

By: Orr, Solomons, Garza

H.B. No. 366

Substitute the following for H.B. No. 366:

By: Orr

C.S.H.B. No. 366

A BILL TO BE ENTITLED

AN ACT

relating to priority of payment relating to property owners' association assessments.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Section 209.0063 to read as follows:

Sec. 209.0063. PRIORITY OF PAYMENTS. Unless otherwise provided in writing by the property owner at the time 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. This Act applies to a payment received by a property owners' association on or after the effective date of this Act. A payment received before the effective date of this Act is governed by the law in effect when the payment was received, and the

1 former law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2011.