

By: Rose

H.B. No. 4151

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting the foreclosure of property owners' association assessment liens for a certain period.

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

SECTION 1. Title 11, Property Code, is amended by adding Chapter 209A to read as follows:

CHAPTER 209A. FORECLOSURE OF CERTAIN ASSESSMENT LIENS

Sec. 209A.001. DEFINITIONS. In this section:

(1) "Assessment" means a regular assessment, special assessment, or other amount a property owner is required to pay a property owners' association or condominium owners' association under a dedicatory instrument or declaration or by law.

(2) "Condominium owners' association" means a council of owners of a condominium regime governed by Chapter 81, or a unit owners' association governed by Chapter 82.

(3) "Property owners' association" has the meaning assigned by Section 209.002.

Sec. 209A.002. OPERABILITY OF CHAPTER; EXPIRATION. (a) This chapter is operable only if the federal Act known as the "Homeowner Affordability and Stability Plan" becomes law. If this chapter becomes operable, the operability date of this chapter is the date the federal Act takes effect, and this chapter is no longer operable on the date on which the federal Act expires. If the federal Act does not become law, this chapter is not operable and

1 has no effect.

2 (b) Notwithstanding Subsection (a), this chapter expires  
3 September 1, 2013.

4 Sec. 209A.003. FORECLOSURE OF ASSESSMENT LIENS PROHIBITED.

5 (a) A property owners' association or condominium owners'  
6 association may not foreclose the association's assessment lien on  
7 residential real property during the period this chapter is  
8 operable. Delinquent assessments, regardless of whether the  
9 assessments became due before or after the operability date of this  
10 chapter, may not accrue penalties during the period this chapter is  
11 operable.

12 (b) Subsection (a) applies to a property for which a notice  
13 of sale is given under Section 51.002 before the operability date of  
14 this chapter or a property for which an action for judicial  
15 foreclosure is filed before the operability date of this chapter if  
16 a sale of the property has not been completed before the operability  
17 date of this chapter.

18 SECTION 2. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2009.