

By: West

S.B. No. 241

A BILL TO BE ENTITLED

AN ACT

relating to procedures required for the foreclosure of a property owners' association's assessment lien.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Section 209.0091 to read as follows:

Sec. 209.0091. JUDICIAL FORECLOSURE REQUIRED. (a) Except as provided by Subsection (b), a property owners' association may not foreclose a property owners' association's assessment lien unless the association first obtains a court judgment foreclosing the lien and providing for issuance of an order of sale.

(b) Judicial foreclosure is not required under this section if the owner of the property that is subject to foreclosure agrees in writing to waive judicial foreclosure under this section.

SECTION 2. Subsection (a), Section 209.010, Property Code, is amended to read as follows:

(a) A property owners' association that conducts a foreclosure sale of an owner's lot must send to the lot owner not later than the 30th day after the date of the foreclosure sale:

(1) a written notice stating the date and time the sale occurred and informing the lot owner of the owner's right to redeem the property under Section 209.011; and

(2) a copy of Section 209.011.

SECTION 3. (a) Section 209.0091, Property Code, as added by

1 this Act, applies only to foreclosure of a lien that attaches on or
2 after the effective date of this Act. Foreclosure of a lien that
3 attaches before the effective date of this Act is governed by the
4 law in effect immediately before that date, and that law is
5 continued in effect for that purpose.

6 (b) Subsection (a), Section 209.010, Property Code, as
7 amended by this Act, applies only to a foreclosure sale conducted on
8 or after the effective date of this Act. A foreclosure sale
9 conducted before the effective date of this Act is governed by the
10 law in effect immediately before the effective date of this Act, and
11 that law is continued in effect for that purpose.

12 SECTION 4. This Act takes effect January 1, 2010.