

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 238
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Homeowners' associations (HOAs) are intended to maintain common areas in residential neighborhoods and to protect homeowners' investments in their property by enforcing certain aesthetic guidelines. In recent years, however, many homeowners have become dissatisfied with the operation of their associations. Often, they feel frustrated in attempts to challenge an HOA board decision due to a lack of information.

C.S.S.B. 238 sets forth remedies available to a homeowner if an HOA board fails to comply with its statutory duty to make its books and records, including financial records, reasonably available to a homeowner. C.S.S.B. 238 requires an HOA to keep such records in a building that is accessible to a homeowner during certain times.

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 209.005, Property Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Requires a property owners' association (association) to make the books and records of the association, including financial records, reasonably available to an owner in accordance with Section B, Article 2.23, Texas Non-Profit Corporation Act (Article 1396-2.23, V.T.C.S.), or a successor to that statute.

(c) Requires a property owners' association, in addition to the requirements of Subsection (a), to maintain a copy of the association's books and records, including financial records and invoices in a building meeting certain specifications.

(d) Authorizes an owner to seek one or more of certain remedies if an association subject to Subsection (a) fails to comply with that subsection.

SECTION 2. Makes application of Section 209.005(c), Property Code, of this Act prospective.

SECTION 3. Effective date: January 1, 2010.