

**STATUTORY NOTICE OF WATER LEVEL FLUCTUATIONS CONTRACT LANGUAGE**

House Bill 1665 enacted by the 84<sup>th</sup> Legislature adds Section 5.019 to the Property Code. This section requires a seller of residential or commercial property that adjoins a lake, reservoir, or other impoundment of water with a normal operating capacity of 5,000 acre-feet or more to give the buyer a statutorily prescribed form of notice on or before the effective date of the contract. If the notice is not given, the buyer may terminate the contract for any reason within seven days after receiving the notice from the seller or information described by the notice from any other person. After the date of conveyance, the buyer may bring an action against the seller for misrepresentation if the seller failed to give the notice before the conveyance and had actual knowledge that the water level fluctuates. This provision becomes effective September 1, 2015.

Until revised contract forms addressing this statutory requirement are adopted by the Commission, license holders may insert the following language in the Special Provisions paragraph of a contract if a property adjoins such a body of water.

**“NOTICE OF WATER LEVEL FLUCTUATIONS**

**The water level of the impoundment of water adjoining the property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions.”**