

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 31, 2011**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Business & Industry

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB565** by Solomons (Relating to the procedures required for the foreclosure of a property owners' association's assessment lien.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the the Property Code relating to the procedures required for the foreclosure of a property owners' association's assessment lien. This provision would change the procedures required for the foreclosure of a property owners' association's assessment lien by requiring that a property owners' association must first obtain a court order in an application for expedited foreclosure before foreclosing on a property owners' association assessment lien.

The proposed amendment would require the Supreme Court, under its authority based upon Government Code, Section 74.024, to adopt rules by January 1, 2012, establishing expedited foreclosure procedures for use by a property owners' association in foreclosing an assessment lien of the association. The rules to be adopted must be substantially similar to the rules adopted by the Supreme Court under Section 50 (r), Article XVI, Texas Constitution, and must require personal service on the record owner of the property of a copy of the notice and application for foreclosure of the lien. The proposed amendment also includes a provision which would allow the owner of the property that is subject to foreclosure to waive in writing the expedited foreclosure proceedings.

The bill would take effect September 1, 2011.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council

**LBB Staff:** JOB, AG, JP