

BILL ANALYSIS

Senate Research Center

S.B. 1834
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DIGEST AND PURPOSE

Currently, property owners' associations have the authority to foreclose on a homeowner's property if there are unpaid or late dues, fees, and fines. The property is then sold for just enough to cover the dues, fees, or fines, along with any attorney's fees or court costs. As proposed, S.B. 1834 requires a property owners' association to reimburse a property owner for the difference if it sells a foreclosed property for less than the value of the property.

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 Chapter 51, Property Code, by adding Section 51.008, as follows:

Sec. 51.008. REIMBURSEMENT FOLLOWING FORECLOSURE OF LIEN FOR NONPAYMENT OF ASSESSMENTS. (a) Defines "assessment" and "property owners' association."

(b) Provides that this section applies to a property owners' association that forecloses a lien on real property to secure payment of assessments due the association by the property owner.

(c) Requires a property owners' association, if it authorizes the sale of property for a price less than the value of the property according to the most recent appraisal by the local appraisal district, to reimburse the property owner for the difference between the sale price and the value determined by the appraisal district.

SECTION 2. Provides that this Act applies to a foreclosure sale conducted on or after January 1, 2001.

SECTION 3. Effective date: upon passage or September 1, 2001.