

BILL ANALYSIS

Senate Research Center
80R12336 JPL-D

H.B. 2218
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Intergovernmental Relations
5/15/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It is current practice for land developers to retain the authority of the architectural control committee while developing a property and to transfer that authority to a property owners' association or similar organization once development is complete. However, if a developer dies before properly transferring the architectural control committee's authority and the development company no longer exists, there is no procedure to assign the authority to another entity.

Such a situation has occurred in Sharpstown, Texas, where land developer Frank Sharp died before signing over the architectural control committee authority of six sections due to accidental oversight. Since Sharp died before properly transferring authority and the development company no longer exists, there is no procedure to assign the authority to another entity. Despite these circumstances, the Sharpstown Civic Association has exercised authority for architectural control in all sections of Sharpstown, even the section for which assignments have never been obtained. Statutory change is necessary to provide for an alternative method of transferring authority if another such situation were to arise.

H.B. 2218 sets forth certain circumstances under which a property owners' association or similar organization is authorized to assume the authority of the architectural control committee.

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 204.011, Property Code, by adding Subsection (d), as follows:

(d) Vests architectural control committee (committee) authority (authority) over an entire subdivision in a civic association other than a property owners' association, if existing restrictions applicable to a subdivision do not provide for a property owners' association and a property owners' association has not been formed, if, a committee created by the restrictions exercised the authority as provided by the restrictions over all the lots in the subdivision for at least 10 years and over a majority of the lots in the subdivision for at least 20 years; a committee created by the restrictions assigned the civic association the authority over a majority of the lots in the subdivision; the civic association was assigned the authority over a majority of the lots in the subdivision and has exercised that authority over all the lots in the subdivision for at least 10 years; and the authority has lapsed in the lots in which the civic association lacks authority, and the lapse is solely the result of the automatic termination of the authority or the death of a member of the committee or another cause resulting from the inability to locate a member of the committee or the member's assigns.

SECTION 2. Effective date: September 1, 2007.