

By: Van Arsdale

H.B. No. 976

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the amendment or extension of restrictive covenants on
3 residential property.

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

5 SECTION 1. Section 201.001(b), Property Code, is amended to
6 read as follows:

7 (b) The provisions of this chapter relating to extension of
8 the term of, renewal of, or creation of restrictions do not apply to
9 a subdivision if, by the express terms of the instrument creating
10 existing restrictions, some or all of the restrictions affecting
11 the real property within the subdivision provide:

12 (1) for automatic extensions of the term of the
13 restrictions for an indefinite number of successive specified
14 periods of at least 10 years subject to a right of waiver or
15 termination, in whole or in part, by a specified percentage of less
16 than 50 percent plus one of the owners of real property interests in
17 the subdivision, as set forth in the instrument creating the
18 restrictions; or

19 (2) for an indefinite number of successive extensions
20 of at least 10 years of the term of the restrictions by written and
21 filed agreement of a specified percentage of less than 50 percent
22 plus one of the owners of real property interests in the
23 subdivision, as authorized by the instrument creating the
24 restrictions.

1 SECTION 2. Section 201.004(a), Property Code, is amended to
2 read as follows:

3 (a) A petition may be filed under this chapter to:

4 (1) extend or renew an unexpired restriction;

5 (2) [~~to~~] create a restriction;

6 (3) [~~or to~~] add to or modify an existing restriction;

7 or

8 (4) modify an existing provision in an instrument
9 creating a restriction that provides for extension of those
10 restrictions.

11 SECTION 3. Section 204.003, Property Code, is amended to
12 read as follows:

13 Sec. 204.003. APPLICATION OF PROVISIONS OF RESTRICTIVE
14 COVENANTS [~~PREVAIL~~] IN CERTAIN CIRCUMSTANCES. (a) An express
15 designation in a document creating restrictions applicable to a
16 residential real estate subdivision that provides for the extension
17 of, addition to, or modification of existing restrictions by a
18 designated number of owners of real property in the subdivision
19 prevails over the provisions of this chapter.

20 (b) A document creating restrictions that provides for the
21 extension or renewal of restrictions and does not provide for
22 modification or amendment of restrictions may be modified under
23 this chapter, including modifying the provision that provides for
24 extension or renewal of the restrictions.

25 SECTION 4. This Act takes effect September 1, 2007.