

BILL ANALYSIS

Senate Research Center

H.B. 2339
By: Talton (Brown)
Jurisprudence
5-17-97
Committee Report (Amended)

DIGEST

In the year 2003, the Clear Lake Community Association's service charge document will run out with no provision for extension. The service charge document is essential to fund deed restriction enforcement and to maintain association assets. However, the community's deed restrictions document will run for 40 years with a provision for an extension. This bill will set forth regulations regarding the extension of restrictions imposing regular assessments in certain residential real estate subdivisions.

PURPOSE

As proposed, H.B. 2339 sets forth regulations regarding the extension of restrictions imposing regular assessments in certain residential real estate subdivisions.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 11, Property Code, by adding Chapter 206, as follows:

CHAPTER 206. EXTENSION OF RESTRICTIONS IMPOSING REGULAR ASSESSMENTS IN CERTAIN SUBDIVISIONS

Sec. 206.001. **DEFINITIONS.** Defines "community association," "dedicatory instrument," "restrictive covenant," "lienholder," "owner," "real property records," "residential real estate subdivision," "restrictions," and "regular assessment."

Sec. 206.002. **APPLICABILITY OF CHAPTER.** Provides that this chapter applies only to certain residential real estate subdivisions.

Sec. 206.003. **EXTENSION OF RESTRICTION IMPOSING REGULAR ASSESSMENT.** Authorizes a community association to approve and submit to a vote of the owners an extension of a restriction imposing a regular assessment. Provides that the extension of a restriction imposing a regular assessment is approved if a majority of the owners in the subdivision who vote on the issue in accordance with Section 206.004 vote in favor of the extension. Provides that an extension approved in accordance with this section and Section 206.004 applies to all real property in the subdivision, including residential and commercial property. Requires a document certifying that a majority of the owners voting on the issue approved the extension of the restriction to be recorded in the real property records of the county in which the subdivision is located.

Sec. 206.004. **METHOD OF VOTING.** Sets forth regulations regarding a vote on an extension of a restriction that imposes a regular assessment.

SECTION 2. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

Amendment 1.

On page 3, after line 14 and before line 15, insert the following:

"(e) The community association shall record a copy of the ballot or petition in the real property records in the county in which the subdivision is located prior to submission of the extension to a vote of the owners."