

## 2023 Texas Legislative End of Session Report

The CAI Texas Chapter Legislative Action Committee (TLAC) actively advocated on behalf of the approximately 6,138,000 Texans living in 2,142,000 homes in more than 21,680 community associations across the Lone Star State during the 2023 state legislative session. TLAC actively tracked over 160 bills, out of 2,547 bills filed in the House and 735 bills filed in the Senate. A total of 686 Texans participated in successful TLAC advocacy campaigns related to HJR 9 and HB 92/HB 276, helping to keep legislators in Austin accountable on key issues. Below is a brief overview from the 2023 Texas State Legislature:

HB 998 by Representative Dennis Paul (Senate Sponsor Mayes Middleton): Allows the Texas Insurance Commissioner to include underserved HOA and Condominium common area property as eligible under the Fair Access to Insurance Requirements (FAIR) Plan to provide coverage for those associations located within 10 miles of the TWIA coverage area that can't obtain it in the private market. TLAC was supportive of this bill, and believes this bill will greatly help those POAs in rural and other underserved areas to get the insurance coverage they need as a nonprofit corporation.

Status: Successfully PASSED, effective September 1, 2023.

**HJR 9 by Representative Brooks Landgraf**: Constitutional amendment would have established a right of Texans to conduct activities on their property to provide food, water, electric power, and shelter. TLAC actively opposed this legislation and sent out a call to action requesting that members contact their representative.

Status: Successfully DIED in House.

SB 468 / HB 2450 by Senator Lois Kolkhorst/Representative Mike Schofield: Would have prohibited POAs from restricting owners or residents from peacefully assembling and inviting guests in the common areas. TLAC was opposed to these bills.

**Status: Successfully DIED in their respective Chambers.** 

**HB 1193 by Representative Chris Turner (Senate Sponsor Borris Miles)**: Prohibits HOAs from restricting a tenant's method of payment to a property owner. TLAC was supportive of this bill. TLAC opposes discrimination in any form and believes this legislation will provide a positive impact for all Texas POAs.

Status: Successfully PASSED, effective September 1, 2023.

HB 92 / HB 276 by Representative Brooks Landgraf/Representative Philip Cortez: Both bills would have prohibited HOAs from preventing certain activities by property owners including raising chickens and rabbits, growing fruits, and vegetables. TLAC actively opposed this legislation and sent out a call to action requesting that members contact their representative. TLAC was opposed to these bills, and launched an advocacy campaign to halt these particular pieces of legislation.

**Status: Successfully DIED in Senate.** 

**HB 330 by Representative Vikki Goodwin**: Would have prohibited HOAs from preventing owners installing a wind power facility on their property. TLAC was opposed to this bill.

Status: Successfully DIED in House.

**HB 1252 by Representative Matt Shaheen**: Would have required HOAs to conduct an annual audit and provide a copy to each member of the association. TLAC was opposed to this bill.

Status: Successfully DIED in House.

**HB 1367 by Representative Cody Vasut**: Would have created a process for recalling HOA board members that conflicts with current law and association bylaws. The bill also would have created a cause of action for owners to file suit against boards for violations of the law or governing documents. TLAC was opposed to this bill.

**Status: Successfully DIED in Senate.** 

**HB 1799 by Representative Brooks Landgraf**: Would have prohibited a POA from enforcing a provision preventing residents from parking their government or employment vehicle near their property. TLAC was opposed to this bill.

**Status: Successfully DIED in House.** 

HB 2024 by Representative Jeff Leach (Senate Sponsor Phil King)- Applies only to single-family homes and townhomes under 3 stories. Amends the current statute of repose (time to file suit for construction defects) from 10 years to 6 years if the builder issues a specified warranty (1)



year for materials, 2 years for HVAC, and 6 years for structural) for the residence. Condominiums are excluded and retain a 10-year statute of repose. TLAC was opposed to this bill.

**Status: PASSED, effective immediately.** 

**HB 328 by Representative Philip Cortez**: Would have added "solar roof tile" to the definition of "solar energy device" subject to limited POA restrictions.

**Status: DIED in Senate.** 

**HB 886 by Representative Matt Shaheen (Senate Sponsor Drew Springer)**: Requires HOAs to provide two notices to a delinquent owner and wait a total of 120 days following the first delinquency notice before filing an assessment lien.

Status: PASSED, effective September 1, 2023.

HB 2022 by Representative Jeff Leach (Senate Sponsor Phil King): Amends the current Residential Construction Liability Act (RCLA). The substantive changes include narrowing the definition of a construction defect to only those which 1) cause actual damage to a residence, 2) actual failure or lack of capability of a building component to perform its intended function or purpose or 3) a verifiable danger to the safety of the occupants of the residence. The bill also narrows the standards for claim of breach of habitability against a contractor to apply only if the defect was latent at completion and renders the residence uninhabitable. It permits the filing of a demand for arbitration to effectively toll any statute of limitation periods and prevents the waiver of any RCLA provisions by contract. TLAC was opposed to this bill.

Status: PASSED, effective September 1, 2023.

**HB 614 by Representative Matt Shaheen (Senate Sponsor Drew Springer)**: Requires HOAs to adopt and distribute to its members a formal fine policy and list of fines by category. As initially drafted, TLAC supported changes to the bill that ultimately made it less burdensome and costly to HOAs.

Status: PASSED, effective January 1, 2024.

**SB 1668 by Senator Bryan Hughes (House Sponsor Representative Chris Turner)**: This bill builds on legislation passed last session as it relates to HOA fencing regulations and architectural control membership. It allows Board Members to serve on the architectural review authority in

the event no one volunteers after sending out a call for candidates to the association's members. It also allows an association to amend its restrictive covenants regarding front yard fencing. Lastly, this bill extends online document posting requirements, management certificate filings with TREC, and disclosure fee caps for condominiums. TLAC supported this bill, however it was ultimately vetoed by Governor Abbott on the final day for issuing a veto. The veto had nothing to do with the substance of the bill, but rather a dispute between the Governor and Senate regarding property tax relief.

**Status: VETOED by Governor Abbott.** 

**HB 3777 by Representative Jacey Jetton**: Would have protected the confidentiality of ballots and proxies in condominium and HOA votes and elections. TLAC was supportive of this bill.

**Status: DIED in Senate.** 

For more information on community association legislation in Texas, visit <a href="https://www.caionline.org/Advocacy/LegalArena/Laws/Pages/TX.aspx">https://www.caionline.org/Advocacy/LegalArena/Laws/Pages/TX.aspx</a>.

## Your Assistance is Needed

CAI relies on outside resources such as professional lobbying as a vital and integral part of the legislative process. The volunteers who advocate – including homeowner leaders, community managers, and business partners – greatly rely on contributions from management companies and business partners in addition to individuals to continue their important efforts in the legislature. CAI needs your financial support to bolster their advocacy activities in 2023 and beyond. We encourage donations from Texas community associations, business partners, and individuals. Please visit <a href="www.caionline.org/lacdonate/">www.caionline.org/lacdonate/</a> and donate to CAI's Texas Legislative Action Committee to support our continued efforts.

We need YOUR voice! <u>Sign up today</u> to become a CAI Advocacy Ambassador and help shape legislation in your state!

## **Texas Contact Information**

- Visit https://www.caionline.org/Advocacy/LAC/TX/Pages/default.aspx.
- Contact CAI's Government and Public Affairs Team at government@caionline.org
- To find the chapter nearest you, please call (888) 224-4321.