

By: Olivo

H.B. No. 4693

A BILL TO BE ENTITLED

AN ACT

relating to the operation of a property owner's association.

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

SECTION 1. Chapter 209, Property Code, is amended by adding Sections 209.014 and 209.015 to read as follows:

Sec. 209.014. CONTRACT WITH MANAGEMENT COMPANY. (a)

Except as provided by Subsection (b), a property owners' association or a person in privity with a property owners' association may not contract with or compensate any person to manage, enforce, or represent the association in connection with enforcing restrictions, bylaws, rules, or guidelines.

(b) If expressly described in a budget approved by the board, a property owners' association or a person in privity with a property owners' association may pay a management company a flat fee plus actual postage costs for enforcing all restrictions, bylaws, rules, or guidelines, not involving the payment of assessments, for the budget period.

Sec. 209.015. CONFLICTS OF INTEREST. A person who is a member of the board of a property owners' association or related within the third degree by consanguinity or within the second degree by affinity to a member of the board may not be compensated for providing legal representation or management services to the association.

SECTION 2. This Act takes effect immediately if it receives

H.B. No. 4693

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2009.