

BILL ANALYSIS

Senate Research Center

S.B. 1918
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When a property is sold in a subdivision with a property owners' association (POA), it is typical practice to obtain a resale certificate at the beginning of the process. Once a property is under contract and about to close, some POAs require issuance of a new resale certificate, with the concomitant time requirements and expense, when only a dues update is necessary.

S.B. 1918 amends current law relating to disclosure of certain information by a property owners' association.

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 Section 207.003, Property Code, by amending Subsections (c) and (d) and adding Subsections (f) and (g), as follows:

(c) Authorizes a property owners' association (POA) to charge a reasonable fee to assemble, copy, and deliver the information required by this section and charge a reasonable fee to prepare and deliver an update of a resale certificate under Subsection (f).

(d) Requires the POA to deliver the information required by Subsection (a) (relating to delivery of subdivision information to persons by the POA) or (f) to the person specified in the written request. Provides that a written request that does not specify the name and location to which the information is to be sent is not effective. Authorizes the POA to deliver the information required by Subsection (a) and any update to the resale certificate required by Subsection (f) by mail, hand delivery, or alternative delivery means specified in the written request.

(f) Requires the POA, not later than the seventh day after the date a written request for an update to a resale certificate delivered under Subsection (a) is received from an owner, owner's agent, or title insurance company or its agent acting on behalf of the owner, to deliver to the owner, owner's agent, or title insurance company or its agent an updated resale certificate that contains the following information: if a right of first refusal or other restraint on sale is contained in the restrictions, a statement of whether the POA waives the restraint on sale; the status of any unpaid special assessments, dues, or other payments attributable to the owner's property; and any changes to the information provided in the resale certificate issued under Subsection (a).

(g) Requires that requests for an updated resale certificate pursuant to Subsection (f) be made within 180 days of the date a resale certificate is issued under Subsection (a). Provides that the update request may be made only by the party requesting the original resale certificate.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.