

BILL ANALYSIS

Senate Research Center

S.B. 1803
By: Wentworth
Jurisprudence
4-10-97
As Filed

DIGEST

Currently, under Section 12.002(c), Property Code, developers are prohibited from selling lots using the subdivision description until the plat is filed for record. If a developer desires to install a subdivision, the developer usually agrees to subordinate the land and prove there is a market for the project by pre-selling a certain percentage of the lots. This underwriting agreement may place the developer in direct conflict with Section 12.002(c), Property Code. This bill would provide that Subsection (c) does not apply to using a subdivision's description in a contract to convey real property before the plat or replat of the subdivision is approved and is filed for record with the county clerk if the conveyance is expressly contingent on approval and recording of the final plat and the purchaser is not given use or occupancy of the real property conveyed before the recording of the final plat.

PURPOSE

As proposed, S.B. 1803 authorizes the use of subdivision descriptions in certain contracts conveying 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 Section 12.002, Property Code, by amending Subsection (c) and by adding Subsection (d), to provide that Subsection (c) does not apply to using a subdivision's description in a contract to convey real property before the plat or replat of the subdivision is approved and is filed for record with the county clerk if the conveyance is expressly contingent on approval and recording of the final plat; and the purchaser is not given use or occupancy of the real property conveyed before the recording of the final plat. Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.