

By: Davis of Harris

H.B. No. 766

A BILL TO BE ENTITLED

AN ACT

relating to permitting a community association to increase regular assessments on a majority vote of property owners.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Chapter 206, Property Code, is amended to read as follows:

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

SECTION 2. Sections 206.003 and 206.004, Property Code, are amended to read as follows:

Sec. 206.003. EXTENSION OF OR AMENDMENT TO RESTRICTION IMPOSING REGULAR ASSESSMENT. (a) A community association may approve and submit to a vote of the owners:

(1) an extension of a restriction imposing a regular assessment; or

(2) an amendment to an existing restriction that increases the amount of a regular assessment imposed under the restriction.

(b) The extension of or amendment to a restriction submitted to a vote of the owners under Subsection (a) [~~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 or amendment.

(c) An extension or amendment approved in accordance with

1 this section and Section 206.004 applies to all real property in the  
2 subdivision, including residential and commercial property.

3 (d) A document certifying that a majority of the owners  
4 voting on the issue approved the extension of or amendment to the  
5 restriction must be recorded in the real property records of the  
6 county in which the subdivision is located.

7 Sec. 206.004. METHOD OF VOTING. (a) An extension of or  
8 amendment to a restriction submitted to a vote of the owners under  
9 Section 206.003(a) [~~that imposes a regular assessment~~] must be  
10 voted on:

11 (1) by a written ballot that states the substance of  
12 the amendment extending the restriction or increasing the regular  
13 assessment and specifies the date by which the community  
14 association must receive a ballot for the ballot to be counted; or

15 (2) at a meeting of the property owners in the  
16 subdivision.

17 (b) The community association shall provide for mailing to  
18 each owner, as applicable:

19 (1) the ballot under Subsection (a)(1); or

20 (2) notice of the meeting under Subsection (a)(2) that  
21 states the purpose of the meeting.

22 (c) In conjunction with a vote by ballot or at a meeting  
23 under Subsection (a), the community association may provide for  
24 circulation of a petition in the subdivision.

25 (d) The vote of multiple owners of a property may be  
26 reflected by the signature or vote of one of the owners.

27 (e) The community association shall record a copy of the

1 ballot or petition in the real property records in the county in  
2 which the subdivision is located prior to submission of the  
3 extension or amendment to a vote of the owners.

4 SECTION 3. This Act takes effect September 1, 2003, and  
5 applies only to an amendment to an existing restriction described  
6 by Section 206.003, Property Code, as amended by this Act,  
7 submitted to a vote of the property owners by a community  
8 association on or after the effective date of this Act. An  
9 amendment to a restriction submitted to a vote of the property  
10 owners by a community association before the effective date of this  
11 Act is governed by the law in effect at the time the amendment was  
12 submitted, and the former law is continued in effect for that  
13 purpose.