

BILL ANALYSIS

C.S.H.B. 3674
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The unique design of property owners' associations (POAs) have traditionally made some POAs but not others subject to provisions in Texas law that would allow for property owner access to open records, open meetings, and POA election voting. Operational transparency is a necessary part of federal, state, and local government. No property owners' associations should be excluded from that transparency. While some POAs are currently structured in such a way to make their records and meetings available to all members, other associations structure themselves in a way that intentionally avoids this transparency.

Property owners' associations regularly hold elections pertaining to issues within the control of each individual POA. There are instances of some POAs barring property owners from voting in these POA elections because of outstanding fines or fees owed by the property owner or because of pending enforcement actions by the POA against the property owner.

C.S.H.B. 3674 solves a portion of these problems by expanding the types of associations which are subject to provisions in Texas law governing property owners' associations and their records and meetings. Furthermore, C.S.H.B. 3674 prevents a POA from barring a property owner's right to vote in a POA election based solely on delinquent monies owed or pending enforcement actions.

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. 3674 amends the Government Code to expand the types of property owners' associations subject to provisions on open meetings. This bill makes certain records available to any person requesting access to said records.

C.S.H.B. 3674 amends the Property Code making technical and conforming changes to align the Property Code with the amended Government Code. The bill adds language governing the elections of property owners' associations.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by adding language stating that the property owners' association could not bar a property owner from voting in an association election based on the fact that the property owner owes the association any delinquent assessments, fees, or fines.

The substitute provides that a property owners' association is subject to Section 551.0015, Government Code, in the same manner as a governmental body if the property owners' association is a corporation that is governed by a board of trustees who may employ, rather than

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employ, a general manager to execute the association's bylaws and administer the business of the corporation. The substitute makes conforming changes to sections of the Government Code and Property Code to conform to this language amended by the substitute.