

BILL ANALYSIS

H.B. 2395
By: England
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It is typical for a property that is being sold and that is subject to a property owners' association to obtain a resale certificate at the beginning of the closing process. Once a property is under contract and is about to close, some property owners' associations require a new resale certificate with the concomitant time requirements and expense, when only a dues update is necessary.

H.B. 2395 requires a property owners' association that has provided a resale certificate to provide on request an updated certificate with the status of dues attributable to the property prior to the closing of a sale of the property without the necessity of a new resale certificate. The bill also requires a property owners' association to provide the status of a waiver or non-waiver of a first right of refusal on a sale, if such a right exists, and any changes to the information provided in the previously issued resale certificate.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2395 amends the Property Code to require a property owners' association, not later than the seventh day after the date a written request for an update to a previously issued resale certificate is received from an owner, owner's agent, or title insurance company or its agent acting on behalf of the owner, to deliver to such person an updated resale certificate that contains a statement of whether the property owners' association waives the restraint on sale, if a right of first refusal or other restraint on sale is contained in the restrictions; the status of any unpaid special assessments, dues, or other payments attributable to the owner's property; and any changes to the information provided in the previously issued resale certificate.

EFFECTIVE DATE

September 1, 2009.