



## **Reform Legislation Passes to Protect Condominium Owners**

### **For Immediate Release**

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**Austin, TX – May 28, 2013-** The Texas Legislature has approved legislation that will offer condominium associations in the state of Texas greater flexibility to borrow money and secure a loan. The legislation addresses a problem condominium associations faced after Hurricane Ike hit the Texas coast and many condos were destroyed. Condo associations had a hard time getting a loan to rebuild their damaged or destroyed property. This bill will make it easier for condo associations to obtain a loan to rebuild if disaster strikes.

The legislation will also help many associations across the state that are aging because they were built in the 50's, 60's and 70's and need upgrades or repairs. "Their buildings and systems are in dire need of repair. Without the ability to borrow the funds needed the only way for the associations to make repairs is through special assessments and special assessments are very hard on our retired residents," said Worth Ross of Dallas, a TCAA Board Member.

The bill also gives condo owners additional rights if they are facing foreclosure and requires associations to post management certificates in the county clerk's office that will allow the public to track the number of associations in the state.

Authored by Representative Raphael Anchia and sponsored by Senator Royce West in the Senate, House Bill 2075 has been sent to the Governor for his signature.

Members of a condominium association own their individual units and a percentage interest in buildings, common areas and amenities. This differs from members of a typical homeowners association (generally town houses and detached homes with yards) who own their homes and the lots on which they sit as well as an individual interest in common areas such as streets and recreational facilities.

Texas Community Association Advocates praised the legislation saying the bill gives condo owners the ability to protect their property values.

"TCAA supports giving condo associations more flexibility to borrow money and secure a loan to ensure that condo associations can protect property values," said Judi Phares,

Chair of TCAA. Another bill TCAA supports is also headed to the Governor. Authored by Representative Garnet Coleman, House Bill 3800 brings uniformity to recording HOAs data in county property records. This legislation requires all POAs to file management certificates in the real property records of the county and will allow the public to track the number of homeowner associations in the State of Texas.

“The bill provides the public with more data about community associations in the state of Texas,” Phares said.

There are more than 5 million people living in the 25,000-30,000 community associations in the state of Texas. These associations generate assessment revenues of approximately \$3.2 billion dollars annually and employ thousands of workers through various service providers across the state. Thousands of volunteer board members across the state dedicate their time to working with their neighbors for the benefit of their community.

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