

## **BILL ANALYSIS**

Senate Research Center  
80R10982 EJI-F

H.B. 3518  
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Intergovernmental Relations  
5/17/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Walden is a planned community for over 5,000 homes near Lake Conroe. The Walden Property Owner's Association needs to amend their restrictive covenants in order to meet the needs of the growing community. Chapter 204 of the Property Code permits property owners to amend restrictive covenants if a petition is signed by at least 75 percent of the property owners in the subdivision. However, Section 204.003 exempts subdivisions whose restrictive covenants have an express designation on how restrictions may be amended.

As proposed, H.B. 3518 provides that Chapter 204 prevails over competing provisions of restrictive covenants in certain subdivisions in Montgomery County.

### **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 204.003, Property Code, as follows:

Sec. 204.003. PROVISIONS OF RESTRICTIVE COVENANTS PREVAIL IN CERTAIN CIRCUMSTANCES. (a) Makes no changes to existing subsection.

(b) Provides that, for a residential subdivision described by Subsection (c), notwithstanding Subsection (a), the provisions of this chapter prevail over an express designation in a document described by Subsection (a) if the designated number of owners of real property in the subdivision required for approval of an extension of, addition to, or modification of the document is more than 75 percent, or the designation prohibits the extension of, addition to, or modification of an existing restriction for a certain time period and that time period has not expired.

(c) Provides that Subsection (b) applies to a residential subdivision that is located in a county described by Section 204.002(a)(3) other than a gated community with private streets.

SECTION 2. Effective date: September 1, 2007.