

BILL ANALYSIS

Senate Research Center
77R2009 PAM-F

H.B. 1995
By: Marchant (Carona)
Business & Commerce
5/5/2001
Engrossed

DIGEST AND PURPOSE

Current law provides that encumbrances may be properly fixed on homestead property for purchase money, taxes on property, work and material used in constructing improvements on the property, an owelty of partition imposed against the property, and for the refinance of a lien against a homestead. However, the Texas Constitution also provides additional conditions under which an encumbrance may be properly fixed on homestead property or an extension of credit constituting a reverse mortgage. H.B.1995 provides that an encumbrance may be properly fixed on homestead property for an extension of credit that meets the requirements of the Texas Constitution or a reverse mortgage that meets the requirements of the Texas Constitution.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 41.001(b), Property Code, to authorize encumbrances to be properly fixed on homestead property for certain purposes.

SECTION 2. Effective date: September 1, 2001.