

By: Van Arsdale

H.B. No. 976

A BILL TO BE ENTITLED

AN ACT

1  
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. Sections 201.004(a) and (c), Property Code, are  
2 amended to 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 (c) If a petition meeting the requirements of this chapter  
12 is filed with the county clerk within the required period, the  
13 provisions of the petition extending, renewing, creating, adding  
14 to, or modifying a restriction apply to and burden all of the  
15 property in the subdivision except property excluded under Section  
16 201.009. If a petition contains provisions extending or renewing  
17 the term of a restriction, the petition may provide for an initial  
18 extension or renewal period of not more than 30 [~~10~~] years and  
19 additional automatic extensions of the term for not more than 30  
20 [~~10~~] years each. The extension, renewal, creation, or modification  
21 of, or addition to, a restriction takes effect on the later of the  
22 dates the petition is filed with the county clerk or a date  
23 specified in the petition.

24 SECTION 3. Section 204.003, Property Code, is amended to  
25 read as follows:

26 Sec. 204.003. APPLICATION OF PROVISIONS OF RESTRICTIVE  
27 COVENANTS [~~PREVAIL~~] IN CERTAIN CIRCUMSTANCES. (a) An express

1 designation in a document creating restrictions applicable to a  
2 residential real estate subdivision that provides for the extension  
3 of, addition to, or modification of existing restrictions by a  
4 designated number of owners of real property in the subdivision  
5 prevails over the provisions of this chapter.

6 (b) A document creating restrictions that provides for the  
7 extension or renewal of restrictions and does not provide for  
8 modification or amendment of restrictions may be modified under  
9 this chapter, including modifying the provision that provides for  
10 extension or renewal of the restrictions.

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