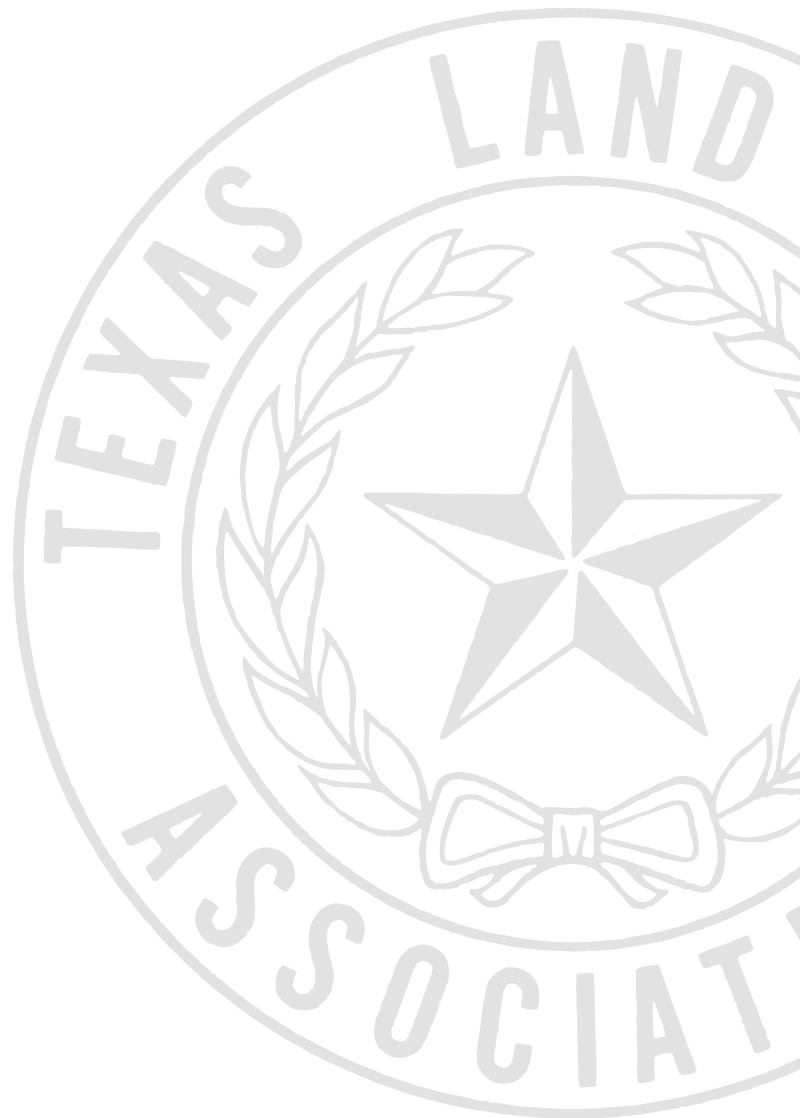


TEXAS 89TH LEGISLATIVE SESSION REPORT



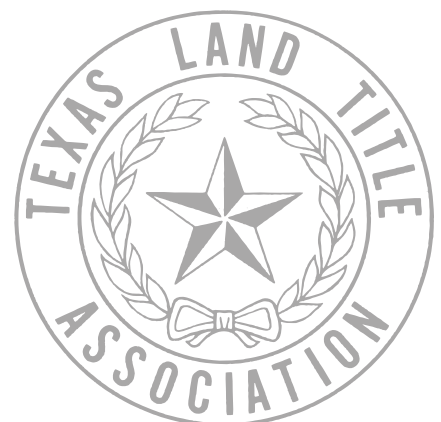
TLTA Advocacy Team Report

During the Texas Legislature's recently concluded 89th Regular Session, TLTA volunteers worked in concert with TLTA staff and our lobby team under the direction of TLTA's Board of Directors and Legislative Committee to pursue the fulfillment of our legislative priorities, work with industry allies on broader legislative issues that could impact the real estate marketplace, and monitor all legislation filed during the legislative session.

Our goal before, during and after a legislative session is to maintain open lines of communication with legislators and legislative leadership, make ourselves available to answer questions, and actively work the legislative process to protect and strengthen our industry.

We are excited to report we successfully passed three out of five bills on our affirmative agenda this session, worked with bill authors to improve bills that were problematic, and worked with our legislative partners to stop bad bills from becoming law.

Following is an accounting of some bills and issues of which you should be aware.



Texas Legislature 89th Session Results



OVERVIEW:

8,719
bills filed

1,208
bills sent to
the Governor

TLTA proudly advocated for the title industry and your businesses at the Texas Capitol by advancing key legislative priorities, defending the integrity of the Texas title insurance system, and shaping policy through strong collaboration with lawmakers. Our efforts ensured that the voice of the title industry was heard and respected in every critical policy discussion. Your continued support ensures we can maintain a strong voice at the Capitol and continue our advocacy efforts. Please consider investing in the future of your profession by contributing to the TLTA PAC [here](#).

TLTA's Affirmative Legislative Agenda

The best way to change the menu is to be the chef.



SB 1547 (Zaffirini/Orr) — County Clerk Electronic Copies Fee

- Recently amended language in the Texas Local Government Code allowed Clerks to charge \$.10 a page for electronic copies
- Amends the Texas Local Government Code to clarify that the \$0.10 per page fee for electronic copies does not apply to real property records.
- Effective Immediately

TITLE IMPACT: If enforced, the \$0.10 per-page fee could have significantly increased the cost of maintaining title plants. This bill resolves the issue by exempting real property records from the fee.



SB 1734 (West/Bhojani) — Deed Fraud Self Help

- Creates an ex parte process allowing property owners to seek a judicial finding that a deed in their chain of title is fraudulent or void.
- Effective September 1, 2025

TITLE IMPACT: Property owners can now more efficiently address fraudulent deeds using pro se, an ex parte process, reducing delays and complications in curing title.



HB 4063 (Ordaz/Zaffirini) — Memorandum of Contract

- Requires that if a memorandum of contract is filed without the property owner's signature, the filer must provide a copy to the owner
- The owner may respond with a contradicting affidavit; if undisputed within 45 days, the contract becomes unenforceable against the property
- Effective September 1, 2025

TITLE IMPACT: This will allow closings to proceed without the interference of bad faith actors who file memorandums of contract in an effort to hold up transactions and demand payment.



= PASSED



= FAILED TO PASS

✗ [SB 1810 \(Schwertner\)/HB 3502 \(King\) — Rate Data](#)

- Would have established deadlines for TDI to call for statistical data, agents and underwriters to submit data and TDI to publish the data used for rate-making.
- The amended bill also would have prevented rate changes (such as the July 1 rate decrease) from being implemented until relevant data could be collected.

TITLE IMPACT: TDI is currently following the bill's proposed timeline for 2023 and 2024 data collection. TDI has recently proposed a rule to codify a similar framework.

✗ [SB 2433 \(Parker\)/SB 2861 \(Hughes\) — Negotiated Rulemaking](#)

- Would have required TDI to adopt rules for negotiated rulemaking as provided for in existing statute to promote more negotiation in future rate setting processes.

TITLE IMPACT: TLTA will continue working with TDI to achieve this goal, or its equivalent, through rulemaking or agreements.

Notable Bills Supported – Passed

If you want a seat at the table, you'd better help carry the chairs.

Good Bills for the Title Industry

✓ [SB 2173 \(Parker\) — Tax Certificates & Missed Valuation](#)

- Protects against claims allowing for increased reliance on tax certificates
- Effective September 1, 2025

TITLE IMPACT: Reduces claim exposure related to post closing retroactive tax assessments, offering increased certainty for transactions.

✓ [SB 693 \(West\) — Notary Reform](#)

- Establishes education requirements for appointment and reappointment as a notary.
- Introduces a retention period for notary records and creates a criminal offense to penalize notaries for not witnessing a signature acknowledged in their presence..
- Effective September 1, 2025

TITLE IMPACT: Raises professional standards for notaries, aiming to reduce fraud and related title claims.

✓ [HB 4170 \(Hayes\) — Private Transfer Fees Venue](#)

- Requires an action involving private transfer fees to be filed in the county where the property is located
- Effective September 1, 2025

TITLE IMPACT: Homeowners will benefit from local venues as they seek to remove or challenge existing private transfer fees.

✓ [HB 2468 \(Harris\)/SB 1107\(Parker\) — PID Notice](#)

- The bill corrects an unintended consequence of the previous Public Improvement District (PID) notice requirement
- Ties the buyer's termination rights to whether the PID's service plan was properly filed with the county clerk before contract execution.
- If properly filed, the buyer can only cancel within 7 days of receiving the PID notice; if not, the buyer retains broader termination rights
- Effective Immediately

TITLE IMPACT: Helps ensure that deals close. This will mitigate the risk of Buyers backing out of deals with previously too generous parameters from statutory PID notice requirements.

Good Bills for the Real Estate Industry

✓ [SB 38 \(Bettencourt\) — Eviction from Real Property & Squatters](#)

- Provides for fast-track adjudication for squatters
- Section 16 effective September 1, 2025; remainder of the bill effective January 1, 2026

TITLE IMPACT: Relieves political pressure on adverse possession laws while addressing public frustration about squatters.

✓ [SB 1968 \(Schwertner\) — Licensing and Regulation by TREC](#)

- Removes the concept of sub-agency which allows agents to assist buyers without formally representing them.
- Requires that a written agreement must be signed by both parties before any home tours and mandates a formal buyer representation agreement must be signed before an agent can submit an offer on behalf of a buyer. Additionally, the bill includes updates to the language surrounding qualifying real estate courses.
- Effective January 1, 2026

TITLE IMPACT: Title Agents who provide education to realtors should note that education criteria is shifted to TREC rulemaking and that professional responsibility components have been added to education requirements.

✓ [SB 1259 \(Nichols\) — Regulation of Land Surveyors](#)

- Strengthens oversight of land surveyors by expanding the Texas Board of Professional Engineers and Land Surveyors authority
- Introduces a Texas-specific exam and authorizes the board to issue legal advisory opinions.
- Effective September 1, 2025

TITLE IMPACT: Helps promote the stability and integrity of the surveyor industry.

TLTA Opposed Bills

Show up for dinner or find out that you are on the menu

✗ [HB 3412 \(Gamez\) — Required Homestead Filing by Title Agent](#)

- Would have required title insurance companies to inform buyers at closing that their property may qualify for homestead exemptions.
- Unless waived by the buyer, title companies would be obligated to assist in applying for the exemptions or to apply on the buyer's behalf.
- Created penalties for non-compliance.

TITLE IMPACT: Would have shifted inappropriate responsibility to title agents, increased liability, and likely resulted in the unlicensed practice of law.

✗ [HB 5198 \(Dean\) / \[SB 2700 \\(Hall\\)\]\(#\) — Title Rate Study](#)

- Would have mandated TDI to conduct a study on the current rate setting system in Texas

TITLE IMPACT: Could have led to increased threats to our promulgated rate system by promoting continued misunderstanding of how title related expenses are charged and shown in other jurisdictions versus the Texas "all-inclusive rate".

✗ [SB 716 \(Sparks\) — Professional License Reciprocity](#)

- Would have required Texas licensing authorities to issue licenses to qualified out-of-state applicants who hold a similar license in another state, meet experience and conduct standards, and pass any required Texas-specific exams.

TITLE IMPACT: Would have threatened the integrity and stability of the regulated Texas title insurance system.

✗ [HB 2519 \(Holt\) — Real Estate Report \(aka "Colony Ridge Bill"\)](#)

- Would have monitored the nationalities of those who purchase property in Texas and would have created a new form to be filed with a real property transaction and separately maintained by the county clerks.

TITLE IMPACT: As filed, would have caused title agents to be responsible for gathering and reporting sensitive consumer information.

✗ [HB 291 \(Bell, C.\) — Sales Price Disclosure](#)

- Would have required the value a person pays to purchase or sell real property to be disclosed with the county appraisal district.

TITLE IMPACT: Would have eroded Texans' transactional privacy

✗ [SB 534 \(Kolkhorst\) — Adverse Possession Abolishment](#)

- Would have changed adverse possession period from 3 years to 97-99 years

TITLE IMPACT: Would have threatened core stability and reliability of land title in Texas, making it harder to insure clear title, vastly increasing claims exposure and driving up the cost of title insurance.

✗ [HB 518 \(Leo Wilson\) — Agricultural Land Ownership](#)

- Would have prohibited non-resident aliens, foreign businesses, and foreign governments from purchasing or acquiring agricultural land in Texas

TITLE IMPACT: Title Agents would have been responsible for confirming purchaser eligibility and reporting it to the Department of Agriculture.

✗ [HB 622 \(Bernal\) — Mandatory Sales Price Disclosure](#)

- Would have added a prohibition to filing in deed records without disclosing sales price and created a liability for incomplete filings.

TITLE IMPACT: Title professionals would have had to record sales price eroding consumer privacy. Title professionals could have potentially been held liable for incomplete recordings.

✗ [HB 733 \(Bell, C.\) — Real Property & Citizenship](#)

- Would have required verification of citizenship or legal residency of individuals involved in certain contracts concerning the purchase of residential real property.

TITLE IMPACT: Would have led to potential increased agent liability and increased costs for the title and for the consumer.

✗ [HB 3273 \(Harris Davila\) — Squatters & Adverse Possession](#)

- Would have expanded the definition of “legal disability” in adverse possession cases to include college students and military personnel.
- Would have created a felony offense for knowingly marketing, leasing, or selling property without legal title.

TITLE IMPACT: Would have functionally undermined our adverse possession statutes inviting many complex fact questions for each incidence of adverse possession applicability. This would have led to increased costs and claims.

✗ [HB 3685 \(Leo Wilson\) — Title Agent Homestead Requirements](#)

- Would have required title agents to give notice of potential eligibility for residence homestead exemptions from ad valorem taxation during residential real property transactions

TITLE IMPACT: Would have increased compliance burden on agents, introduced new liability risk in the event of failure to provide the required notice or form, and encouraged the unlicensed practice of law by title agents.

✗ [HB 3311 \(Swanson\)](#) — Child Support Lien Priority

- Would have prioritized certain child support obligations in probate administration over mortgage liens against real property.

TITLE IMPACT: Would have impacted insurability of title after foreclosures involving a decedent by elevating those child support obligations of the decedent over that of the foreclosed mortgage lien

✗ [SB 2765 \(Cook\)](#) — Mobile Home Classification

- Would have allowed a manufactured home to be treated as real property if it is either attached to land the owner owns or leases under a long-term lease, or used as the owner's primary residence.

TITLE IMPACT: This would cloud the land title by creating involuntary shared ownership, exposing the landowner to liens, tax obligations, or legal entanglements tied to the MHU owner. It undermines clear title rights and could complicate sales, refinancing, or estate transfers without proper legal structure or agreement.

Bills TLTA Worked with Bill Authors and Stakeholders to Amend

We don't always set the menu, but we can make sure it doesn't give us heartburn.

✓ [SB 1238 \(Kolkhorst\)](#) — Widows & Insurance

- Prohibits insurers from charging a widow a different rate or refusing coverage solely based on marital status.
- Amended to preserve underwriters' ability to require probate
- Effective September 1, 2025

TITLE IMPACT: Without the amendment, the bill would arguably allow a widow to claim a statutory violation if as part of the underwriting process a Title Company required a widow, due to change in status of spouse, to enter into a probate prior to offering title coverage.

✓ [HB 4350 \(Capriglione\)](#) — Online Redaction

- Adds peace officers and special investigators to the list of individuals a county clerk is required to omit and redact personal information from a real property record instrument that was available in a public online database
- Amended to preserve integrity of real property records with disclaimer for website
- Effective Immediately

TITLE IMPACT: Every session TLTA fights to preserve the integrity of real property records as various groups and individuals seek to have their information removed from the land records. This amendment helps educate the public and informs future legislative conversations about the importance of maintaining integrity in real property records by requiring that any web version of the land records subject to redaction are clearly marked and described as unofficial land records.

✓ [SB 17 \(Kolkhorst\) — Foreign Ownership](#)

- Prohibits certain entities and individuals from a designated country from purchasing or otherwise acquiring an interest in real property
- Amended to protect title industry
 - No policing by title agents
 - Notice in Real Property Records
 - “Savings Clause” to preserve title
- Effective September 1, 2025

TITLE IMPACT: This was a result of a multi-session conversation. This version avoids many problems associated with various approaches to this issue. Earlier versions would have deputized title agents to gather and report buyer information to the state. This would have created tremendous expense and liability for the title industry. Additionally, earlier versions could have left significant title clouds on the impacted real property. The finally passed version provides for notice when an action is taken against a piece of property to help fully inform the title industry.

✓ [SB 647 \(West\) — Clerk Filing Rejection](#)

- Enhances procedures for county clerks to identify and refuse to file fraudulent real or personal property documents. It also provides immunity to clerks acting in good faith
- Effective September 1, 2025

TITLE IMPACT: Amended to create a “trusted filer” path to preserve the status quo for title agents and decrease the likelihood of conflict with county clerks and the problems associated with rejected filings.

✗ [SB 648 \(West\) — Clerk Filing Rejection — Called back for Special Session](#)

- Would have modified recording requirements for instruments conveying real property and establishes new stipulations for affidavits of heirship

TITLE IMPACT: Amended, it would have created a “trusted filer” path to preserve the status quo for title agents and decrease the likelihood of conflict with county clerks and the problems associated with rejected filings. Was reconsidered in the Special Session, however all elements of this bill were dropped in favor of photo ID requirements and new criminal statute for deed fraud and property theft.

✓ [SB 1333 \(Hughes\) — Squatters Criminal Liability](#)

- Authorizes a property owner or agent to request immediate removal of a person unlawfully occupying a residential dwelling under certain conditions. It also creates several offenses, including a Class A misdemeanor for using fraudulent deeds/leases to gain occupancy.
- Amended to provide liability protections for title professionals if unaware of the illegal transfer of title.
- Effective September 1, 2025

TITLE IMPACT: Without amendments, title professionals acting in good faith could have faced criminal liability.

✓ SB 693 (West) — Notary Reform

- Creates a Class A misdemeanor offense for a notary who performs any notarization with knowledge that the signer did not personally appear before the notary for a notarization other than an online notarization.
- Requires the Secretary of State to establish educational requirements and continuing education for notaries.
- Amended to help affirmative defense to protect innocent notaries
- Effective September 1, 2025

TITLE IMPACT: Without amendments, title professionals acting in good faith could have faced criminal liability.

✗ SB 2117 (Parker) — Texas CFIUS

- Would have established the Texas Committee on Foreign Investment to facilitate the review of certain foreign transactions

TITLE IMPACT: Amendment would have excluded any duties by a title agent to perform any due diligence in a given transaction and prevented title agent liability that could arise from mitigation agreement contemplated in the bill.

Other Bills of Interest

✓ SB 1940 (Hughes) — Beneficiary Designation Transfers

- Enables owners of manufactured homes classified as personal property to designate a beneficiary who will inherit their interest in the home upon the owner's death
- Effective September 1, 2025

TITLE IMPACT: FYI

✓ HB 21 (Gates) — Housing Finance Corporations

- Cities across Texas have been losing millions in tax revenue due to “traveling” Housing Finance Corporations (HFCs), which partner with out-of-area entities to grant long-term tax exemptions to apartment developers without local approval—often without delivering real affordable housing.
- This bill addresses this loophole by establishing geographic limits for HFCs, enforcing true affordability standards, and requiring public audits to ensure transparency and accountability; if developers fail to comply, they lose their tax-exempt status.
- Effective Immediately
- Note: this bill applies to deals that are already in existence, requiring HFCs that already hold interests in out-of-jurisdiction properties to obtain local approval by Jan. 1, 2027 or risk losing the project's tax exemption.

TITLE IMPACT: Creates uncertainty for pending transactions involving HFCs and may impact closings.

✗ [HB 1043 \(Bhojani\) — Title Blockchain Pilot Program](#)

- Would have established a ledger-based title registry pilot program

TITLE IMPACT: Would have included Title Industry representation on the oversight panel. It would have looked into how to establish a protocol for the implementation of such a program and identify potential issues with such a program.

✓ [HB 4202 \(Swanson\) — Proof of Identity](#)

- Clarifies how notaries and other officers must verify identity when taking acknowledgements on written instruments
- Effective immediately

TITLE IMPACT: FYI

Bills Supported — Failed to Pass

It didn't make it to the table this time, but it's still on the menu.

✗ [HB 5173 \(Dean\) — Data and Rate bill](#)

- Would have set dates for statistical data submission and rate implementation timelines, preventing rate changes without 2023 and 2024 data.

TITLE IMPACT: A recent injunction from a Travis County judge achieved the bill's intent, delaying the July 1 rate decrease.

✗ [HB 4204 \(Harless\) — Unfair Service Agreements](#)

- Would have prohibited listing agreement covenants in residential real estate. It sought to ban agreements that attempt to bind future homeowners, allow service providers to transfer contracts without notice, or create unauthorized property liens. Violations would result in void contracts and criminal penalties.

TITLE IMPACT: Would have made these predatory agreements unenforceable, prohibited their recording in property records, and created penalties which would have enhanced the reliability and clarity of real property records by removing the cloud on title and help transactions close without the problems created by these covenants.

✗ [SB 2611 \(West\) — Seller Impersonation](#)

- Proposed new criminal offenses for real estate fraud, including deed and seller impersonation.
- Included provisions to better track fraudulent activity.

TITLE IMPACT: Would have made fraud easier to prosecute and improved awareness of its scope by providing data tracking. TLTA asked for inclusion of this issue in the Special Session, it is now SB 15 in the current Special Session.

Texas Legislature 89th Session Results



✗ [HB 1585 \(Bell, C.\) — Travelling Housing Finance Corporations](#)

- Would have closed a loophole causing cities across Texas to lose millions in tax revenue due to “traveling” Housing Finance Corporations (HFCs), which partner with out-of-area entities to grant long-term tax exemptions to apartment developers without local approval—often without delivering real affordable housing. This bill attempted to address this loophole by restricting HFCs to operate only in their own local jurisdictions.
- Note – HB 21, which passed, closes this loophole but also provides more comprehensive reforms

TITLE IMPACT: This bill would not have had an impact on current deals involving HFC’s, hence leading to less uncertainty compared to HB 21, which impacts current deals.

Who Do You Know?



Decisions about every aspect of the title industry are made by elected officials. It's important for these officials to hear directly from their constituents about the issues impacting our industry. There are many ways you can get involved — complete this form and let us know what grassroots contacts you have. We will reach out and ask for your help when we have issues that require us to contact legislators.

CONTACT INFORMATION

Name: _____

Email: _____

Company: _____

Residential Address: _____

(Note: Residential address needed to determine legislative/congressional district)

Residential City, State, Zip: _____

I am acquainted with the following elected officials and/or Capitol staffers *(please indicate which office)*

State Representative(s) _____

State Senator(s) _____

U.S. Representative(s) _____

U.S. Senator(s) _____

Other _____

Please share how you know them and any context that helps us understand the nature of your relationship

MAY WE CONTACT YOU TO:

Send letters to your elected officials?

Deliver a PAC check?

Send e-mails to your elected officials?

Meet with your elected officials?

Call your elected officials?

Participate in TLTA's Day at the Capitol?

ADDITIONAL COMMENTS

SUBMIT COMPLETED FORM TO ABBY@TLTA.COM OR MAIL TO:

1717 WEST 6TH ST, SUITE 120 | AUSTIN, TX 78703