

BILL ANALYSIS

H.B. 4264
By: Elkins
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that state law considering as a loan certain sale-leaseback transactions involving a homestead and a purchase price or subsequent lease payments that differ from fair market value is too restrictive. H.B. 4264 seeks to eliminate barriers to these transactions and increase consumer options in the marketplace by repealing this law.

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. 4264 repeals Section 41.006, Property Code, relating to the consideration of certain sales or purported sales of a homestead at a fixed purchase price that is less than the appraised fair market value of the property at the time of the sale or purported sale, and in connection with which the buyer of the property executes a lease of the property to the seller at lease payments that exceed the fair rental value of the property, as a loan with all payments made from the seller to the buyer in excess of the sales price considered to be interest subject to the Texas Credit Title.

EFFECTIVE DATE

September 1, 2017.