

Texas 86th Legislative Session

HOA, POA Changes to Restrictive Covenants for 2019 & 2020

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NEIGHBORHOOD

HOUSE BILL 234 – Protection of Lemonade Stands (applies to Subdivision Associations only)

House Bill 234 adds Section 202.020 to the Texas Property Code, which prohibits a property owners association that administers a subdivision development from enforcing any restrictive covenant that would restrict a child under the age of 18 from occasionally operating a lemonade stand (or a stand that sells other non-alcoholic beverages) on real property located in the subdivision development, provided the child has the permission of the owner of such real property.

HOUSE BILL 2554 – Political Signs (applies to Condominium Associations and Subdivision Associations)

House Bill 2554 adds a new Chapter 259 to the Texas Election Code, which now governs the placement and display of political signs. House Bill 2554 also recodifies Section 202.009 of the Texas Property Code (which imposes restrictions against the enforcement of restrictive covenants that prohibit the display of political signs) as Section 259.002 of the Texas Election Code. Other than changing the location of the statute from the Texas Property Code to the Texas Election Code, there were no other substantive modifications to the statute.

SENATE BILL 741 – Possession and Discharge of Firearms (applies to Condominium Associations and Subdivision Associations)

Senate Bill 741 adds Section 202.020 to the Texas Property Code, which provides that all Texas homeowners associations may not include or enforce a provision in a dedicatory instrument that prohibits, restricts, or has the effect of prohibiting or restricting any person who is otherwise authorized from: (1) lawfully possessing, transporting, or storing a firearm, any part of a firearm, or firearm ammunition; or (2) lawfully discharging a firearm.

ADMINISTRATIVE

HOUSE BILL 1025 – Membership on the Board of Directors (applies to Subdivision Associations only)

Section 209.00591 also now prohibits a person who lives at the same primary residence with a current Board member from also serving on the Board of Directors at the same time. Such new rule, however, does not apply to a property owners association that governs a subdivision development with fewer than 10 residences or to a person who lives at the same primary residence with a developer of a subdivision development during the developer control period.

HOUSE BILL 1969 – Ratification of Corporate Acts (applies to Condominium Associations and Subdivision Associations that SENATE BILL 1969 – Ratification of Corporate Acts (applies to Condominium Associations and Subdivision Associations that are incorporated as nonprofit corporations)

Senate Bill 1969 adds Subchapter J to Chapter 22 of the Texas Business Organizations Code (also known as the “Nonprofit Corporation Law”), which establishes procedures for the ratification of void or voidable acts of a nonprofit corporation that are modeled on provisions of the Texas Business Organizations Code that applicable to for-profit corporations and similar provisions for ratification of corporate acts contained in the Model Nonprofit Corporation Act. are incorporated as nonprofit corporations)

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