

SUBJECT: Allowing a Harris County subdivision to vote on extending assessments

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 7 ayes — Brimer, Dukes, J. Davis, Elkins, George, Giddings, Woolley

0 nays

2 absent — Corte, Solomons

SENATE VOTE: On final passage, March 8 — 30-0, on Local and Uncontested Calendar

WITNESSES: No public hearing

BACKGROUND: Inside the City of Houston, which lacks a zoning ordinance, homeowners associations may develop and enforce limited land-use regulation through deed restrictions and other covenants. Homeowners associations typically require property owners to pay assessments and other fees to provide for public services and other improvements.

In 1997, the 75th Legislature enacted Property Code, chapter 206 to allow a community association to hold a vote by subdivision residents to extend the assessment required to enforce deed restrictions. This chapter applies only to a subdivision of at least 4,600 homes that is located wholly or partly in a city with a population of more than 1.6 million in a county with a population of 2.8 million or more. Currently, this bracket applies only to the Clear Lake Community Association in Harris County.

DIGEST: SB 620 would amend Property Code, sec. 206.002 so that the chapter also would apply to a subdivision with at least 750 homes that is located in two adjacent cities in a county with a population of 2.8 million or more. The subdivision would have to have deed restrictions the terms of which are extended automatically but would have to have two separate dedicatory documents that allow the assessments used to enforce the restrictions to expire but that do not provide for extending the assessment.

The bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

SB 620 would give residents of the Clear Lake Forest Homeowners Association the same authority granted to the Clear Lake Community Association in 1997 to vote on extending the subdivision's assessments. Currently, the Clear Lake Forest Homeowners Association's deed restrictions are scheduled to continue for another 40 years with no means of paying to enforce them and no means of deciding the issue. In the absence of zoning and other land-use controls, deed restrictions are necessary to maintain the integrity of the subdivision and to protect the residents' investments in their homes.

SB 620 would address a specific problem that now affects two subdivisions. The Legislature should continue to address these concerns on a case-by-case basis.

**OPPONENTS
SAY:**

Rather than continue to address this problem one subdivision at a time, the Legislature should remove the bracketing language in Property Code, chapter 206 and allow any homeowners association facing termination of assessments to hold an election without having to obtain the Legislature's explicit permission.