

BILL ANALYSIS

S.B. 339
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that a seller's disclosure notice for residential property lacks specificity regarding a property's susceptibility to flooding. S.B. 339 seeks to address this concern by revising that notice with respect to applicable statements and questions regarding, among other things, previous property damage, certain flood insurance coverage, the location of the property in relation to a floodplain, flood pool, floodway, or reservoir, and federal assistance for flood damage.

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

S.B. 339 amends the Property Code to revise the requisite seller's disclosure notice of a residential property's condition by including certain applicable statements, by updating certain existing questions in the disclosure notice regarding previous flooding, water penetration, location in a floodplain, and present insurance coverage, and by adding certain other related questions. The bill, in making those revisions and additions, sets out separate questions asking whether:

- the seller is aware of conditions relating to the property's:
 - present flood insurance coverage;
 - previous flooding due to a failure or breach of a reservoir or a controlled or emergency release of water from a reservoir; or
 - previous water penetration into a structure on the property due to a natural flood event;
- the seller is aware the property is located wholly or partly in a 100-year floodplain, 500-year floodplain, floodway, flood pool, or reservoir, as well as a requirement to explain the meaning of applicable terms;
- the seller has ever filed a claim for flood damage to the property with any insurance provider; and
- the seller has ever received assistance from FEMA or the U.S. Small Business Administration for flood damage to the property.

S.B. 339 includes in the disclosure notice certain requirements for a seller who answers any of the preceding questions affirmatively to further explain that answer as necessary. The bill defines "100-year floodplain," "500-year floodplain," "flood insurance rate map," "floodway," "flood pool," and "reservoir" for purposes of the applicable statements and questions in the disclosure notice.

EFFECTIVE DATE

September 1, 2019.