

BILL ANALYSIS

Senate Research Center

H.B. 384
By: Pitts (Harris)
Jurisprudence
4-25-97
Engrossed

DIGEST

Currently, a seller of property is not required to provide notice of additional ad valorem tax on a real estate disclosure form. Consequently, a buyer may purchase a piece of property without being aware of the tax liability and penalties. This bill requires a person who is the owner of an interest in vacant land who contracts for a transfer of that interest to include in the contract a certain notice.

PURPOSE

As proposed, H.B. 384 requires a person who is the owner of an interest in vacant land who contracts for a transfer of that interest to include in the contract a certain 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 Chapter 5A, Property Code, by adding Section 5.010, as follows:

Sec. 5.010. NOTICE OF ADDITIONAL TAX LIABILITY. Requires a person who is the owner of an interest in vacant land who contracts for a transfer of that interest to include in the contract a certain notice. Sets forth the applicability of this section. Sets forth the applicability of the notice in Subsection (a). Sets forth the requirements for placing the notice in Subsection (a) in a separate paragraph of the contract. Sets forth the effects of failing to include the notice in the contract.

SECTION 2. Effective date: January 1, 1998.
Makes application of this Act prospective.

SECTION 3. Emergency clause.