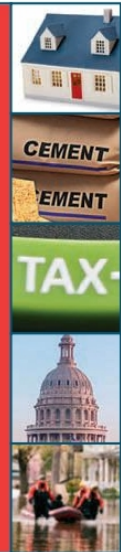


New real estate-related laws you should know about

Texans will benefit from legislation concerning taxes, building materials, disaster relief, and more.

by Jaime Lee



Thanks to support from Texas REALTORS®, several new laws that went into effect September 1, 2019 will help protect Texas real estate consumers.



Decrease Excessive Taxes

When a property's use classification is changed from agricultural to non-agricultural, county appraisers previously could assess the owners five years of retroactive taxes based on the new classification. Appraisers also could charge 7% interest on the retroactive taxes.

A new law reduces the lookback period from five years to three years and reduces the interest charged from 7% to 5%, saving property owners money.



3 AMENDMENTS ON THE NOVEMBER BALLOT WORTH VOTING FOR

Every Texas voter will have 10 opportunities to change the state's constitution on November 5.

Texas REALTORS® has officially endorsed the following three propositions because of their benefits for real estate consumers and property owners. The association has not taken a position on the other seven proposed amendments.

SEE ALL 10 CONSTITUTIONAL AMENDMENTS AT

TEXASREALTORSSUPPORT.COM.

✓ State of Texas Proposition 2: Assistance with water infrastructure

This proposition gives the Texas Water Development Board authorization to issue general obligation bonds for the development of water supply and sewer service projects in economically distressed areas of the state.

This amendment will help infrastructure development in disadvantaged areas of Texas, especially in border counties where development has been a challenge.

What you'll see on the ballot:

The constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$200 million to provide financial assistance for the development of certain projects in economically distressed areas.

Ending Restrictive Regulations on Building Materials

Starting September 1, cities and counties are no longer able to require or prohibit the use of certain building products, methods, or materials—such as brick or stone masonry—in the construction of a residential or commercial structure for non-safety reasons, preserving property owners' right to choose.



Updates to Seller's Disclosure Requirements

The seller's disclosure notice must now include new questions regarding flooding. Texas REALTORS® supported the legislation to ensure buyers receive thorough information about a

property's flooding history. See page 8 for details about updates to the seller's disclosure.

Clarifying Tenant Late Fees

Property managers will have clearer parameters around fees that may be assessed on tenants for the late payment of rent, thanks to a new law that applies to leases entered into or renewed on or after September 1. Texas REALTORS® supported this legislation because it provides landlords with clarity and protections while providing tenants with predictability and access to information.

The new law clarifies what types of costs and considerations may be included in the calculation of late fees. The new law also provides a safe harbor for reasonable late fees. See page 8 for more information. The Texas REALTORS® *Residential Lease* and *Residential Lease for a Multi-Family Property Unit* have been updated with these changes.

More Disaster Relief and Recovery Resources

Lawmakers passed several bills effective September 1 to increase resources for property owners and create disaster recovery and prevention plans.

New laws will create a

catastrophic debris management plan and training for cities and counties, a disaster recovery task force to assist with long-term recovery plans, and a disaster recovery plan to be enacted by state agencies as needed.

In addition, the state will have a disaster response plan for local officials, a new Flood Infrastructure Fund to finance flood mitigation project, and a statewide flood plan.

JAIME LEE is governmental affairs communications manager for Texas REALTORS®.



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You will make a difference

In constitutional amendment elections, Texas REALTORS® are more than twice as likely to vote than other Texas voters.

✓ State of Texas Proposition 3: Property tax exemption

This amendment provides a temporary property tax exemption for property owners in areas declared disasters by the governor.

Texas REALTORS® strongly supported the legislation that created this ballot measure because it will give property owners a tax break if their properties are damaged in a disaster.

What you'll see on the ballot:

The constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster.

✓ State of Texas Proposition 8: Flood protection funding

This proposition creates a standing fund for important flood mitigation infrastructure development, which will help position Texas communities to better withstand future flood events.

HJR 4 and its enabling legislation were part of a broad package of disaster mitigation and planning efforts that were supported by Texas REALTORS® from the beginning of the 86th session.

What you'll see on the ballot:

The constitutional amendment providing for the creation of the flood infrastructure fund to assist in the financing of drainage, flood mitigation, and flood control projects.

ELECTION DAY
November 5

EARLY VOTING
October 21 - November 1