

By: Paxton

S.B. No. 1951

A BILL TO BE ENTITLED

AN ACT

relating to property owners' associations.

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

SECTION 1. Title 11, Property Code, is amended by adding Chapter 216 to read as follows:

CHAPTER 216. POWERS AND DUTIES OF PROPERTY OWNERS' ASSOCIATIONS AND
BOARDS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 216.0001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors, or the body, regardless of the name, designated to act on behalf of a property owners' association.

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

(3) "Development period" means a period stated in a declaration during which a declarant reserves:

(A) a right to facilitate the planning, construction, and marketing of the development; or

(B) a right to direct the size, shape, and composition of the development.

Sec. 216.0002. APPLICABILITY OF CHAPTER. (a) This chapter applies to all dedicatory instruments regardless of the date on which the dedicatory instruments were created.

1 (b) This chapter does not apply during the development
2 period.

3 Sec. 216.0003. CONFLICT WITH DEDICATORY INSTRUMENT. This
4 chapter supersedes any contrary requirement in a dedicatory
5 instrument.

6 Sec. 216.0004. CONFLICTS WITH OTHER LAW. To the extent of
7 any conflict between this chapter and any other law, this chapter
8 prevails.

9 SUBCHAPTER B. POWERS AND DUTIES OF BOARD

10 Sec. 216.0021. POWER TO AMEND BYLAWS. A board may not amend
11 the bylaws unless the board is expressly granted the power to amend
12 the bylaws in the declaration.

13 Sec. 216.0022. REMOVAL OR RESTRICTION OF VOTING POWER OF
14 BOARD MEMBER. A board may not remove, or limit the voting power of,
15 a board member unless the board member is ineligible for office due
16 to a conviction or under the declaration.

17 SUBCHAPTER C. POWERS AND DUTIES OF PROPERTY OWNERS

18 Sec. 216.0041. VOTING RIGHTS OF PROPERTY OWNERS. (a) A
19 provision in a dedicatory instrument that disqualifies a property
20 owner from voting in a property owners' association election of
21 board members or on any matter concerning the rights or
22 responsibilities of the owner is void.

23 (b) A property owners' association may not bar a property
24 owner from voting on any matter because:

25 (1) an association enforcement action is pending
26 against the owner; or

27 (2) the owner owes a delinquent assessment, fee, or

1 other charge to the association.

2 (c) This section does not apply to a property owners'
3 association that is subject to Chapter 552, Government Code, by
4 application of Section 552.0036, Government Code.

5 (d) In a residential development with 10 or fewer lots for
6 which the declaration was recorded before January 1, 2015, a person
7 may not vote in a property owners' association election unless the
8 person is subject to a dedicatory instrument governing the
9 association through which the association exercises its authority.

10 Sec. 216.0042. AMENDMENT OF BYLAWS. Property owners may
11 amend the bylaws by a vote of owners having a majority of the voting
12 power in the property owners' association, or by a lesser amount
13 provided in the declaration.

14 Sec. 216.0043. REMOVAL OF BOARD MEMBERS. Property owners
15 may remove board members, with or without cause, by a vote of owners
16 having a majority of the voting power in the property owners'
17 association, or by a lesser amount provided in the declaration, at a
18 special meeting called under Subchapter D.

19 SUBCHAPTER D. SPECIAL MEETINGS

20 Sec. 216.0061. SPECIAL MEETINGS. Property owners of a
21 property owners' association may call a special meeting of the
22 association to vote on any matter by submitting a petition to the
23 association under this subchapter.

24 Sec. 216.0062. PETITION FOR SPECIAL MEETING. (a) Property
25 owners having at least 20 percent of the voting power in a property
26 owners' association may call a special meeting by submitting a
27 petition to an officer or registered agent of the association.

1 (b) If the petition includes a proposal to remove a board
2 member, the board member may not participate in any vote of the
3 association concerning the petition.

4 (c) In any 12-month period, a property owner may not sign
5 more than:

6 (1) one petition for a special meeting to remove one or
7 more board members; and

8 (2) one petition for a special meeting on any other
9 matter.

10 Sec. 216.0063. COURT ORDER TO COMPEL MEETING. (a) A
11 property owner who signed a petition under Section 216.0062, may
12 seek an order in any trial court to compel a property owners'
13 association to hold a special meeting if the property owners'
14 association does not hold the special meeting requested by the
15 petition on or before the 30th day after the date the petition is
16 submitted to the association.

17 (b) An application for relief from a court under this
18 section is presented in the same manner as an application for a
19 temporary restraining order. The application must include the
20 completed petition on which the right to a special meeting is based.
21 If the court determines that the petition contains signatures and
22 proxies representing 20 percent of the voting power in the property
23 owners' association, the court shall set the matter for hearing not
24 later than the 10th day after the date the court makes the
25 determination. The court may appoint a presiding officer for the
26 special meeting and order the meeting to be held.

27 SECTION 2. Sections 209.0055 and 209.0059, Property Code,

1 are repealed.

2 SECTION 3. This Act takes effect September 1, 2021.