

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2586
By: Flores
Business & Commerce
4/30/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, real estate professionals and consumers face considerable challenges in obtaining critical homeowners' association (HOA) details—such as fees, covenants, rules, and restrictions—before entering into a purchase agreement. Each HOA operates independently, with varying rules, management structures, and fee schedules, making it difficult for buyers to make informed decisions. Unfortunately, many HOAs do not disclose this information until a contract is in place, often requiring consumers to pay fees just to access it. As a result, buyers frequently terminate contracts upon learning these details too late, leading to unnecessary financial and time burdens on all parties involved.

Texas has already taken steps towards transparency through the creation of hoa.texas.gov, a state-run platform for HOAs to publish management certificates. However, this resource is underutilized due to limited participation from HOAs, and when they do participate, the information is often incomplete or outdated.

To improve transparency and consumer protection, S.B. 2586 will require all HOAs to publish their complete and up-to-date fee schedules, covenants, and regulations on hoa.texas.gov. The bill also includes penalties for noncompliance to ensure participation and accuracy, along with guidelines for timely updates to HOA information.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2586 amends current law relating to information that a property owners' association must file with the Texas Real Estate Commission.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 209, Property Code, by adding Section 209.00405, as follows:

Sec. 209.00405. INFORMATION TO BE FILED WITH TEXAS REAL ESTATE COMMISSION. (a) Defines "commission."

(b) Requires the property owners' association, not later than the seventh day after the date a property owners' association files a management certificate for recording under Section 209.004(a) (relating to requiring a property owners' association to record in each county in which any portion of the residential subdivision is located a management certificate stating certain information) or files an amended management certificate for recording under Section 209.004(b) (relating to requiring the property owners' association to record an amended management certificate), to electronically file certain information with the Texas Real Estate Commission (TREC).

(c) Requires TREC to only collect the information required under Subsection (b) for the purpose of making the data accessible to the general public through an Internet website.

(d) Provides that, except as provided under Subsection (e), a property owners' association and its officers, directors, employees, and agents are not subject to liability to a person for a delay in electronically filing or failure to electronically file the information requested under Subsection (b) with TREC, unless the delay or failure is wilful or caused by gross negligence.

(e) Provides that, if a property owners' association fails to file the information required under Subsection (b), the owner is not liable to the property owners' association for any assessments, fines, or fees levied against the owner by the association during the period the information is not electronically filed with TREC as required under Subsection (b).

SECTION 2. (a) Requires TREC, not later than December 1, 2025, to establish and make available the system necessary for the electronic filing of the information required under Section 209.00405(b), Property Code, as added by this Act.

(b) Requires a property owners' association that has on or before December 1, 2025, recorded a management certificate or amended management certificate with a county clerk under Section 209.004 (Management Certificates), Property Code, notwithstanding Section 209.00405(b), Property Code, as added by this Act, to electronically file the information required by Section 209.00405(b), Property Code, with TREC not later than June 1, 2026.

SECTION 3. Effective date: September 1, 2025.