By:  Hughes S.B. No. 1668

(In the Senate - Filed March 6, 2023; March 16, 2023, read first time and referred to Committee on Business & Commerce; April 17, 2023, rereferred to Committee on Jurisprudence; April 24, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 5, Nays 0; April 24, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hughes            X

Johnson              X

Creighton            X

Hinojosa             X

Middleton            X

COMMITTEE SUBSTITUTE FOR S.B. No. 1668 By:  Hughes

A BILL TO BE ENTITLED

AN ACT

relating to property owners' associations, including condominium owners' associations.

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

SECTION 1.  Section 82.003(a), Property Code, is amended by adding Subdivision (17-a) to read as follows:

(17-a) "Management company" means a person or entity established or contracted to provide management or administrative services on behalf of a unit owners' association organized under Section 82.101.

SECTION 2.  Subchapter C, Chapter 82, Property Code, is amended by adding Section 82.1142 to read as follows:

Sec. 82.1142.  ONLINE ASSOCIATION INFORMATION REQUIRED. (a) This section only applies to:

(1)  the association of a condominium composed of at least 60 units; or

(2)  an association that has contracted with a management company.

(b)  An association to which this section applies shall make the current version of the association's dedicatory instruments relating to the association and filed in the county deed records available on an Internet website that is:

(1)  maintained by the association or a management company on behalf of the association; and

(2)  accessible to association members.

SECTION 3.  Section 82.116, Property Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (b-1) and (d) to read as follows:

(a)  An association shall record in each county in which any portion of the condominium is located a management certificate, signed and acknowledged by an officer of the association, stating:

(1)  the name of the condominium;

(2)  the name of the association;

(3)  the location of the condominium;

(4)  the recording data for the declaration and any amendments to the declaration;

(5)  the mailing address of the association;[~~, or~~]

(6)  the name, [~~and~~] mailing address, telephone number, and e-mail address of any management company [~~the person or entity managing the association~~];

(7)  the website address of any Internet website on which the association's dedicatory instruments are available in accordance with Section 82.1142;

(8)  the amount and description of a fee or fees charged to a unit seller or buyer relating to a transfer of a property interest in a unit of the condominium; and

(9) [~~(6)~~]  other information the association considers appropriate.

(b)  The association shall record an amended [~~a~~] management certificate not later than the 30th day after the date the association has notice of a change in any information in a recorded certificate required by Subsection (a) [~~Subdivisions (a)(1)-(5)~~].

(b-1)  Not later than the seventh day after the date an association files a management certificate for recording under Subsection (a) or files an amended management certificate for recording under Subsection (b), the association shall electronically file the management certificate or amended management certificate with the Texas Real Estate Commission. The Texas Real Estate Commission shall only collect the management certificate and amended management certificate for the purpose of making the data accessible to the public through an Internet website.

(c)  Except as provided by Subsection (d), the [~~The~~] association and its officers, directors, employees, and agents are not subject to liability to any person for delay or failure to record a management certificate with a county clerk's office or to electronically file the management certificate with the Texas Real Estate Commission, unless the delay or failure is wilful or caused by gross negligence.

(d)  A unit owner is not liable for attorney's fees incurred by an association relating to the collection of a delinquent assessment against the unit owner, or interest on the delinquent assessment, if the attorney's fees are incurred by the association or the interest accrues during the period a management certificate is not recorded with a county clerk or electronically filed with the Texas Real Estate Commission, as required by this section.

SECTION 4.  Section 82.157, Property Code, is amended by adding Subsection (f) to read as follows:

(f)  An association may charge a reasonable and necessary fee, not to exceed $375, to furnish a resale certificate under Subsection (a).

SECTION 5.  Section 202.023, Property Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c)  This section does not prohibit a property owners' association from:

(1)  prohibiting the installation of a security camera by a property owner in a place other than the property owner's private property; [~~or~~]

(2)  regulating the type of fencing that a property owner may install;

(3)  prohibiting the placement of fencing that obstructs:

(A)  a license area, as defined by a written license agreement or plat or other dedicatory instrument; or

(B)  a sidewalk or drainage easement or drainage area;

(4)  requiring a driveway gate to be set back at least 18 feet from the right-of-way if the driveway intersects with a laned roadway, as defined by Section 541.302, Transportation Code; or

(5)  if provided by a dedicatory instrument, prohibiting the installation of fencing in front of the frontmost building line of a dwelling.

(d)  Notwithstanding Subsection (c), a property owner may maintain any perimeter fencing or fencing in front of a dwelling's frontmost building line installed or constructed before September 1, 2023.

SECTION 6.  Section 209.00505(c), Property Code, is redesignated as Section 209.00506, Property Code, and amended to read as follows:

Sec. 209.00506.  ELIGIBILITY TO SERVE ON ARCHITECTURAL REVIEW AUTHORITY. (a) This section applies only to an architectural review authority to which Section 209.00505 applies.

(b)  Except as provided by Subsection (d), a person may not be appointed or elected to serve on an architectural review authority unless the person timely notifies the association of the person's interest in serving on the authority in accordance with Section 209.00507.

(c)  Except as provided by Subsection (d), a [~~A~~] person may not be appointed or elected to serve on an architectural review authority if the person is:

(1)  a current board member;

(2)  a current board member's spouse; or

(3)  a person residing in a current board member's household.

(d)  If a vacancy remains on the architectural review authority after each person eligible under Subsection (c) who timely notifies the association in accordance with Section 209.00507 is appointed or elected to the authority, the association may appoint any person to fill the vacancy, including a person not otherwise eligible under Subsection (c).

SECTION 7.  Chapter 209, Property Code, is amended by adding Section 209.00507 to read as follows:

Sec. 209.00507.  SOLICITATION OF CANDIDATES FOR ARCHITECTURAL REVIEW AUTHORITY. (a) This section applies only to an architectural review authority to which Section 209.00505 applies.

(b)  Not later than the 10th day before the date a property owners' association or board takes action to elect or appoint or meets to elect or appoint a person to serve on the architectural review authority, the association must provide notice to the association members soliciting persons interested in serving on the architectural review authority.

(c)  The notice required under Subsection (b) must:

(1)  be provided:

(A)  by mail to each owner; or

(B)  by:

(i)  posting the notice in a conspicuous manner reasonably designed to provide notice to association members:

(a)  in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or

(b)  on any Internet website maintained by the association or other Internet media; and

(ii)  sending the notice by e-mail to each owner who has registered an e-mail address with the association; and

(2)  contain instructions for a person to notify the association of the person's interest in serving on the architectural review authority, including the date by which the person's notification must be received by the association.

(d)  The date by which a person must notify the association of the person's interest in serving on the architectural review authority may not be earlier than the 10th day after the date the association provides the notice described by Subsection (c).

SECTION 8.  A condominium unit owners' association that has recorded a management certificate or amended management certificate with a county clerk under Section 82.116, Property Code, before the effective date of this Act shall electronically file the most recently recorded management certificate or amended management certificate with the Texas Real Estate Commission as required by Section 82.116(b-1), Property Code, as added by this Act, not later than March 1, 2024.

SECTION 9.  This Act takes effect September 1, 2023.

\* \* \* \* \*