

**SENATE AMENDMENTS**  
**2<sup>nd</sup> Printing**

By: Noble, Leach, Hunter, Metcalf, et al. H.B. No. 4211

A BILL TO BE ENTITLED

AN ACT

relating to certain residential property interests controlled by certain entities.

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

SECTION 1. Title 12, Property Code, is amended by adding Chapter 223 to read as follows:

CHAPTER 223. BUSINESS ENTITY-OWNED RESIDENTIAL ARRANGEMENTS

Sec. 223.001. DEFINITIONS. In this chapter:

(1) "Business entity" means a partnership, corporation, joint venture, limited liability company, or other business organization or business association, however organized.

(2) "Managing entity" means a business entity that owns residential property used in a residential arrangement.

(3) "Residential arrangement" means an arrangement in which the purchaser of an interest in a business entity is entitled to exclusive possession of residential property owned by the entity as long as the purchaser holds the interest in the business entity.

(4) "Residential property" means the real property and improvements for a single-family house, duplex, triplex, or quadruplex.

Sec. 223.002. APPLICABILITY. This chapter does not apply to a timeshare plan, as defined by Section 221.002.

Sec. 223.003. AGREEMENTS AND RULES. (a) An agreement for the purchase of an interest in a managing entity must disclose to

1 the purchaser that the agreement is for the purchase of an interest  
2 in the entity and not in any residential property itself.

3 (b) The purchase agreement and any other agreement or rules  
4 governing the residential arrangement or the ownership interest in  
5 the entity may not require that a dispute concerning the  
6 arrangement or interest be brought before a tribunal other than a  
7 court established under the laws of this state or the United States.

8 Sec. 223.004. DISCRIMINATION PROHIBITED. A managing entity  
9 may not take an action with respect to an interest in the entity in a  
10 manner that would be a violation of Chapter 301 if the interest in  
11 the entity were an interest in real property, including:

12 (1) restricting the transfer of the interest;  
13 (2) imposing requirements to maintain the interest; or  
14 (3) refusing to grant an interest to an otherwise  
15 qualified person.

16 Sec. 223.005. TRANSFER OF INTEREST. Notwithstanding any  
17 provision in an agreement between the owner and a managing entity,  
18 an owner of an interest in a managing entity may transfer the  
19 interest without approval from the managing entity.

20 Sec. 223.006. CERTAIN CHARGES PROHIBITED. A managing  
21 entity may not charge a fee for or share in the proceeds of the  
22 transfer of an interest in the managing entity from an owner to a  
23 subsequent purchaser.

24 Sec. 223.007. ENFORCEMENT. (a) A violation of this chapter  
25 is a deceptive trade practice actionable under Subchapter E,  
26 Chapter 17, Business & Commerce Code.

27 (b) A court that finds a violation of this chapter may

1 enjoin a managing entity or a person affiliated with the managing  
2 entity from taking action in furtherance of development of or  
3 construction on residential property used in a residential  
4 arrangement subject to an action under this section, including:

5       (1) filing a petition with the Texas Commission on  
6 Environmental Quality for the creation of a district under Chapter  
7 49, Water Code;

8       (2) taking action in connection with a petition for  
9 the creation of a district described by Subdivision (1) filed with  
10 the Texas Commission on Environmental Quality before the issuance  
11 of the injunction; or

12       (3) receiving, directly or indirectly, any public  
13 money or benefit.

14       SECTION 2. Section 301.042, Property Code, is amended by  
15 adding Subsection (a-1) to read as follows:

16       (a-1) Subsection (a) does not apply to the sale, rental, or  
17 occupancy of a dwelling that is a single-family house, duplex,  
18 triplex, or quadruplex located on a subdivided lot in a parcel of  
19 land 25 acres or greater owned by a religious organization,  
20 association, or society or a nonprofit institution or organization  
21 operated, supervised, or controlled by or in conjunction with a  
22 religious organization, association, or society.

23       SECTION 3. This Act takes effect September 1, 2025.

ADOPTED

MAY 27 2025

*Lately Law*  
Secretary of the Senate

By: *Bryan Hughes*

4.B. No. 4211

Substitute the following for H.B. No. 4211:

By: *Alenna Campbell*

C.S. 4.B. No. 4211

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2 entity from taking action in furtherance of development of or  
3 construction on residential property used in a residential  
4 arrangement subject to an action under this section, including:

5 (1) filing a petition with the Texas Commission on  
6 Environmental Quality for the creation of a municipal utility  
7 district under Chapter 49, Water Code;

8 (2) taking action in connection with a petition for  
9 the creation of a district described by Subdivision (1) filed with  
10 the Texas Commission on Environmental Quality before the issuance  
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13 money or benefit.

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15 adding Subsection (a-1) to read as follows:

16 (a-1) Subsection (a) does not apply to the sale, rental, or  
17 occupancy of a dwelling that is a single-family house, duplex,  
18 triplex, or quadruplex located on a subdivided lot in a parcel of  
19 land 25 acres or greater owned by a religious organization,  
20 association, or society or a nonprofit institution or organization  
21 operated, supervised, or controlled by or in conjunction with a  
22 religious organization, association, or society.

23 SECTION 3. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2025.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 28, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4211** by Noble (Relating to certain residential property interests controlled by certain entities.),  
**As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add a new chapter to the Property Code regulating residential property interests controlled by business entities. The bill would classify violations of the chapter as a deceptive trade practice.

The Texas Commission on Environmental Quality anticipates there would be no significant fiscal impact to the agency.

The Secretary of State anticipates there would be no significant fiscal impact to the agency.

The OAG anticipates that any additional legal work resulting from the bill's enactment could be reasonably absorbed within current resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 307 Secretary of State, 582 Commission on Environmental Quality  
**LBB Staff:** JMc, SD, RStu, LCO, JKe, WP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 25, 2025**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4211** by Noble (relating to certain residential property interests controlled by certain entities.),  
**Committee Report 2nd House, Substituted**

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**Source Agencies:** 302 Office of the Attorney General, 307 Secretary of State, 582 Commission on Environmental Quality

**LBB Staff:** JMc, RStu, LCO, JKe, WP



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 22, 2025**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4211** by Noble (Relating to certain residential property interests controlled by certain entities.),  
**As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The Texas Commission on Environmental Quality anticipates there would be no significant fiscal impact to the agency.

The Secretary of State anticipates there would be no significant fiscal impact to the agency.

The OAG anticipates that any additional legal work resulting from the bill's enactment could be reasonably absorbed within current resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 307 Secretary of State, 582 Commission on Environmental Quality

**LBB Staff:** JMc, RStu, LCO, JKe, WP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 29, 2025**

**TO:** Honorable Ken King, Chair, House Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4211** by Noble (relating to certain residential property interests controlled by certain entities.),  
**Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add a new chapter to the Property Code regulating residential property interests controlled by business entities. The bill would classify violations of the chapter as a deceptive trade practice. The bill would provide the Office of the Attorney General (OAG) investigative and enforcement authority for violations of the bill. In addition, the Secretary of State (SOS) would be required, upon request from the OAG, to serve interrogatories on individuals or entities and to provide all records related to the ownership or control of a business entity involved in an enforcement action. The Texas Commission on Environmental Quality (TCEQ) would be required to deny any municipal utility district petition related to a property in violation of the bill. The bill would also prohibit governmental entities from granting or approving the use of any public money or benefit for residential property found to be in violation of the bill.

The TCEQ anticipates there would be no significant fiscal impact to the agency.

The SOS anticipates there would be no significant fiscal impact to the agency.

The OAG anticipates that any additional legal work resulting from the bill's enactment could be reasonably absorbed within current resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 307 Secretary of State, 582 Commission on Environmental Quality

**LBB Staff:** JMc, WP, LCO, JKe

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 22, 2025**

**TO:** Honorable Ken King, Chair, House Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4211** by Noble (Relating to certain residential property interests controlled by certain entities.),  
**As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add a new chapter to the Property Code regulating residential property interests controlled by business entities. The bill would classify violations of the chapter as a deceptive trade practice.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General

**LBB Staff:** JMc, WP, LCO, JKe