

## **BILL ANALYSIS**

Senate Research Center  
79R12913 PAM-F

C.S.S.B. 1631  
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Intergovernmental Relations  
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Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

C.S.S.B. 1631 offers private citizens the same protections afforded to homeowners' associations after a foreclosure, thus encouraging the private sector to participate in these difficult situations. This bill protects property values, reduces foreclosures, strengthens property owners redemption rights, reduces the burdens on homeowners' association, and increases tax revenues.

It provides incentives for repairs on foreclosed properties during the redemption period. This bill allows investors who purchase properties at homeowners' association foreclosure sales to pay off delinquent liens on the property. This action strengthens the redemption right of the original owner by preventing lien holders from terminating the owner's state-mandated redemption rights through subsequent foreclosure. C.S.S.B. 1631 puts investors on equal footing as homeowners' associations and protects investors and owners from subsequent foreclosures, benefiting the owner, investor, homeowners' association, neighboring property owners, and taxing authorities.

### **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 Sections 209.11(d), (i), and (j), Property Code, as follows:

(d) Requires the lot owner, to redeem property purchased by a sale foreclosing a property owners' association's assessment lien, to make certain payments to the association and the third party who purchased the property at the foreclosure sale.

(i) and (j) Makes conforming changes.

SECTION 2. Repealer: Section 209.011(e)(redeeming property purchased at the foreclosure sale by a person other than the property owners' association), Property Code.

SECTION 3. Effective date: September 1, 2005.