

By: Lindsay

S.B. No. 949

A BILL TO BE ENTITLED

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AN ACT

relating to the operation of property owners' associations;
providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 51, Property Code, is amended by adding
Section 51.009 to read as follows:

Sec. 51.009. LIEN OF PROPERTY OWNERS' ASSOCIATION. (a) In
this section, "dedicatory instrument" and "property owners'
association" have the meanings assigned by Section 202.001.

(b) Notwithstanding the provisions of a dedicatory
instrument, a property owners' association's lien on real property
that arises under a dedicatory instrument governing the property
does not have priority over a purchase money lien on the property
arising from a mortgage insured by the Federal Housing
Administration, the Veterans Administration, or a successor to one
of those agencies.

SECTION 2. The chapter heading for Chapter 203, Property
Code, is amended to read as follows:

CHAPTER 203. ENFORCEMENT OF PROVISIONS RELATING TO LAND USE
RESTRICTIONS OR PROPERTY OWNERS' ASSOCIATIONS IN CERTAIN COUNTIES

SECTION 3. Section 203.003, Property Code, is amended to
read as follows:

Sec. 203.003. ENFORCEMENT AUTHORITY OF COUNTY ATTORNEY
~~[AUTHORIZED TO ENFORCE RESTRICTIONS]~~. (a) The county attorney

1 may:

2 (1) sue in a court of competent jurisdiction to enjoin
3 or abate a violation of this title by a property owners' association
4 or owner or a violation [~~violations~~] of a restriction contained or
5 incorporated by reference in a properly recorded plan, plat,
6 replat, or other instrument affecting a real property subdivision
7 located in the county, including architectural control guidelines
8 and a property owners' association's articles of incorporation or
9 bylaws, regardless of the date on which the instrument was
10 recorded; and

11 (2) recover from a property owners' association that
12 violates this title an administrative penalty of \$1,000 for each
13 violation.

14 (b) The county attorney may not enforce a restriction
15 relating to race or any other restriction that violates the state or
16 federal constitution.

17 SECTION 4. Section 204.010, Property Code, is amended by
18 amending Subsection (a) and adding Subsections (c), (d), and (e) to
19 read as follows:

20 (a) Unless otherwise provided by the restrictions or the
21 association's articles of incorporation or bylaws, the property
22 owners' association, acting through its board of directors or
23 trustees, may:

24 (1) [~~adopt and amend bylaws,~~
25 [~~2~~] adopt and amend budgets for revenues,
26 expenditures, and reserves and collect regular assessments or
27 special assessments for common expenses from property owners;

1 (2) [~~(3)~~] hire and terminate managing agents and other
2 employees, agents, and independent contractors;

3 (3) [~~(4)~~] institute, defend, intervene in, settle, or
4 compromise litigation or administrative proceedings on matters
5 affecting the subdivision;

6 (4) [~~(5)~~] make contracts and incur liabilities
7 relating to the operation of the subdivision and the property
8 owners' association;

9 (5) [~~(6)~~] regulate the use, maintenance, repair,
10 replacement, modification, and appearance of the subdivision;

11 (6) [~~(7)~~] make additional improvements to be included
12 as a part of the common area;

13 (7) [~~(8)~~] grant easements, leases, licenses, and
14 concessions through or over the common area;

15 (8) [~~(9)~~] ~~impose and receive payments, fees, or charges~~
16 ~~for the use, rental, or operation of the common area and for~~
17 ~~services provided to property owners;~~

18 ~~[(10)] impose interest, late charges, and, if~~
19 ~~applicable, returned check charges for late payments of regular~~
20 ~~assessments or special assessments;~~

21 ~~[(11)] if notice and an opportunity to be heard are~~
22 ~~given, collect reimbursement of actual attorney's fees and other~~
23 ~~reasonable costs incurred by the property owners' association~~
24 ~~relating to violations of the subdivision's restrictions or the~~
25 ~~property owners' association's bylaws and rules;~~

26 ~~[(12)] charge costs to an owner's assessment account~~
27 ~~and collect the costs in any manner provided in the restrictions for~~

1 ~~the collection of assessments;~~

2 ~~[(13) adopt and amend rules regulating the collection~~
3 ~~of delinquent assessments and the application of payments;~~

4 ~~[(14) impose reasonable charges for preparing,~~
5 ~~recording, or copying amendments to the restrictions, resale~~
6 ~~certificates, or statements of unpaid assessments;~~

7 ~~[(15)]~~ purchase insurance and fidelity bonds,
8 including directors' and officers' liability insurance, that the
9 board considers appropriate or necessary;

10 (9) ~~[(16) if the restrictions allow for an annual~~
11 ~~increase in the maximum regular assessment without a vote of the~~
12 ~~membership, assess the increase annually or accumulate and assess~~
13 ~~the increase after a number of years;~~

14 ~~[(17)]~~ subject to the requirements of the Texas
15 Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's
16 Texas Civil Statutes) and by majority vote of its board of
17 directors, indemnify a director or officer of the property owners'
18 association who was, is, or may be made a named defendant or
19 respondent in a proceeding because the person is or was a director;

20 (10) ~~[(18)]~~ if the restrictions vest the
21 architectural control authority in the property owners'
22 association or if the authority is vested in the property owners'
23 association under Section 204.011, [+

24 ~~[(A)]~~ implement written architectural control
25 guidelines and ~~[for its own use or]~~ record the guidelines in the
26 real property records of the applicable county; and

27 (11) ~~[(B) modify the guidelines as the needs of the~~

1 ~~subdivision change,~~

2 ~~[(19)]~~ exercise other powers conferred by the
3 restrictions, its articles of incorporation, or its bylaws[~~+~~

4 ~~[(20) exercise other powers that may be exercised in~~
5 ~~this state by a corporation of the same type as the property owners'~~
6 ~~association, and~~

7 ~~[(21) exercise other powers necessary and proper for~~
8 ~~the governance and operation of the property owners' association].~~

9 (c) A property owners' association may be granted the
10 following powers not provided by the association's articles of
11 incorporation or bylaws if the association follows the petition
12 procedures prescribed by Section 204.005 for adding to or modifying
13 existing restrictions, except that the approval requirements of
14 Section 204.005(b)(1) are satisfied if the owners of at least 50
15 percent of the real property interests plus one owner of real
16 property interests, excluding lienholders, contract purchasers,
17 and the owners of mineral interests, approve the petition:

18 (1) to adopt and amend bylaws;

19 (2) to impose and receive payments, fees, or charges
20 for the use, rental, or operation of the common area and for
21 services provided to property owners;

22 (3) to impose interest, late charges, and, if
23 applicable, returned check charges for late payments of regular
24 assessments or special assessments;

25 (4) if notice and an opportunity to be heard are given,
26 to collect reimbursement of actual attorney's fees and other
27 reasonable costs incurred by the property owners' association

1 relating to violations of the subdivision's restrictions or the
2 property owners' association's bylaws and rules;

3 (5) to charge costs to an owner's assessment account
4 and to collect the costs in any manner provided in the restrictions
5 for the collection of assessments;

6 (6) to adopt and amend rules regulating the collection
7 of delinquent assessments and the application of payments;

8 (7) to impose reasonable charges for preparing,
9 recording, or copying amendments to the restrictions, resale
10 certificates, or statements of unpaid assessments;

11 (8) if the restrictions allow for an annual increase
12 in the maximum regular assessment without a vote of the membership,
13 to assess the increase annually or accumulate and assess the
14 increase after a number of years;

15 (9) to exercise other powers that may be exercised in
16 this state by a corporation of the same type as the property owners'
17 association; and

18 (10) to exercise other powers necessary and proper for
19 the governance and operation of the property owners' association.

20 (d) A property owners' association may not exercise a power
21 granted by petition under Subsection (c) before the petition is
22 filed as a dedicatory instrument under Section 204.005(b).

23 (e) Notwithstanding Subsection (c), any change to an
24 existing architectural control guideline must be made by petition
25 under Section 204.005.

26 SECTION 5. The section heading for Section 207.003,
27 Property Code, is amended to read as follows:

1 Sec. 207.003. DELIVERY OF SUBDIVISION INFORMATION TO OWNER
2 OR BUYER.

3 SECTION 6. Subsection (c), Section 207.003, Property Code,
4 is amended to read as follows:

5 (c) A property owners' association or its representative
6 may charge a reasonable fee to assemble, copy, and deliver the
7 information required by this section but ~~[and]~~ may not charge more
8 than 20 cents for each letter-sized or legal-sized page or more than
9 a total of \$75 ~~[a reasonable fee to prepare and deliver an update of~~
10 ~~a resale certificate].~~

11 SECTION 7. Section 209.005, Property Code, is amended to
12 read as follows:

13 Sec. 209.005. ASSOCIATION RECORDS. (a) A property owners'
14 association shall make the books and records of the association,
15 including financial records, ~~[reasonably]~~ available to an owner for
16 inspection at its principal office on request ~~[in accordance with~~
17 ~~Section B, Article 2.23, Texas Non-Profit Corporation Act (Article~~
18 ~~1396-2.23, Vernon's Texas Civil Statutes)].~~

19 (b) If the requested information is not available to examine
20 at the time of the request because it is in active use or in storage,
21 the property owners' association or its representative shall
22 certify this fact in writing to the requestor and set a date and
23 time that is not later than the fifth business day after the date
24 the association receives the request when the information will be
25 available for inspection.

26 (c) The property owners' association or its representative
27 may not question the basis for the requestor's request for

1 information but may verify that the requestor is an owner.

2 (d) A property owners' association or its representative
3 may charge a reasonable fee for providing copies of documents under
4 this section but may not charge more than 20 cents per letter-sized
5 or legal-sized page. For a request of 50 or fewer pages, the charge
6 may not include costs of materials, labor, or overhead, other than
7 photocopying costs.

8 (e) The property owners' association or its representative
9 shall treat all requests for information uniformly.

10 (f) The property owners' association or its representative
11 shall provide all reasonable comfort and facility for the full
12 exercise of the right granted by this section.

13 (g) This section does not authorize a requestor to remove an
14 original of a property owners' association record from the location
15 where it is kept.

16 (h) An action for a declaratory judgment or injunctive
17 relief may be brought in accordance with this section against a
18 property owners' association that violates this chapter.

19 (i) If a property owners' association fails to deliver the
20 information required under this section, the county attorney may
21 seek a court order directing the property owners' association to
22 furnish the required information. In an action under this section,
23 the county attorney may also seek a judgment against the property
24 owners' association for court costs and attorney's fees.

25 (j) This section shall be liberally construed in favor of
26 granting a request for information [~~An attorney's files and records~~
27 ~~relating to the association, excluding invoices requested by an~~

1 ~~owner under Section 209.008(d), are not:~~

2 ~~[(1) records of the association;~~

3 ~~[(2) subject to inspection by the owner; or~~

4 ~~[(3) subject to production in a legal proceeding].~~

5 SECTION 8. Chapter 209, Property Code, is amended by adding
6 Sections 209.0051 and 209.0052 to read as follows:

7 Sec. 209.0051. AVAILABILITY OF ANNUAL BUDGET PROPOSALS.

8 Not later than the 10th business day before the date of a property
9 owners' association meeting to approve an annual budget, the
10 association shall post a written copy of the proposed budget on a
11 bulletin board at a place convenient to the public at the meeting
12 location of the board.

13 Sec. 209.0052. ASSOCIATION MEETINGS. (a) A property
14 owners' association shall meet at least once each year.

15 (b) A meeting of a property owners' association and its
16 board must be conducted as provided by the bylaws. If the bylaws do
17 not provide a manner for conducting meetings, meetings must be open
18 to the owners, subject to the right of the board to adjourn a
19 meeting of the board and reconvene in closed executive session to
20 consider actions involving personnel, pending litigation, contract
21 negotiations, enforcement actions, matters involving the invasion
22 of privacy of individual owners, or matters that are to remain
23 confidential by request of the affected parties and agreement of
24 the board. The general nature of any business to be considered in
25 executive session must first be announced at the open meeting.

26 (c) Notice of a meeting of the property owners' association
27 and board must be given as provided by the bylaws. If the bylaws do

1 not provide for notice, written or printed notice stating the
2 place, day, and time of a meeting of the association, and, if the
3 meeting is a special meeting, the purpose for which the meeting is
4 called, must be posted on a bulletin board at a place convenient to
5 the public at the meeting location of the board not later than the
6 10th day before the date of the meeting and must be delivered not
7 later than the 10th day or earlier than the 60th day before the date
8 of the meeting to each member entitled to vote at the meeting.

9 (d) Notice under Subsection (c) may be delivered in person,
10 by facsimile transmission, or by mail, as provided by the
11 president, secretary, or officers or persons calling the meeting.
12 If mailed, the notice is considered to be delivered when deposited
13 in the United States mail addressed to the member at the member's
14 address as it appears on the records of the corporation, with
15 postage paid. If transmitted by facsimile, notice is considered
16 delivered when the facsimile is successfully transmitted.

17 SECTION 9. Section 209.006, Property Code, is amended to
18 read as follows:

19 Sec. 209.006. NOTICE REQUIRED BEFORE ENFORCEMENT ACTION.

20 (a) Before a property owners' association may suspend an owner's
21 right to use a common area, file a suit against an owner [~~other than~~
22 ~~a suit to collect a regular or special assessment or foreclose under~~
23 ~~an association's lien~~], charge an owner for property damage, or
24 levy a fine for a violation of the restrictions, architectural
25 control guidelines, [~~or~~] bylaws, or rules of the association, the
26 association or its agent must give written notice to the owner by
27 certified mail, return receipt requested.

1 (b) The notice must:

2 (1) describe the violation or property damage and cite
3 each bylaw, rule, guideline, or restriction that is the basis for
4 the suspension, suit, action, charge, or fine and state any amount
5 due the association from the owner; and

6 (2) inform the owner that [~~the owner~~]:

7 (A) the owner is entitled to a reasonable period
8 to cure the violation and avoid the suspension, suit, action,
9 charge, or fine [~~or suspension~~] unless the owner was given notice
10 and a reasonable opportunity to cure a similar violation within the
11 preceding six months or within the preceding 12 months for a
12 violation affecting the health and safety of the neighborhood;
13 [~~and~~]

14 (B) the owner may request a hearing under Section
15 209.007 on or before the 30th day after the date the owner receives
16 the notice;

17 (C) the owner is entitled to request that the
18 association settle the matter through mediation; and

19 (D) if the county in which the owner's property
20 is located provides mediation services at no cost, the mediation
21 may be conducted using those services at no cost to the owner.

22 SECTION 10. Subsection (c), Section 209.007, Property Code,
23 is amended to read as follows:

24 (c) The association shall hold a hearing under this section
25 not later than the 30th day after the date the board receives the
26 owner's request for a hearing and shall notify the owner of the
27 date, time, and place of the hearing not later than the 10th day

1 before the date of the hearing. The board or the owner may request a
2 postponement, and, if requested, a postponement shall be granted
3 for a period of not more than 10 days unless the association and the
4 owner agree in writing to a longer period. Additional
5 postponements may be granted by agreement of the parties. The owner
6 or the association may make an audio recording of the meeting.

7 SECTION 11. Chapter 209, Property Code, is amended by
8 adding Section 209.0071 to read as follows:

9 Sec. 209.0071. PAYMENT OF CERTAIN ASSESSMENTS. (a) A
10 property owners' association shall adopt guidelines under which an
11 owner who is unable to pay a delinquent regular or special
12 assessment in full may, at the owner's request, make partial
13 payments of the delinquent assessments until the delinquency is
14 cured.

15 (b) Guidelines adopted under Subsection (a) may provide for
16 the payment of a reasonable amount of interest on unpaid
17 assessments, not to exceed 10 percent interest annually. Interest
18 charged under this subsection may accrue from the time the
19 assessment becomes delinquent.

20 (c) A payment plan under this section may require an owner
21 to make payments to the property owners' association weekly,
22 biweekly, semimonthly, monthly, or as otherwise agreed by the
23 association and the owner.

24 (d) Before agreeing to allow an owner to make payments under
25 this section, a property owners' association may require an owner
26 to provide substantive proof of financial hardship.

27 (e) A property owners' association is not required to agree

1 to a payment plan that:

2 (1) does not bind the owner to make at least one pro
3 rata payment monthly; or

4 (2) concludes later than six months after the date the
5 delinquent assessment was due.

6 SECTION 12. Section 209.008, Property Code, is amended by
7 amending Subsection (b) and adding Subsection (h) to read as
8 follows:

9 (b) An owner is not liable for attorney's fees incurred by
10 the association relating to a matter involving a violation of the
11 association's restrictions, bylaws, rules, or architectural
12 control guidelines, including a violation involving overdue
13 assessments, before the first anniversary of the date on which the
14 violation occurred or arrearage accrued [~~described by the notice~~
15 ~~under Section 209.006 if the attorney's fees are incurred before~~
16 ~~the conclusion of the hearing under Section 209.007 or, if the owner~~
17 ~~does not request a hearing under that section, before the date by~~
18 ~~which the owner must request a hearing. The owner's presence is not~~
19 ~~required to hold a hearing under Section 209.007].~~

20 (h) A court may assess costs of litigation and reasonable
21 attorney's fees incurred by a plaintiff or defendant who
22 substantially prevails in an action involving a property owners'
23 association, including an action by or against a management company
24 or attorney representing a property owners' association. In
25 exercising its discretion under this subsection, the court shall
26 consider whether the action was brought, defended, or conducted in
27 good faith.

1 SECTION 13. Section 209.009, Property Code, is amended to
2 read as follows:

3 Sec. 209.009. FORECLOSURE SALE PROHIBITED IN CERTAIN
4 CIRCUMSTANCES. (a) A property owners' association may not
5 foreclose a property owners' association's assessment lien unless:

6 (1) [if] the debt for which the lien secures payment
7 includes a mandatory regular or special assessment that is at least
8 two years overdue; and

9 (2) the board approves the foreclosure by a majority
10 vote taken in a meeting open to the public.

11 (b) A debt described by Subsection (a)(1) may include:

12 (1) any accrued interest on assessments;

13 (2) collection costs, attorney's fees, expenses, and
14 court costs associated with collection of the debt; and

15 (3) any fees or fines allowed by the dedicatory
16 instruments [securing the lien consists solely of:

17 ~~(1) fines assessed by the association; or~~

18 ~~(2) attorney's fees incurred by the association~~
19 ~~solely associated with fines assessed by the association].~~

20 SECTION 14. Chapter 209, Property Code, is amended by
21 adding Section 209.0091 to read as follows:

22 Sec. 209.0091. JUDICIAL FORECLOSURE REQUIRED. A property
23 owners' association may not foreclose a property owners'
24 association's assessment lien unless the association first obtains
25 a court judgment foreclosing the lien and providing for issuance of
26 an order of sale.

27 SECTION 15. Section 209.011, Property Code, is amended by

1 amending Subsections (b) and (m) and adding Subsection (q) to read
2 as follows:

3 (b) The owner of property in a residential subdivision may
4 redeem the property from any purchaser at a sale foreclosing a
5 property owners' association's assessment lien not later than the
6 second anniversary of [~~180th day after~~] the date the association
7 mails written notice of the sale to the owner under Section 209.010.

8 (m) If a lot owner sends by certified mail, return receipt
9 requested, a written request to redeem the property on or before the
10 last day of the redemption period, the lot owner's right of
11 redemption is extended until the 10th day after the date the
12 association and any third party foreclosure purchaser provides
13 written notice to the lot owner of the amounts that must be paid to
14 redeem the property. If a third party foreclosure purchaser does
15 not provide the person's current mailing address as required under
16 Subsection (q) and a lot owner is unable to contact the purchaser,
17 the redemption period is extended by one day for each day the
18 required notification of a change in address is not provided.

19 (q) A person, other than the property owners' association,
20 who purchases the property at the foreclosure sale shall provide
21 the association with the person's mailing address not later than
22 the 10th business day after the sale and notify the association of
23 any change in the person's mailing address during the redemption
24 period not later than the 10th business day after the date the
25 change becomes effective.

26 SECTION 16. Chapter 209, Property Code, is amended by
27 adding Sections 209.012 through 209.015 to read as follows:

1 Sec. 209.012. CONTRACT WITH MANAGEMENT COMPANY.

2 (a) Except as provided by Subsection (b), a property owners'
3 association or a person in privity with a property owners'
4 association may not contract with or compensate any person to
5 manage, enforce, or represent the association in connection with
6 enforcing restrictions, bylaws, rules, or guidelines.

7 (b) If expressly described in a budget approved by the
8 board, a property owners' association or a person in privity with a
9 property owners' association may pay a management company a flat
10 fee plus actual postage costs for enforcing all restrictions,
11 bylaws, rules, or guidelines, including payment of assessments, for
12 the budget period.

13 Sec. 209.013. CONFLICTS OF INTEREST. A person who is a
14 member of the board of a property owners' association or related
15 within the third degree by consanguinity or within the second
16 degree by affinity to a member of the board may not be compensated
17 for providing legal representation or management services to the
18 association.

19 Sec. 209.014. SUSPENSION OF VOTING PRIVILEGES. A property
20 owners' association may not suspend an owner's voting privileges in
21 the association because of the owner's overdue assessments or
22 failure to cure a violation of a deed restriction unless:

- 23 (1) the assessments are more than 60 days overdue; or
24 (2) the violation of the deed restriction remains
25 uncured after notice and opportunity for a hearing under Sections
26 209.006 and 209.007 or after the violation has been otherwise
27 mediated or adjudicated.

1 Sec. 209.015. FEE FOR TRANSFER OF CERTAIN INFORMATION. A
2 property owners' association or its representative may not charge a
3 homebuyer more than \$75 for the transfer of personal and contact
4 information in connection with the purchase of a home in the
5 subdivision.

6 SECTION 17. Subchapter C, Chapter 82, Government Code, is
7 amended by adding Section 82.067 to read as follows:

8 Sec. 82.067. DEFERRED BILLING FOR CERTAIN LEGAL SERVICES
9 AND CERTAIN COLLECTION PRACTICES PROHIBITED. (a) In this section,
10 "property owners' association" has the meaning assigned by Section
11 202.001, Property Code.

12 (b) An attorney who provides legal services to a property
13 owners' association or management company in matters involving
14 collections of mandatory or special assessments or violations of
15 the association's restrictions, bylaws, or rules may not collect
16 the attorney's fees for those services directly from a homeowner
17 from whom the association or company has the right to collect the
18 attorney's fees.

19 SECTION 18. Section 5.006, Subsection (c), Section 202.004,
20 and Subsections (d), (f), and (g), Section 209.008, Property Code,
21 are repealed.

22 SECTION 19. (a) Section 51.009, Property Code, as added by
23 this Act, applies to a property owners' association's lien that
24 attaches to real property before, on, or after the effective date of
25 this Act.

26 (b) Section 203.003, Property Code, as amended by this Act,
27 applies only to a violation of Title 11, Property Code, that occurs

1 on or after the effective date of this Act. A violation that occurs
2 before the effective date of this Act is governed by the law in
3 effect immediately before that date, and that law is continued in
4 effect for that purpose.

5 (c) Section 204.010, Property Code, as amended by this Act,
6 applies only to an action of a property owners' association that
7 occurs on or after the effective date of this Act. An action of a
8 property owners' association that occurs before the effective date
9 of this Act is governed by the law in effect immediately before that
10 date, and that law is continued in effect for that purpose.

11 (d) Section 209.012, Property Code, as added by this Act,
12 applies only to a contract between a property owners' association
13 and a management company entered into on or after the effective date
14 of this Act. A contract between a property owners' association and
15 a management company entered into before the effective date of this
16 Act is governed by the law in effect immediately before that date,
17 and that law is continued in effect for that purpose.

18 (e) Section 209.013, Property Code, as added by this Act,
19 does not apply to legal representation or management services
20 provided under a contract entered into before the effective date of
21 this Act.

22 (f) Section 209.014, Property Code, as added by this Act,
23 applies only to a vote taken on or after the effective date of this
24 Act. A vote taken before the effective date of this Act is governed
25 by the law in effect immediately before that date, and that law is
26 continued in effect for that purpose.

27 (g) Section 209.0051, Property Code, as added by this Act,

1 applies only to a property owners' association budget adopted on or
2 after the effective date of this Act.

3 (h) Section 209.006, Property Code, as amended by this Act,
4 applies only to an enforcement action taken by a property owners'
5 association on or after the effective date of this Act. An
6 enforcement action taken before the effective date of this Act is
7 governed by the law in effect immediately before that date, and that
8 law is continued in effect for that purpose.

9 (i) Section 209.0071, Property Code, as added by this Act,
10 applies only to an assessment that becomes due on or after the
11 effective date of this Act. An assessment that becomes due before
12 the effective date of this Act is governed by the law in effect
13 immediately before that date, and that law is continued in effect
14 for that purpose.

15 (j) Subsection (b), Section 209.008, Property Code, as
16 amended by this Act, applies only to a violation that occurs or an
17 arrearage that accrues on or after the effective date of this Act.
18 A violation that occurred or an arrearage that accrued before the
19 effective date of this Act is governed by the law in effect
20 immediately before that date, and that law is continued in effect
21 for that purpose.

22 (k) Subsection (h), Section 209.008, Property Code, as
23 added by this Act, applies only to an action filed on or after the
24 effective date of this Act. An action filed before the effective
25 date of this Act is governed by the law in effect immediately before
26 that date, and that law is continued in effect for that purpose.

27 (l) Section 209.009 and Subsections (b) and (m), Section

1 209.011, Property Code, as amended by this Act, and Section
2 209.0091 and Subsection (q), Section 209.011, Property Code, as
3 added by this Act, apply only to foreclosure of a lien that attaches
4 on or after the effective date of this Act. Foreclosure of a lien
5 that attaches before the effective date of this Act is governed by
6 the law in effect immediately before that date, and that law is
7 continued in effect for that purpose.

8 (m) The repeal of Section 5.006, Property Code, by this Act
9 applies only to the award of attorney's fees in an action filed on
10 or after the effective date of this Act. The award of attorney's
11 fees in an action filed before the effective date of this Act is
12 governed by the law in effect immediately before that date, and that
13 law is continued in effect for that purpose.

14 (n) The repeal of Subsection (c), Section 202.004, Property
15 Code, by this Act applies only to civil damages assessed for a
16 violation of a restrictive covenant that occurs on or after the
17 effective date of this Act. Civil damages assessed for a violation
18 of a restrictive covenant that occurs before the effective date of
19 this Act are governed by the law in effect immediately before that
20 date, and that law is continued in effect for that purpose.

21 SECTION 20. This Act takes effect September 1, 2003.