

Amend CSHB 8 (house committee printing) as follows:

(1) On page 5, line 17, strike "benefit only" and substitute "directly benefit".

(2) Strike page 5, line 25, through page 6, line 5, and substitute the following:

(d) Notwithstanding Subsection (c), an organization may provide a direct benefit under Subsection (b)(9) if:

(1) the organization provides to the general public activities or infrastructure described by Subsection (b)(9)(C);

(2) the provision of activities or infrastructure substantially benefits the encumbered property; and

(3) the governing body of the organization:

(A) is controlled by owners of the encumbered property; and

(B) approves payments for activities or infrastructure at least annually.

(e) An organization may provide activities and infrastructure described by Subsection (b)(9)(C) to another organization exempt from federal taxation under Section 501(c)(3) or 501(c)(4), Internal Revenue Code of 1986, at no charge for de minimis usage without violating the requirements of this section.

(3) On page 9, between lines 26 and 27, insert the following:

Sec. 5.210. PROPERTY OWNERS' ASSOCIATION COVENANTS RELATING TO PRIVATE TRANSFER FEE OBLIGATIONS. (a) In this section:

(1) "Dedictory instrument," "property owners' association," and "restrictive covenant" have the meanings assigned by Section 202.001.

(2) "Development period" means a period stated in a dedicatory instrument during which a declarant reserves a right to:

(A) facilitate the development, construction, and marketing of a subdivision; and

(B) direct the size, shape, and composition of the subdivision.

(b) A restrictive covenant requiring a private transfer fee obligation is void, unless the covenant is amended in accordance with Subsections (c) and (d), if the covenant does not comply with a

rule or regulation regarding qualification of subdivision property for an insured or guaranteed mortgage loan that is adopted by the United States Department of Housing and Urban Development, Consumer Financial Protection Bureau, Federal Housing Finance Agency, United States Department of Veterans Affairs, Texas Veterans' Land Board, or other federal or state agency, as applicable.

(c) A restrictive covenant requiring a private transfer fee obligation may be amended to comply with a rule or regulation described by Subsection (b) by:

(1) a developer or builder during the development period; or

(2) the governing body of a property owners' association.

(d) An amendment under Subsection (c) must:

(1) specifically reference this section;

(2) indicate that the amendment is adopted under authority of this section; and

(3) be filed in the real property records of the county in which the property is located.