

BILL ANALYSIS

Senate Research Center

S.B. 2629
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Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law provides that all corporations may have electronic voting and conduct meetings using electronic and telephonic means. This is in the Business Organizations Code, which applies to all entities. However, if nonprofit corporations are also property owner's associations, the Property Code technically pertains to them as well. This creates confusion regarding these issues because they are not specific or consistent. S.B. 2629 solves that concern without changing current law to make these rights expressly clear.

S.B. 2629 amends the Property Code to authorize a condominium unit owners' association and a property owners' association to hold a meeting by any method of communication, including electronic and telephonic means, and to conduct voting at the meeting electronically, as provided by certain Business Organizations Code provisions relating to domestic entity meetings.

S.B. 2629 amends current law relating to organization of, meetings of, and voting by condominium unit owners' associations and property owners' associations.

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 82.101, Property Code, as follows:

Sec. 82.101. ORGANIZATION OF UNIT OWNERS' ASSOCIATION. Prohibits the declarant of a unit owners' organization from conveying a unit until the secretary of state has issued a certificate of formation, rather than incorporation, under the Texas Corporation Law, rather than under certain articles.

SECTION 2. Amends Section 82.108, Property Code, by amending Subsections (c), (d), and (e) and adding Subsections (b-1) and (c-1), as follows:

(b-1) Authorizes a meeting of the unit owners' association (association) to be held by any method of communication, including electronic and telephonic means as provided by Section 6.002 (Alternative Forms of Meetings), Business Organizations Code.

(c) Authorizes a meeting of the board of directors or the body designated to act on behalf of the association (board) to be held by any method of communication, including electronic and telephonic means as provided by Section 6.002, Business Organizations Code, if certain criteria are met. Deletes existing text authorizing a meeting of the board, unless the declaration, bylaws, or articles of incorporation of the association provide otherwise, to be held by any method of communication, including electronic and telephonic. Makes nonsubstantive changes.

(c-1) Creates this subsection from existing text. Authorizes the board to act by unanimous written consent of all the directors, without a meeting, if certain criteria are met. Makes nonsubstantive changes.

(d) Requires that notice of a meeting of the association be given as provided by the bylaws, or, if the bylaws do not provide for notice, that notice be given to each unit owner in the same manner in which notice is given to members of a nonprofit corporation under Sections 6.051 (General Notice Requirements) and 22.156 (Notice of Meeting), Business Organizations Code, rather than under Section A (relating to requiring written or printed notice stating certain information relating to a meeting to be delivered in a certain time by certain means), Article 2.11, Texas Non-Profit Corporation Act (Article 1396-2.11, Vernon's Texas Civil Statutes) (Notice of Members' Meetings).

(e) Requires that notice of a meeting of the board be given as provided by the bylaws, or, if the bylaws do not provide for notice, that notice be given to each board member in the same manner in which notice is given to members of the board of a nonprofit corporation under Sections 6.051, 6.052 (Waiver of Notice), and 22.217 (Notice of Meeting; Waiver of Notice), Business Organizations Code, rather than under Section B (relating to authorizing regular meetings of the board to be held with or without notice as prescribed in the by-laws), Article 2.19, Texas Non-Profit Corporation Act (Article 1396-2.19, Vernon's Texas Civil Statutes) (Place and Notice of Directors' Meetings).

SECTION 3. Amends Section 82.110, Property Code, by adding Subsection (d) to authorize voting to be conducted electronically as provided by Section 6.002, Business Organizations Code.

SECTION 4. Amends Section 209.0056, Property Code, by adding Subsection (d) to authorize a meeting of the owners held under this section to be held by any method of communication, including electronic and telephonic means as provided by Section 6.002, Business Organizations Code.

SECTION 5. Amends Section 209.00592(a-1), Property Code, as follows:

(a-1) Requires an owner to be allowed to vote by one of certain voting methods, including electronic ballot. Makes nonsubstantive changes.

SECTION 6. Effective date: September 1, 2025.