

1-1 By: Davis of Harris (Senate Sponsor - Jackson) H.B. No. 3674  
1-2 (In the Senate - Received from the House May 7, 2007;  
1-3 May 8, 2007, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 18, 2007, reported favorably by  
1-5 the following vote: Yeas 3, Nays 0; May 18, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the operation of property owners' associations.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 551.0015(a), Government Code, is amended  
1-11 to read as follows:

1-12 (a) A property owners' association is subject to this  
1-13 chapter in the same manner as a governmental body:

1-14 (1) if:

1-15 (A) [~~(1)~~] membership in the property owners'  
1-16 association is mandatory for owners or for a defined class of owners  
1-17 of private real property in a defined geographic area in a county  
1-18 with a population of 2.8 million or more or in a county adjacent to a  
1-19 county with a population of 2.8 million or more;

1-20 (B) [~~(2)~~] the property owners' association has  
1-21 the power to make mandatory special assessments for capital  
1-22 improvements or mandatory regular assessments; and

1-23 (C) [~~(3)~~] the amount of the mandatory special or  
1-24 regular assessments is or has ever been based in whole or in part on  
1-25 the value at which the state or a local governmental body assesses  
1-26 the property for purposes of ad valorem taxation under Section 20,  
1-27 Article VIII, Texas Constitution; or

1-28 (2) if the property owners' association:

1-29 (A) provides maintenance, preservation, and  
1-30 architectural control of residential and commercial property  
1-31 within a defined geographic area in a county with a population of  
1-32 2.8 million or more or in a county adjacent to a county with a  
1-33 population of 2.8 million or more; and

1-34 (B) is a corporation that:

1-35 (i) is governed by a board of trustees who  
1-36 may employ a general manager to execute the association's bylaws  
1-37 and administer the business of the corporation; and

1-38 (ii) does not require membership in the  
1-39 corporation by the owners of the property within the defined area.

1-40 SECTION 2. Section 552.0036, Government Code, is amended to  
1-41 read as follows:

1-42 Sec. 552.0036. CERTAIN PROPERTY OWNERS' ASSOCIATIONS  
1-43 SUBJECT TO LAW. A property owners' association is subject to this  
1-44 chapter in the same manner as a governmental body:

1-45 (1) if:

1-46 (A) [~~(1)~~] membership in the property owners'  
1-47 association is mandatory for owners or for a defined class of owners  
1-48 of private real property in a defined geographic area in a county  
1-49 with a population of 2.8 million or more or in a county adjacent to a  
1-50 county with a population of 2.8 million or more;

1-51 (B) [~~(2)~~] the property owners' association has  
1-52 the power to make mandatory special assessments for capital  
1-53 improvements or mandatory regular assessments; and

1-54 (C) [~~(3)~~] the amount of the mandatory special or  
1-55 regular assessments is or has ever been based in whole or in part on  
1-56 the value at which the state or a local governmental body assesses  
1-57 the property for purposes of ad valorem taxation under Section 20,  
1-58 Article VIII, Texas Constitution; or

1-59 (2) if the property owners' association:

1-60 (A) provides maintenance, preservation, and  
1-61 architectural control of residential and commercial property  
1-62 within a defined geographic area in a county with a population of  
1-63 2.8 million or more or in a county adjacent to a county with a  
1-64 population of 2.8 million or more; and

(B) is a corporation that:

(i) is governed by a board of trustees who may employ a general manager to execute the association's bylaws and administer the business of the corporation; and

(ii) does not require membership in the corporation by the owners of the property within the defined area.

SECTION 3. Section 209.005, Property Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A property owners' association described by Section 552.0036(2), Government Code, shall make the books and records of the association, including financial records, reasonably available to any person requesting access to the books or records in accordance with Chapter 552, Government Code. Subsection (a) does not apply to a property owners' association to which this subsection applies.

SECTION 4. Section 209.003(b), Property Code, is amended to read as follows:

(b) Except as otherwise provided by this chapter, this [This] chapter applies only to a property owners' association that requires mandatory membership in the association for all or a majority of the owners of residential property within the subdivision subject to the association's dedicatory instruments.

SECTION 5. Chapter 209, Property Code, is amended by adding Section 209.0055 to read as follows:

Sec. 209.0055. VOTING. (a) This section applies only to a property owners' association that:

(1) provides maintenance, preservation, and architectural control of residential and commercial property within a defined geographic area in a county with a population of 2.8 million or more or in a county adjacent to a county with a population of 2.8 million or more; and

(2) is a corporation that:

(A) is governed by a board of trustees who may employ a general manager to execute the association's bylaws and administer the business of the corporation; and

(B) does not require membership in the corporation by the owners of the property within the defined area.

(b) A property owners' association described by Subsection (a) may not bar a property owner from voting in an association election solely based on the fact that:

(1) there is a pending enforcement action against the property owner; or

(2) the property owner owes the association any delinquent assessments, fees, or fines.

SECTION 6. (a) Section 551.0015, Government Code, as amended by this Act, applies only to a property owners' association meeting that is held on or after September 1, 2007. A property owners' association meeting that is held before September 1, 2007, is governed by the law in effect at the time the meeting was held, and that law is continued in effect for that purpose.

(b) Section 552.0036, Government Code, as amended by this Act, applies only to a request for records or information made to a property owners' association on or after September 1, 2007. A request for records or information that is made before September 1, 2007, is governed by the law in effect at the time the request was made, and that law is continued in effect for that purpose.

(c) Section 209.005, Property Code, as amended by this Act, applies only to a request for access to records or information made to a property owners' association on or after September 1, 2007. A request for access to records or information that is made before September 1, 2007, is governed by the law in effect at the time the request was made, and that law is continued in effect for that purpose.

SECTION 7. This Act takes effect September 1, 2007.

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