

1-1 By: Wentworth, Hinojosa S.B. No. 244
1-2 (In the Senate - Filed January 25, 2005; February 3, 2005,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; February 24, 2005, reported favorably by the following
1-5 vote: Yeas 4, Nays 0; February 24, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to priority of payment relating to property owners'
1-9 association assessments.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 209.009, Property Code, is amended to
1-12 read as follows:

1-13 Sec. 209.009. FORECLOSURE SALE PROHIBITED IN CERTAIN
1-14 CIRCUMSTANCES. (a) A property owners' association may not
1-15 foreclose a property owners' association's assessment lien if the
1-16 debt securing the lien consists solely of:

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

1-18 (2) attorney's fees incurred by the association solely
1-19 associated with fines assessed by the association.

1-20 (b) Unless otherwise provided in writing by the property
1-21 owner, a payment received by a property owners' association from
1-22 the owner shall be applied to the owner's debt in the following
1-23 order of priority:

1-24 (1) any delinquent assessment;

1-25 (2) any current assessment;

1-26 (3) any fines assessed by the association; and

1-27 (4) any attorney's fees incurred by the association
1-28 solely associated with fines assessed by the association.

1-29 SECTION 2. This Act applies to a payment received by a
1-30 property owners' association on or after the effective date of this
1-31 Act. A payment received before the effective date of this Act is
1-32 governed by the law in effect when the payment was received, and the
1-33 former law is continued in effect for that purpose.

1-34 SECTION 3. This Act takes effect September 1, 2005.

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