

BILL ANALYSIS

H.B. 1658
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that the current seller's disclosure notice required in real property transactions does not inform buyers whether or not a home is in a flood pool or flood reservoir, leaving homebuyers unaware at the time of purchase that their potential new home may be at risk of flooding. H.B. 1658 seeks to address this issue by providing for notice regarding these conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1658 amends the Property Code to require the seller's disclosure of residential real property conditions to include certain notice regarding the buyer's purchase of a separate insurance policy that provides flood insurance coverage and, if the property is located in an area eligible for Texas Windstorm Insurance Association (TWIA) coverage, certain notice that structural changes to the property may require a certificate of compliance before TWIA can issue that coverage. The bill adds spaces to the disclosure for the seller to indicate whether the seller is aware that the property is located in a flood pool or in a flood reservoir.

EFFECTIVE DATE

September 1, 2019.