



TEXAS
LEGISLATIVE ACTION COMMITTEE
Community Associations Institute

88th Texas Legislature

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Diana Larson, AMS, PCAM, Assured Association Management

Cass McKenzie, McKenzie Mena LLP

Chelsea Stormes, CMCA, Alliant Insurance Services

Katie Ward, FirstService Residential

Governmental Affairs Team:



Rusty Kelley

Susan Nold

Sara Sachde

LEGISLATIVE PROCESS

- **Introducing a Bill**
 - November 14th to March 10th
- **The Committee Process**
 - Bills referred to Committee
 - Public Hearings to comment
- **Floor Action**
 - Requires approval of House and Senate
 - Session ended May 29th
- **Governor's Action**
 - Can sign the bill into law;
 - Can veto the bill (until June 18th); or
 - Can allow it to become law without signature.



SUMMARY



- **TLAC monitored over 150 bills throughout the 88th Texas Legislature and closely tracked 73 bills towards the end of session**
 - 7 bills passed
 - Over 100 bills were defeated or died in committee
- **TLACs Support / Opposition of Bills**
 - Education
 - Communication to Members
 - Calls for Action

**A total of 8,046 bills were introduced during the 88th Texas Legislative Regular Session. As of June 18th, 1,296 have been signed into law and 76 have been vetoed by Governor Greg Abbott. The second highest number of vetoes in Texas history.*



HB 2022 – Amendment to the Residential Construction Liability Act (RCLA)

- **PASSED!**

Changes include:

- 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.
- Changes to standards for claim of breach of habitability against a contractor to only if the defect was latent at the time it was completed and renders the residence unsuitable for its intended purpose.
- Permits the filing of a demand for arbitration to effectively toll any statute of limitation periods
- Prevents the waiver of any RCLA provisions by contract.



HB 2024 – Amendment to the Statute of Repose

- **PASSED! Effective June 9, 2023**
- Applies to only Single Family Homes and Townhomes under three (3) stories.
- Amends the current statute of repose (time to file suit for construction defects) from ten (10) years to six (6) years if the builder issues a specific warranty (1 year for materials, 2 years for HVAC, and 6 years for structural) for the residence.
- Condominiums are excluded and retain a ten (10) year statute of repose.



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HB 998 Relating to Insurance Coverage Under FAIR

- **PASSED!**
- 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 that can't find it in the private market.



HB 1193 – Regarding Tenant’s Methods of Payment

- **PASSED!**
- HOA cannot restrict a tenant’s method of payment to a property owner
- POA would not be able to restrict Section 8 housing vouchers





HB 614 – Formal Fine Policy

- **PASSED!**
- HOAs must adopt and distribute to its members a formal fine policy and list of fines by category.
 - Going to require each association with the authority to fine, to draft/adopt a fine policy and record it with the County.
 - Policy must also be posted on HOA's website or sent to the Owner ANNUALLY!



HB 886 – Notice of Delinquency

- **PASSED!**
- **Amends Section 209.0094 to the Texas Property Code:**
 - Before an HOA can file a Lien, the HOA must:
 - Provide two (2) notices to a delinquent Owner;
 - Wait a total of 120 days following the first delinquency notice (90 days after Second Notice) before filing an assessment lien.

SB 1668 – Relating to HOA Fencing Regulations and ACC Membership

- **VETOED BY GOVERNOR**
- **Joint-Bill with TLAC, Texas Realtors, Builders, and TCAA**
 - Worked closely with Representative Chris Turner and Senator Bryan Hughes
 - Intended to clean up some unintended consequences of SB1588 (2021)
- **Perimeter Security Fencing**
 - Sec. 202.023(c) would be amended to allow associations to:
 - prohibit the placement of fencing that obstructs a sidewalk, drainage easement or drainage area;
 - require a driveway gate to be set back 10 feet from the street to prevent a vehicle entering the gate from impeding a passing vehicle or pedestrian; or
 - unless otherwise provided by a dedicatory instrument, prohibit the installation of fencing in front of the front-most building line of a dwelling.
 - Exception:
 - (1) Owner's address is exempt from disclosure
 - (2) Need for enhanced security measures approved by law enforcement.



SB 1668 – Relating to HOA Fencing Regulations and ACC Membership

VETOED BY GOVERNOR

- 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.
- **ACC Membership**
 - Sec. 209.00505(c) redesignated as 209.00506 and amended to:
 - Require a person wishing to serve on the ACC to timely notify the association in accordance with Sec. 209.00507.
 - Allow the association to appoint someone not currently eligible to serve on the ACC if all those eligible under Sec. 209.00507 have been given positions and vacant positions remain.
 - Sec. 209.00507 adds notice requirements for the election or appointment of ACC members.



SB 1668 – Relating to HOA Fencing Regulations and ACC Membership

VETOED BY GOVERNOR

- The bill also extends online document posting requirements, management certificate filings with TREC, and disclosure fee caps for condominiums:
- **Section 82.1142** – Condominiums must maintain an internet website and post association governing documents
- **Section 82.116** – Condominiums must file a management certificate with TREC
- **Section 82.157** – Caps resale certificates to \$375.00 for condominiums



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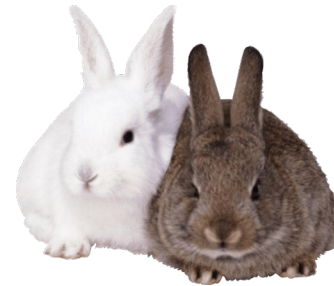
The following bills did NOT pass...

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Failed: HB 92/HB 276 – Prohibited from Preventing Certain Activities

- Both of these bills would have prohibited HOAs from preventing certain activities by property owners including:
 - Raising chickens and rabbits;
 - Growing fruits and vegetables;
 - Installing wind power facilities; and
 - Installing a solar energy device or a standby generator (already prohibited).



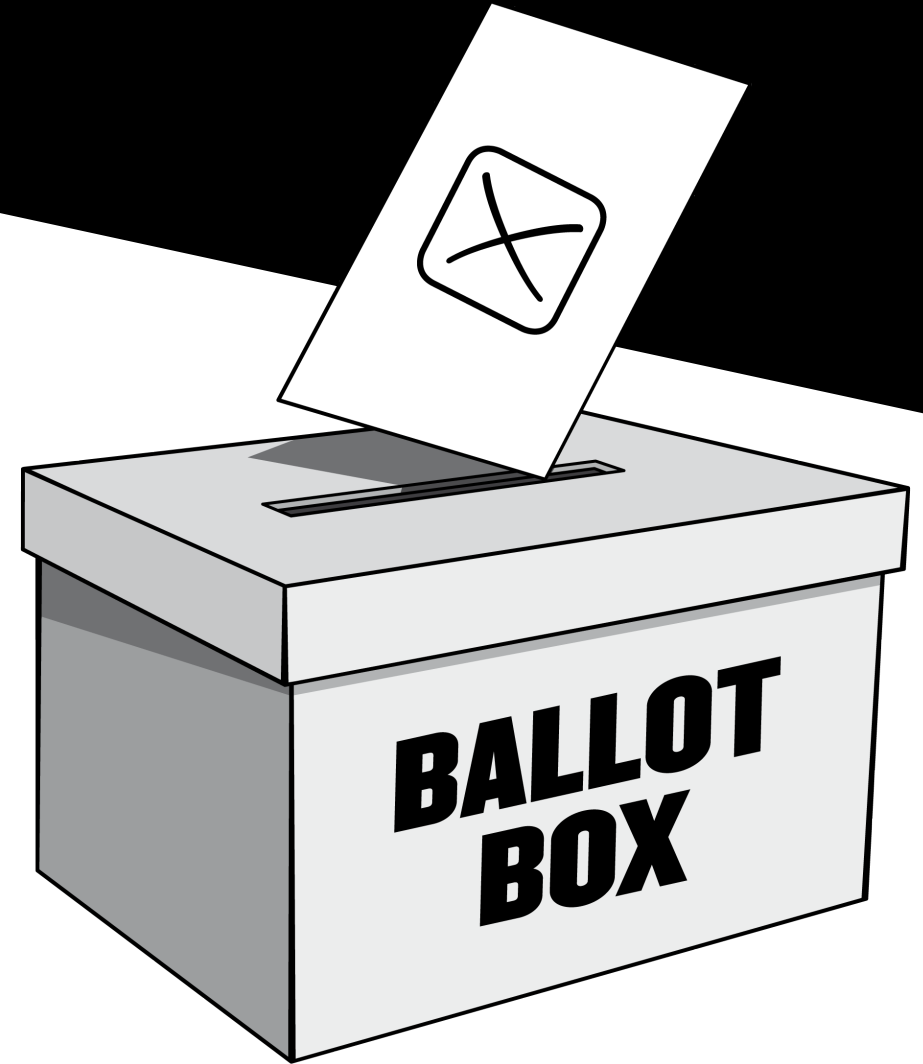
Failed: HB 328 – Solar Roof Tile



- Would have added “solar roof tile” to the definition of “solar energy device” subject to limited POA restrictions.

Failed: HB 3777 – Ballot Confidentiality

- Would have protected the confidentiality of ballots and proxies in condominium and HOA votes and elections





Failed: HB 330 – Wind Power Facility on Owner’s Property

- Would have prohibited HOAs from preventing owners installing a wind power facility on their property.

The Texas state flag is shown on the left side of the slide, waving on a flagpole. It features a blue canton with a white five-pointed star, a white horizontal stripe, and a red vertical stripe at the bottom.

Failed: HJR 9 – Constitutional Amendment for Conducting Activities

- Constitutional amendment would have established a constitutional right of Texans to conduct activities on their property to provide food, water, electric power, and shelter. (Related to HB 92/SB 276).

Failed: HB 1799 – Enforcing Parking Provision



- Would have prohibited a POA from enforcing a provision preventing residents from parking their government or employment vehicle near their property.

Failed: HB 1252 – Annual Audit

- Would have required HOAs to conduct an annual audit and provide a copy to each member of the association.
- (Similar statute already applies to condominiums)





Failed: HB 1367 – Process for Recalling HOA Board Members

- Would have created a process for recalling HOA board members.
- 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.

Failed: SB 468/HB 2450 – Peacefully Assembling in Common Areas

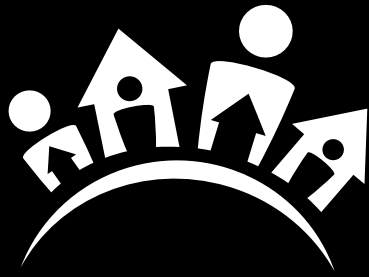
- Would have prohibited POAs from restricting owners or residents from peacefully assembling and inviting guests in the Association's Common Areas.



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Questions?

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Protecting our Industry!

How can you help?

- Be reasonable in decision-making
- Educate yourselves – Get involved!
- Develop a relationship with your Legislator
 - Use TLAC as a resource!



TLAC Isn't Free!

TLAC NEEDS YOUR SUPPORT- Funding, volunteering, engaging!

▶ **Dollar a Door, or More!!**

▶ **Checks may be sent to:**

- CAI LACTX

6402 Arlington Blvd, Suite 500,
Falls Church, VA 22042

▶ **Make a contribution online – request an invoice!**

CAI ONLINE.ORG/ADVOCACY/LACTX

TEXAS LEGISLATIVE ACTION COMMITTEE
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Texas Legislative Action Committee (TLAC) is CAI's only official voice with legislators and regulators in the State. This committee allows CAI to speak with a cohesive voice on legislative and regulatory matters that affect community associations, community association managers, and business partners. Our mission is simple – together, CAI, TLAC advances, defends, protects, and strengthens public policy for the community association housing model.

TO FULFILL OUR MISSION AND PROMISE, WE NEED TO BUILD A FUNDING BASE THAT STARTS WITH YOU! YOUR CONTRIBUTION MAKES TLAC'S LEGISLATIVE EFFORTS POSSIBLE – WITHOUT YOUR FINANCIAL SUPPORT, WE CANNOT BE AS EFFECTIVE IN PROMOTING SENSIBLE COMMUNITY ASSOCIATION LEGISLATION IN TEXAS.

MAKE A CONTRIBUTION TO CAI TLAC!

NAME: _____
COMPANY/ORG: _____
EMAIL: _____
PHONE: _____
ADDRESS: _____
CITY/STATE/ZIP: _____

\$25 \$50 \$100
 \$250 \$500 \$1,000

\$101 - Consider giving \$1 a door. In Texas, there are 150 Texas House of Representatives Districts plus the 31 Texas Senate Districts.

CUSTOM AMOUNT \$ _____

CHECK (6402 Arlington Blvd, Suite 500, Falls Church, VA 22042)

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CARDHOLDER NAME _____
EXPIRATION _____ CVC _____
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GET INVOLVED AND SUBMIT YOUR CONTRIBUTION! CONTACT YOUR LOCAL COMMUNITY ASSOCIATIONS INSTITUTE CHAPTER EXECUTIVE DIRECTOR:

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