

By: Jackson

H.B. No. 371

A BILL TO BE ENTITLED

AN ACT

relating to dissolution of certain property owners' associations.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Section 209.014 to read as follows:

Sec. 209.014. DISSOLUTION OF PROPERTY OWNERS' ASSOCIATION.

(a) An owner seeking to dissolve a property owners' association to which the owner belongs must initiate the dissolution by circulating a petition calling for the dissolution of the association among other owners belonging to the association.

(b) A petition circulated under Subsection (a) must contain:

(1) the name of the subdivision in which the owner initiating the petition lives;

(2) the name of the owner initiating the petition;

(3) the reason the owner initiating the petition seeks to dissolve the property owners' association; and

(4) the date the owner began circulating the petition.

(c) If at least 25 percent of the total number of owners belonging to the property owners' association sign, acknowledge, or otherwise approve in writing a petition circulated under Subsection (a) on or before the first anniversary of the date the petition began circulating, the owner initiating the petition shall file the petition in the real property records of each county in which the

1 subdivision is located.

2 (d) Not later than the 180th day after the date a petition is
3 filed under Subsection (c), the property owners' association that
4 is the subject of the petition shall hold an election among the
5 association's members in accordance with the association's bylaws
6 to determine whether the association will be dissolved.

7 (e) If at least two-thirds of the total number of the votes
8 cast at the election held under Subsection (d) favor dissolving the
9 property owners' association, the association shall, not later than
10 the 180th day after the date of the election, take all steps
11 necessary under the association's constitution or bylaws formally
12 and fully to dissolve the association.

13 (f) The property owners' association shall record the
14 results of an election held under Subsection (d) in the real
15 property records of each county in which the subdivision is
16 located.

17 SECTION 2. This Act applies only to a property owners'
18 association created on or after the effective date of this Act.

19 SECTION 3. This Act takes effect September 1, 2009.