

## **BILL ANALYSIS**

H.B. 2215  
By: Bailey  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Frequently, homeowners' associations operate without any checks or balances. Although they are non-profit corporations, they often assume great powers. It is important that a reasonable standard of enforcement is practiced by homeowners' associations. House Bill No. 2215 would provide for intervention before costly lawsuits involving homeowners' associations could be pursued in the civil courts.

It is the intent of this legislation to establish reasonable procedures for dispute resolution, and to strike a balance between the rights of the homeowner and those of the community as a whole, before costly civil litigation is commenced.

### **RULEMAKING AUTHORITY**

It is the opinion of the Committee on Business and Industry that this bill does not expressly grant any additional rulemaking authority to any state officer, department, agency, or institution.

### **SECTION-BY-SECTION ANALYSIS**

SECTION 1. Section 209.006, Property Code, is amended to clarify the notification a property owners' association must take before suspending certain owners' rights, inform the owner of the process to cure the violation, and condition under which a hearing may be requested under Section 209.007.

SECTION 2. Chapter 209, Property Code, is amended by adding Section 209.0071 to clarify the payment of certain assessments.

SECTION 3. Section 209.008(b), Property Code, is amended to clarify the circumstances under which the owner is not liable for an association's attorney fees under Section 209.006, Section 209.007, and Section 209.0071.

SECTION 4. Section 209.009, Property Code, is amended to state the circumstances under which a property owner's association may foreclose a property owners' association's assessment lien.

SECTION 5. Section 209.0091 is added to Chapter 209, Property Code, to clarify that a property owners' association may not foreclose a property owner's association's assessment lien unless the association obtains a court judgment.

SECTION 6. Section 209.011(b), Property Code, is amended to set a time frame in which the owner of property in a residential subdivision may redeem the property from any purchaser at a sale foreclosing a property owners' association's assessment lien.

SECTION 7. Section 551.0015(a), Government Code, is amended to remove the population cap of Harris County and surrounding counties. It also removes the amount of the mandatory special or regular assessments is or has ever been based in whole or in part on the value at which the state or a local governmental body assesses the property for purposes of ad valorem taxation under Section 20, Article VIII, Texas Constitution.

SECTION 8. Section 552.0036, Government Code, is amended to remove the population cap of Harris County and surrounding counties. It also removes the amount of the mandatory special or regular assessments is or has ever been based in whole or in part on the value at which the state or a local governmental body assesses the property for purposes of ad valorem taxation under Section 20, Article VIII, Texas Constitution.

SECTION 9. Applies only to enforcement actions by property owners' association, assessments, and foreclosure of a lien on or after the effective date of this Act.  
SECTION 10. Establishes the effective date of the Act.

**EFFECTIVE DATE**

September 1, 2005.