

BILL ANALYSIS

Senate Research Center
81R34320 E

C.S.H.B. 3502
By: Pickett et al. (Fraser)
Business & Commerce
5/19/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A seller's disclosure notice to a purchaser of residential real property contains a place for the purchaser's signature and is merely an acknowledgement of receipt by the buyer. The signature provision is useful for sellers in providing evidence that they have complied with the statutory requirement to give such notice. However, with the language added to the notice during the 80th Legislature, Regular Session, 2007, a buyer who signs the notice is also acknowledging that the property complies with smoke detector requirements or that the buyer waives the right to have smoke detectors installed in compliance with statutes relating to fire safety in residential dwellings. As a consequence, many buyers refuse to sign the seller's disclosure notice for fear of giving up this right, which leaves the seller without evidence that the seller has provided the notice required by law. This bill seeks to better protect buyers by not compelling them to waive any right granted under statutes relating to fire safety in residential dwellings and assist sellers in securing evidence that the notice required by law was provided to the purchaser.

C.S.H.B. 3502 amends current law relating to acknowledgements required of a purchaser of residential real property in connection with the receipt of a seller's disclosure notice regarding the property.

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. Reenacts Section 5.008(b), Property Code, as amended by Chapters 448 (H.B. 271), 1051 (H.B. 2118), and 1256 (H.B. 2819), Acts of the 80th Legislature, Regular Session, 2007, and amends it as follows:

(b) Requires that the notice be executed and, at a minimum, read substantially similar to a certain form and include information relating to Chapter 766 (Fire Safety in Residential Dwellings), Health and Safety Code. Deletes existing text providing that the undersigned purchaser hereby acknowledges the property complies with the smoke detector requirements of Chapter 766, or, if the property does not comply with the smoke detector requirements of Chapter 766, the buyer waives the buyer's rights to have smoke detectors installed in compliance with Chapter 766.

SECTION 2. Makes application of the changes to Section 5.008, Property Code, made by this Act, prospective.

SECTION 3. Effective date: January 1, 2010.