

BILL ANALYSIS

Senate Research Center
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H.B. 641
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, Texas law does not require a prospective purchaser of residential property to be notified that the property may be subject to future annexation because it is located within a city's extraterritorial jurisdiction. This bill would require a municipal utility district to disclose to the purchaser of residential real property that the district is located in the extraterritorial jurisdiction of a municipality and for that reason the district may be annexed by the municipality, or that the district is located within the corporate boundaries of a municipality, and prescribes the statutory language that is required to be used for such notice.

PURPOSE

As proposed, H.B. 641 requires a municipal utility district to disclose to the purchaser of residential real property that the district is located in the extraterritorial jurisdiction of a municipality or within the corporate boundaries of a municipality, and prescribes the statutory language that is required to be used for such notice.

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 Section 49.452, Water Code, to prohibit the provisions of this section from being applicable to transfers of title to a governmental entity. Requires the prescribed notice for districts, rather than all districts, located in whole or in part in the extraterritorial jurisdiction of one or more home-rule municipalities and not located within the corporate boundaries of a municipality (extraterritorial notice) to be executed by the seller. Sets forth the revised required text and format of the extraterritorial notice. Requires the prescribed notice for districts located in whole or in part within the corporate boundaries of a municipality (corporate notice) to be executed by the seller. Sets forth the required text and format of the corporate notice. Requires the prescribed notice for districts that are not located in whole or in part within the corporate boundaries of a municipality or the extraterritorial jurisdiction of one or more home-rule municipalities (outside of boundaries notice) to be executed by the seller. Sets forth the required text and format of the outside of boundaries notice. Requires a district to revise the content of the notices prescribed by this section to accurately reflect current law, if the law relating to annexation or district dissolution is amended and causes inaccuracies in the content of such notices. Provides that notwithstanding any provision of this subchapter to the contrary, all real estate brokers shall not be liable for damages under the provisions of either Subsection (o) or (p), rather than (l) or (m), or liable for failing to provide required notice to a purchaser prior to the closing of the purchase and sale contract or for unintentionally providing a required notice that is not the correct notice under the circumstances prior to execution of a binding contract of purchase and sale. Makes conforming and nonsubstantive changes.

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

SECTION 3. Emergency clause.