

BILL ANALYSIS

S.B. 1672
By: Nichols
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Emerald Bay subdivision in Smith County is a community of 32 separate units, each with its own plat and dedication. The conditions, covenants, and restrictions of most of the units are identical, but nine units have different restrictions, and six units have none. The subdivision wants all the units to have identical restrictions to ensure the quality and value of the subdivision. The Emerald Bay Homeowners Association has obtained signatures from the majority of homeowners of the nonrestricted lots who support voluntarily imposing identical conditions, covenants, and restrictions to all the lots.

S.B. 1672 redefines "residential real estate subdivision" or "subdivision" to apply to the Emerald Bay subdivision in Smith County for purposes of provisions relating to the extension or modification of restrictive covenants in certain residential real estate subdivisions.

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

S.B. 1672 amends the Property Code provision that defines the terms "residential real estate subdivision" and "subdivision" for the purposes of provisions relating to the extension or modification of residential restrictive covenants to establish that, in a county with a population of more than 170,000 and less than 175,000, a subdivision that is a gated community with private streets need not be located in a city, town, or village or within the extraterritorial jurisdiction of a city, town, or village.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.