

BILL ANALYSIS

Senate Research Center
84R673 NC-D

S.B. 862
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 862 looks to address the issue of providing more than one voting method by a property owner's association. When interpreting Chapter 209 of the Property Code, property owner's association (POA) boards are uncertain whether the statute requires the board to offer more than one method of voting in an election, which could amount to a considerable cost difference for the POA. S.B. 862 clarifies that the POA is only required to offer one method of voting, unless provided otherwise by the deed restrictions.

S.B. 862 calls for a property owner's association to not be required to provide owners with more than one voting method via amending Section 209.00592 of the Property Code by adding Subsection (a-1). This is unless a dedicatory instrument provides otherwise, also provided in Subsection (a-1). Section 209.002 of the Property Code provides that a "dedicatory instrument" means each governing instrument covering the establishment, maintenance, and operation of a residential subdivision.

As proposed, S.B. 862 amends current law relating to voting methods in a property owners' association election or vote.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 209.00592, Property Code, by adding Subsection (a-1), to provide that unless a dedicatory instrument provides otherwise, a property owners' association is not required to provide an owner with more than one voting method.

SECTION 2. Effective date: September 1, 2015.