exist by the memorandum is not enforceable against a purchaser or lender described by Subdivision (1)(C), regardless of whether the purchaser or lender knew of the memorandum;

(3) an interest in the residential property may be transferred or encumbered free of all interests asserted in the memorandum; and

(4) the sole remedy available in an action brought to enforce a person's rights asserted under the unilateral memorandum of contract referenced in the affidavit is money damages.

SECTION 2. This Act takes effect September 1, 2025.

\* \* \* \* \*