

## **BILL ANALYSIS**

Senate Research Center  
76R3445 MLS-D

S.B. 489  
By: Ellis  
State Affairs  
2/22/1999  
As Filed

### **DIGEST**

Currently, a dispute between a homeowner and a property owners' association may proceed straight to court without an informal dispute resolution. A dispute resolution provides a cost-effective means for the homeowner and the association to resolve conflicts, such as a fine or penalty. S.B. 489 would require an informal method of dispute resolution prior to any legal action for members of property owners' associations.

### **PURPOSE**

As proposed, S.B. 489 requires informal dispute resolution for property owners' associations.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to a property owners' association in SECTION 1 (Section 202.010(b), Chapter 202, Property Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 202, Property Code, by adding Section 202.010, as follows:

Sec. 202.010. HEARING BEFORE PROPERTY OWNERS' ASSOCIATION. Requires a property owners' association to establish a dispute resolution committee to conduct hearings on disputes relating to a fine or penalty imposed on a property owner by the association. Requires the association to adopt rules relating to hearings conducted by a dispute resolution committee. Sets forth required substantive criteria for the rules.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.