

BILL ANALYSIS

Senate Research Center
79R2046 PAM-D

S.B. 145
By: Wentworth
Jurisprudence
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, when there is an executory contract for the conveyance of real property, the seller is required to provide the purchaser with an annual statement in January of each year for the term of the executory contract. A seller who fails to provide an annual statement is liable for liquidated damages for each day the seller fails to provide the annual statement. As proposed, S.B. 145 reduces the amount of liquidated damages for which a seller is liable to \$250 for each annual statement that the seller fails to provide to the purchaser.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 5.077(c), Property Code, to provide that a seller who fails to comply with Subsection (a) is liable to the purchaser for liquidated damages in the amount of \$250 for each annual statement the seller fails to provide to the purchaser within the time required by Subsection (a), rather than for the same amount a day for each day after January 31. Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.