

BILL ANALYSIS

Senate Research Center
76R3444 PAM-D

S.B. 319
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State Affairs
2/16/1999
As Filed

DIGEST

Currently, Texas law does not require a disclosure notice regarding foreclosure or membership in a property owner's association for the sale of residential property. There is no adequate notice that a homeowner's property may be foreclosed for various reasons, including nonpayment of assessments and mandatory property owners' association membership. S.B. 319 requires the seller of residential property to give notice of homestead foreclosure information and notice of membership in a property owners' association.

PURPOSE

As proposed, S.B. 319 requires disclosure notices for the sale of certain residential real property.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 5A, Property Code, by adding Sections 5.012 and 5.013, as follows:

Sec. 5.012. NOTICE OF HOMESTEAD FORECLOSURE INFORMATION. Requires a seller of residential real property comprising not more than one dwelling unit located in this state to give to the purchaser of the property before the transfer of the property a written notice as prescribed by this section. Requires the notice to be conspicuous and printed in 14-point bold-face type. Sets forth an example of how the notice should read. Set forth the consequences of the seller's failure to provide notice.

Sec. 5.013. NOTICE OF OBLIGATIONS RELATED TO MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION. Requires a seller of residential real property that is subjected to membership in a property owners' association and comprising not more than one dwelling unit located in this state to give the purchaser written notice before the transfer of the property. Requires the notice to be conspicuous and printed in 14-point bold-face type. Sets forth an example of how the notice should read. Sets forth the consequences of the seller's failure to provide notice.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.