

BILL ANALYSIS

Senate Research Center
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S.B. 490
By: Ellis
State Affairs
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As Filed

DIGEST

Currently, the Senate State Affairs Committee's Interim Report recommends that training of a property owners' association board member is essential to insure proper administration of property owners' association bylaws and that members should not be indemnified for their actions unless they meet certain training criteria. This bill would require the training and indemnification of board members of a property owners' association and requires the attorney general to adopt rules establishing minimum standards for the training of board members of a property owners' association.

PURPOSE

As proposed, S.B. 490 requires the establishment of a training program for board members of a property owners' association, and requires the board members' completion of the program.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the attorney general in SECTION 1 (Section 202.009(a), Property Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 202, Property Code, by adding Section 202.009, as follows:

Sec. 202.009. BOARD MEMBER TRAINING; INDEMNIFICATION. Requires the attorney general to adopt rules establishing standards for the training of board members of a property owners' association. Requires board members to attend the training program within six months after assuming the duties of the board. Prohibits a property owners' association from indemnifying a board member for liability imposed as damages unless the board member has completed the training program.

SECTION 2. Effective date: January 1, 2000. Requires the attorney general to adopt rules as required by Section 202.009(a) no later than December 1, 1999.

SECTION 3. Emergency clause.