

BILL ANALYSIS

H.B. 1659
By: Murphy
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the development phase of master planned communities, landowners often set aside tracts of land that are known as "commercial reserves." The usage of these tracts is defined by restrictive covenants, commonly referred to as deed restrictions. These tracts are typically reserved for future multifamily or commercial use, once the residential development is ready to support it. In some instances, local property owners' associations have attempted to change the restrictive covenants of a commercial reserve to prevent the tract's use as a multifamily or commercial tract, despite the recorded intentions or the owner's desires. While there are existing protections for certain non-single family residential property owners against amending restrictive covenants, it has been suggested that these protections should also apply under the Texas Residential Property Owners Protection Act. H.B. 1659 seeks to remedy this situation by ensuring that the original covenants cannot be overturned by a property owners' association without the owner's consent.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1659 amends the Property Code to exempt the amendment of a declaration under the Texas Residential Property Owners Protection Act by a voting threshold of property owners, if the amendment would affect a portion of an applicable residential subdivision zoned for or containing an apartment complex, as defined by the bill, a commercial structure, an industrial structure, or a condominium.

EFFECTIVE DATE

September 1, 2021.