

BILL ANALYSIS

C.S.H.B. 976
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, under Chapters 201 and 204 of the Property Code, Petition Committees and non-profit associations are not able to amend a covenant if the covenant lacks such a provision. This does not allow the entity to keep up with changes to building trends or emerging standards.

C.S.H.B. 976 gives certain Property Owner Associations a way to change the duration of time their covenants renew. In addition, the legislation would allow the Property Owner Associations the procedural methods within covenants.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 976 amends the Property Code to allow a Petition Committee the ability to use Chapter 201 of the Property Code to amend its covenant if it has a renewal/extension period of ten years or less. The bill authorizes the Petition Committee the ability to change the procedural services its covenant provides.

C.S.H.B. 976 authorizes a non-profit association to use Chapter 204 of the Property Code to amend a covenant if the association has a renewal/extension process. The bill authorizes a non-profit association to use Chapter 204 to amend its renewal process.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by removing the provision allowing the Petition Committee to increase the renewal/extension period from ten to thirty years.