

By: Fallon

H.B. No. 2320

A BILL TO BE ENTITLED

AN ACT

relating to declarant control of a property owners' association board.

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

SECTION 1. Section 209.0051(c-1), Property Code, is amended to read as follows:

(c-1) Except for a meeting held by electronic or telephonic means under Subsection (c-2), a board meeting must be held:

(1) in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county; and

(2) within 10 miles of the subdivision, if a majority of the board members are not elected by owners other than the declarant.

SECTION 2. Section 209.00591, Property Code, is amended by amending Subsection (c) and adding Subsections (d) and (e) to read as follows:

(c) The declaration may provide for a period of declarant control of the association during which a declarant, or persons designated by the declarant, may appoint and remove board members and the officers of the association, other than board members or officers elected by members of the property owners' association.

(d) Regardless of the period of declarant control provided by the declaration:

1           (1) on or before the 120th day after the date a  
2 majority of the lots that may be created and made subject to the  
3 declaration are conveyed to owners other than a declarant or a  
4 builder in the business of constructing homes who purchased the  
5 lots from the declarant for the purpose of selling completed homes  
6 built on the lots, at least one-third of the board members must be  
7 elected by owners other than the declarant; and

8           (2) [~~r~~] on or before the 120th day after the date 75  
9 percent of the lots that may be created and made subject to the  
10 declaration are conveyed to owners other than a declarant or a  
11 builder in the business of constructing homes who purchased the  
12 lots from the declarant for the purpose of selling completed homes  
13 built on the lots, at least a majority [~~one-third~~] of the board  
14 members must be elected by owners other than the declarant.

15           (e) If the declaration does not include the number of lots  
16 that may be created and made subject to the declaration, at least a  
17 majority [~~one-third~~] of the board members must be elected by owners  
18 other than the declarant not later than the 10th anniversary of the  
19 date the declaration was recorded.

20           SECTION 3. (a) Section [209.00591](#), Property Code, as  
21 amended by this Act, applies to a property owners' association  
22 board regardless of whether the association's declaration was  
23 adopted before, on, or after the effective date of this Act.

24           (b) Notwithstanding Section [209.00591](#), Property Code, as  
25 amended by this Act, at least one-third of the board members of a  
26 property owners' association to which Chapter [209](#), Property Code,  
27 applies must be elected by owners other than the declarant on or

1 before March 1, 2018, if the association reached the majority  
2 conveyance threshold described by Section 209.00591(d)(1),  
3 Property Code, as added by this Act, before the effective date of  
4 this Act.

5 (c) Notwithstanding Section 209.00591, Property Code, as  
6 amended by this Act, at least a majority of the board members of a  
7 property owners' association to which Chapter 209, Property Code,  
8 applies must be elected by owners other than the declarant on or  
9 before March 1, 2018, if:

10 (1) the association reached the 75 percent conveyance  
11 threshold described by Section 209.00591(d)(2), Property Code, as  
12 added by this Act, before the effective date of this Act; or

13 (2) the 10th anniversary of the date the association's  
14 declaration was recorded occurred before the effective date of this  
15 Act or occurs on or after the effective date of this Act and before  
16 March 1, 2018.

17 SECTION 4. This Act takes effect September 1, 2017.