

BILL ANALYSIS

Senate Research Center
76R3188 PAM-D

S.B. 154
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State Affairs
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As Filed

DIGEST

Currently, under Texas law, an association of property owners of nonresidential property must have all property owners agree to amendments to deed restrictions, if there were no provisions for deed restriction amendments when the deed was originally drafted. This bill requires nonresidential property owners to comply with certain petition procedures in order to modify restrictive covenants. The bill also invalidates the modification of a restrictive covenant under certain conditions.

PURPOSE

As proposed, S.B. 154 requires nonresidential property owners to comply with certain petition procedures in order to modify restrictive covenants, and invalidates the modification of a restrictive covenant under certain conditions.

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 207, as follows:

CHAPTER 207. RESTRICTIVE COVENANTS APPLICABLE TO CERTAIN NONRESIDENTIAL PROPERTY

Sec. 207.001. APPLICATION. Establishes that this chapter applies only to real property designated by a restrictive covenant for nonresidential use that is located in a county with a population of 2.8 million or more.

Sec. 207.002. DEFINITIONS. Defines “owner,” “restrictive covenant,” and “grantor.”

Sec. 207.003. MODIFICATION OF RESTRICTIONS. Requires owners of real property subject to this chapter to comply with the applicable petition procedures of Chapter 201 to modify restrictive covenants. Invalidates the modification of a restrictive covenant under certain conditions.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.