

SUBJECT: Regulating a POA's restrictions on residential leases, rental agreements

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 6 ayes — Oliveira, Simmons, Collier, Fletcher, Rinaldi, Romero
0 nays
1 absent — Villalba

WITNESSES: For — Abby Lee, Texas Association of Realtors; (*Registered, but did not testify*: Tanya Lavelle, Easter Seals Central Texas; Sandy Ward and Angela Smith, Fredericksburg Tea Party; Jay Propes, Spectrum Association Management, FirstService Residential, Associations, Inc; David Mintz, Texas Apartment Association; Steven Garza and Daniel Gonzalez, Texas Association of Realtors; Nate Walker, Texas Family Council; Matt Long)

Against — (*Registered, but did not testify*: Chuck Bailey, Las Colinas Association; Val Perkins, Texas Community Association Advocates; Julián Muñoz Villarreal, Texas Neighborhoods Together)

DIGEST: CSHB 2489 would prohibit a property owners' association (POA) from adopting or enforcing a provision in a dedicatory instrument that:

- imposed a fee or required dues to the POA in connection with the leasing or renting of a property owner's property;
- required a lease or rental applicant to be reviewed or approved by the POA; or
- required a property owner or tenant to provide a document related to leasing or renting the property, such as a lease or rental application.

Any provision would be void if it violated the limitations noted above.

This bill would take immediate effect if finally passed by a two-thirds

record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

**SUPPORTERS
SAY:**

CSHB 2489 would prohibit a POA from interfering with an owner's private property rights. If a POA allowed an owner to sublet or rent property, the owner should have the freedom to exercise the owner's property rights by leasing or renting the property to whomever the owner chooses. Not all POAs allow property owners to rent or lease their property, but for the ones that do, this bill would maintain the owner's property rights. The bill would not present any practical issues for POAs because it would be the responsibility of the property owner, not the POA, to provide the renter with any necessary keys or cards to gain access to common areas within the community.

**OPPONENTS
SAY:**

CSHB 2489 would undermine the purpose of POAs and the communities they serve. Condominiums and gated communities offer their residents a sense of security because even if a resident does not know who else lives in the community, there is the understanding that the POA has that knowledge. This bill would remove that assurance. The bill also would present practical issues if the POA were not entitled to know who was renting or leasing a property in the community. If the community had common areas or gates that required keys or cards to enter, the POA would not be able to provide the renter with access to those areas.