

By: Olivo

H.B. No. 3017

A BILL TO BE ENTITLED

AN ACT

relating to the procedures for payment of property owners' association assessments and related costs.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Section 209.0081 to read as follows:

Sec. 209.0081. PRIORITY OF PAYMENTS. Unless otherwise provided in writing by the property owner at the time a payment is made, a payment received by a property owners' association from the owner shall be applied to the owner's debt in the following order of priority:

(1) any delinquent assessment;

(2) any current assessment;

(3) any attorney's fees incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;

(4) any fines assessed by the association;

(5) any attorney's fees incurred by the association that are not subject to Subdivision (3); and

(6) any other amount owed to the association.

SECTION 2. Section 209.0081, Property Code, as added by this Act, applies only to a payment received by a property owners' association on or after the effective date of this Act. A payment received by a property owners' association before the effective

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1 date of this Act is governed by the law in effect immediately before
2 the effective date of this Act, and that law is continued in effect
3 for that purpose.

4 SECTION 3. This Act takes effect September 1, 2009.