

BILL ANALYSIS

C.S.H.B. 2489
By: Leach
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that current law does not adequately provide safeguards against the interference of a property owners' association with regard to the leasing or rental of a homeowner's private property within that association. The parties suggest that the lack of regulation in this area could allow property owners' associations to take actions that interfere with and violate an individual's private property rights. C.S.H.B. 2489 seeks to address this issue by limiting the ability of a property owners' association to enforce certain provisions in the leasing or rental of a property owner's real property.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 2489 amends the Property Code to prohibit a property owners' association from adopting or enforcing a provision in a dedicatory instrument that, in connection with the leasing or renting of a property owner's property, imposes a fee, charge, assessment, or fine or requires dues or any other contribution or payment to the property owners' association; that requires a lease or rental applicant or a tenant to be reviewed or approved by the property owners' association; or that requires a property owner, a lease or rental applicant, a tenant, or that person's agent to provide a copy of a document related to leasing or renting the property owner's property. The bill specifies that a provision in a dedicatory instrument that violates the prohibition is void.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2489 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 202, Property Code, is amended by adding Section 202.019 to read as follows:

Sec. 202.019. REGULATION OF RESIDENTIAL LEASES.

(a) A property owners' association may not include or enforce a provision in a dedicatory instrument that:

(1) imposes dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment in connection with the rental or leasing of a property owner's property;

(2) requires a tenant or rental applicant to be reviewed or approved by the property owners' association; or

(3) requires a property owner, tenant, or rental applicant, or that person's agent, to provide copies of documents related to the rental or leasing of a property owner's property, in violation of any applicable state or federal laws. In this subsection, such documents include:

(A) a lease;

(B) a lease or rental application; or

(C) a consumer or credit report.

(b) A provision that violates Subsection (a) is void.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 202, Property Code, is amended by adding Section 202.019 to read as follows:

Sec. 202.019. REGULATION OF RESIDENTIAL LEASES OR RENTAL AGREEMENTS.

(a) A property owners' association may not adopt or enforce a provision in a dedicatory instrument that:

(1) in connection with the leasing or renting of a property owner's property, imposes a fee, charge, assessment, or fine or requires dues or any other contribution or payment to the association;

(2) requires a lease or rental applicant or a tenant to be reviewed or approved by the property owners' association; or

(3) requires a property owner, a lease or rental applicant, a tenant, or that person's agent to provide a copy of a document related to leasing or renting the property owner's property, including a lease or rental application, a lease or rental agreement, or a consumer or credit report.

(b) A provision that violates Subsection (a) is void.

SECTION 2. Same as introduced version.