

1-1 By: West S.B. No. 2550
1-2 (In the Senate - Filed March 13, 2025; April 3, 2025, read
1-3 first time and referred to Committee on Natural Resources;
1-4 April 23, 2025, reported favorably by the following vote: Yeas 6,
1-5 Nays 0, one present not voting; April 23, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16				X

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to an exemption of the transfer of certain rights in water
1-20 from certain disclosure requirements applicable to the transfer of
1-21 certain interests in real property.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 33.135(a), Natural Resources Code, is
1-24 amended to read as follows:

1-25 (a) A person who sells, transfers, or conveys an interest
1-26 other than a groundwater or surface water right or a mineral,
1-27 leasehold, or security interest in real property adjoining and
1-28 abutting the tidally influenced waters of the state must include
1-29 the following notice as a part of a written executory contract for
1-30 the sale, transfer, or conveyance:

1-31 "(1) The real property described in and subject to
1-32 this contract adjoins and shares a common boundary with the tidally
1-33 influenced submerged lands of the state. The boundary is subject to
1-34 change and can be determined accurately only by a survey on the
1-35 ground made by a licensed state land surveyor in accordance with the
1-36 original grant from the sovereign. The owner of the property
1-37 described in this contract may gain or lose portions of the tract
1-38 because of changes in the boundary.

1-39 "NOTICE REGARDING COASTAL AREA PROPERTY

1-40 "(2) The seller, transferor, or grantor has no
1-41 knowledge of any prior fill as it relates to the property described
1-42 in and subject to this contract.

1-43 "(3) State law prohibits the use, encumbrance,
1-44 construction, or placing of any structure in, on, or over
1-45 state-owned submerged lands below the applicable tide line, without
1-46 proper permission.

1-47 "(4) The purchaser or grantee is hereby advised to
1-48 seek the advice of an attorney or other qualified person as to the
1-49 legal nature and effect of the facts set forth in this notice on the
1-50 property described in and subject to this contract. Information
1-51 regarding the location of the applicable tide line as to the
1-52 property described in and subject to this contract may be obtained
1-53 from the surveying division of the General Land Office in Austin."

1-54 SECTION 2. Section 61.025(a), Natural Resources Code, is
1-55 amended to read as follows:

1-56 (a) Except as provided by Subsection (b), a person who sells
1-57 or conveys an interest, other than a groundwater or surface water
1-58 right or a mineral, leasehold, or security interest, in real
1-59 property located seaward of the Gulf Intracoastal Waterway to its
1-60 southernmost point and then seaward of the longitudinal line also
1-61 known as 97 degrees, 12', 19" which runs southerly to the

international boundary from the intersection of the centerline of the Gulf Intracoastal Waterway and the Brownsville Ship Channel must include in any executory contract for conveyance a statement in substantially the following form:

CONCERNING THE PROPERTY AT _____

DISCLOSURE NOTICE CONCERNING LEGAL AND ECONOMIC RISKS
OF PURCHASING COASTAL REAL PROPERTY NEAR A BEACH

WARNING: THE FOLLOWING NOTICE OF POTENTIAL RISKS OF ECONOMIC LOSS TO YOU AS THE PURCHASER OF COASTAL REAL PROPERTY IS REQUIRED BY STATE LAW.

● READ THIS NOTICE CAREFULLY. DO NOT SIGN THIS CONTRACT UNTIL YOU FULLY UNDERSTAND THE RISKS YOU ARE ASSUMING.

● BY PURCHASING THIS PROPERTY, YOU MAY BE ASSUMING ECONOMIC RISKS OVER AND ABOVE THE RISKS INVOLVED IN PURCHASING INLAND REAL PROPERTY.

● IF YOU OWN A STRUCTURE LOCATED ON COASTAL REAL PROPERTY NEAR A GULF COAST BEACH, IT MAY COME TO BE LOCATED ON THE PUBLIC BEACH BECAUSE OF COASTAL EROSION AND STORM EVENTS.

● AS THE OWNER OF A STRUCTURE LOCATED ON THE PUBLIC BEACH, YOU COULD BE SUED BY THE STATE OF TEXAS AND ORDERED TO REMOVE THE STRUCTURE.

● THE COSTS OF REMOVING A STRUCTURE FROM THE PUBLIC BEACH AND ANY OTHER ECONOMIC LOSS INCURRED BECAUSE OF A REMOVAL ORDER WOULD BE SOLELY YOUR RESPONSIBILITY.

The real property described in this contract is located seaward of the Gulf Intracoastal Waterway to its southernmost point and then seaward of the longitudinal line also known as 97 degrees, 12', 19" which runs southerly to the international boundary from the intersection of the centerline of the Gulf Intracoastal Waterway and the Brownsville Ship Channel. If the property is in close proximity to a beach fronting the Gulf of Mexico, the purchaser is hereby advised that the public has acquired a right of use or easement to or over the area of any public beach by prescription, dedication, or presumption, or has retained a right by virtue of continuous right in the public since time immemorial, as recognized in law and custom.

The extreme seaward boundary of natural vegetation that spreads continuously inland customarily marks the landward boundary of the public easement. If there is no clearly marked natural vegetation line, the landward boundary of the easement is as provided by Sections 61.016 and 61.017, Natural Resources Code.

Much of the Gulf of Mexico coastline is eroding at rates of more than five feet per year. Erosion rates for all Texas Gulf property subject to the open beaches act are available from the Texas General Land Office.

State law prohibits any obstruction, barrier, restraint, or interference with the use of the public easement, including the placement of structures seaward of the landward boundary of the easement. OWNERS OF STRUCTURES ERECTED SEAWARD OF THE VEGETATION LINE (OR OTHER APPLICABLE EASEMENT BOUNDARY) OR THAT BECOME SEAWARD OF THE VEGETATION LINE AS A RESULT OF PROCESSES SUCH AS SHORELINE EROSION ARE SUBJECT TO A LAWSUIT BY THE STATE OF TEXAS TO REMOVE THE STRUCTURES.

The purchaser is hereby notified that the purchaser should:

(1) determine the rate of shoreline erosion in the vicinity of the real property; and

(2) seek the advice of an attorney or other qualified person before executing this contract or instrument of conveyance as to the relevance of these statutes and facts to the value of the property the purchaser is hereby purchasing or contracting to purchase.

SECTION 3. Section 5.011(c), Property Code, is amended to read as follows:

(c) This section does not apply to a transfer:

- (1) under a court order or foreclosure sale;
- (2) by a trustee in bankruptcy;
- (3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;

(4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;

(5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(6) from one co-owner to another co-owner of an undivided interest in the real property;

(7) to a spouse or a person in the lineal line of consanguinity of the seller;

(8) to or from a governmental entity;

(9) of only a groundwater right, surface water right, mineral interest, leasehold interest, or security interest; or

(10) of real property that is located wholly within a municipality's corporate boundaries.

SECTION 4. Section 5.014(c), Property Code, is amended to read as follows:

(c) This section does not apply to a transfer:

(1) under a court order or foreclosure sale;

(2) by a trustee in bankruptcy;

(3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;

(4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;

(5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(6) from one co-owner to another co-owner of an undivided interest in the real property;

(7) to a spouse or a person in the lineal line of consanguinity of the seller;

(8) to or from a governmental entity; or

(9) of only a groundwater right, surface water right, mineral interest, leasehold interest, or security interest.

SECTION 5. Section 13.257(c), Water Code, is amended to read as follows:

(c) This section does not apply to:

(1) a transfer of title under any type of lien foreclosure;

(2) a transfer of title by deed in cancellation of indebtedness secured by a lien on the property conveyed;

(3) a transfer of title by reason of a will or probate proceeding;

(4) a transfer of title to or from a governmental entity;

(5) a transfer of title to property located within the corporate limits of a municipality that is served by a municipally owned utility;

(6) a transfer of title to property that receives water or sewer service from a utility service provider on the date the property is transferred;

(7) a transfer of title by a trustee in bankruptcy;

(8) a transfer of title by a mortgagee or beneficiary under a deed of trust who acquired the property:

(A) at a sale conducted under a power of sale conferred by a deed of trust or other contract lien;

(B) at a sale under a court judgment foreclosing a lien; or

(C) by a deed in lieu of foreclosure;

(9) a transfer of title from one co-owner to another co-owner;

(10) a transfer of title between spouses or to a person in the lineal line of consanguinity of the transferor; or

(11) a transfer of a groundwater right, surface water right, mineral interest, leasehold interest, or security interest.

4-1 S.B. No. 2550
SECTION 6. This Act takes effect September 1, 2025.
4-2 * * * * *