BILL ANALYSIS

Senate Research Center 83R15349 AJA-F H.B. 35 By: Menéndez (Patrick) Intergovernmental Relations 5/3/2013 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that there is a lack of specificity regarding the allowable uses of a residential lot owned by a homeowner that is adjacent to the homestead. In these circumstances, the parties note, the conveyance restrictions may be imprecise as to the otherwise allowable use of the property. H.B. 35 seeks to clarify this issue and to specify the authority of a property owners' association to regulate the use of such a lot for residential purposes.

H.B. 35 amends current law relating to the authority of a property owners' association to regulate the use of certain lots for residential purposes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 209, Property Code, by adding Section 209.015, as follows:

Sec. 209.015. REGULATION OF LAND USE: RESIDENTIAL PURPOSE. (a) Defines "adjacent lot" and "residential purpose" in this section.

(b) Prohibits a property owners' association, except as provided by this section, from adopting or enforcing a provision in a dedicatory instrument that prohibits or restricts the owner of a lot on which a residence is located from using for residential purposes an adjacent lot owned by the property owner.

(c) Requires an owner to obtain the approval of the property owners' association or, if applicable, an architectural committee established by the association or the association's dedicatory instruments, based on criteria prescribed by the dedicatory instruments specific to the use of a lot for residential purposes, including reasonable restrictions regarding size, location, shielding, and aesthetics of the residential purpose, before the owner begins the construction, placement, or erection of a building, structure, or other improvement for the residential purpose on an adjacent lot.

(d) Requires an owner who elects to use an adjacent lot for residential purposes under this section on the sale or transfer of the lot containing the residence, to:

(1) include the adjacent lot in the sales agreement and transfer the lot to the new owner under the same dedicatory conditions; or

(2) restore the adjacent lot to the original condition before the addition of the improvements allowed under this section to the extent that the lot would again be suitable for the construction of a separate residence as originally platted and provided for in the conveyance to the owner. (e) Authorizes an owner to sell the adjacent lot separately only for the purpose of the construction of a new residence that complies with existing requirements in the dedicatory instrument unless the lot has been restored as described by Subsection (d)(2).

(f) Provides that a provision in a dedicatory instrument that violates this section is void.

SECTION 2. Effective date: upon passage or September 1, 2013.