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August 16, 2023

To Whom It May Concern:

We are writing to urge municipal utility districts (MUDs) in Texas to comply with a new law that modified the Notice to Purchasers. It has come to our attention that many MUDs have not created the new version of the Notice to Purchasers and have not made the new Notice available on their website. Failure of MUDs to comply with the new requirement is having a major impact on buyers and sellers currently involved in real estate transactions throughout Texas.

Under Sec. 49.452 and 49.4521, Water Code, a person who sells real property located in a MUD must give the buyer a Notice of Purchasers form. Under Section 49.453, Water Code, each MUD is required to maintain a copy of the Notice to Purchasers and shall, upon written request of any person, issue the Notice completed with all required information.

Recently passed House Bill 2815 modified the content of the Notice and required the Notice to be posted on each MUD's website. HB 2815 was effective as of June 18, 2023, when the Governor signed the bill into law. We are aware another bill, HB 2816, contained identical language regarding the new Notice. HB 2816 has an effective date of Sept. 1, 2023. In our opinion, the June 18th effective date of HB 2815 would take precedence and the new requirements are currently in effect.

To date, numerous MUDs are not in compliance with this law and have failed to fulfill their statutory obligation to provide the required notice. This failure leaves sellers unable to comply with the requirement to provide the notice to potential buyers and has disrupted countless real estate transactions. On behalf of 150,000 REALTOR[®] members across Texas, we urge you to expeditiously post the required notice on your website.

We have also been made aware that some MUDs are including a mandatory notarization section on the Notice to Purchasers. Please note that there is no requirement under the Water Code to have the Notice to Purchasers notarized by the buyer or seller.

Sincerely,

A handwritten signature in cursive script that reads "Lori Levy".

Lori Levy
General Counsel & Vice President of Legal Affairs
Texas REALTORS[®]