



CAI Texas/TCAA LEGISLATIVE SESSION UPDATE

TCAA Minute – March 22, 2021

Community Association Legislation

Despite early projections for a relatively slow-paced legislative session, there were 6,919 bills and joint resolutions filed in the Texas House and Senate before this year's deadline. That is the second highest total in the last 10 years, trailing only the 7,281 submissions last session. The CAI-TCAA team is following dozens of bills, including:

HB 2447 (Davis) provides a mechanism by which owners can petition a property owners' association to call a special meeting for the purpose of holding a recall election for a board member. The petition must be signed by at least 20% of property owners holding voting interests in the community and sent by certified mail to the registered agent for the association. The special meeting must be held within 90 days after the date the association receives the petition. The bill also allows an owner to file suit for an association's failure to follow these recall procedures.

HB 2387 (Sherman) relates to suits to collect past due property owners' association assessments. The bill would give exclusive jurisdiction of any suit to collect past due assessments to Justice of the Peace courts, and expressly states that any such suit must be brought in a justice court. A Notice of Lien may not be filed by the POA until after it obtains a final judgment from the Justice of the Peace court. Foreclosure of a POA's assessment lien is not an available remedy. A suit must include a verified statement detailing the basis for each amount sought by the POA and the steps taken by the POA to comply with other laws. The bill also provides that a suit may not seek any other relief, including seeking foreclosure of an assessment lien, and limits recovery of attorney's fees to 15% of the principal amount or \$500 total, whichever is greater. It is unclear whether the POA would need to file an Application for Expedited Foreclosure after it obtains a judgment from the Justice of the Peace courts.

HB 2912 (Vasut) deals with violations by a board member of a property owners' association of Chapter 209 of the Texas Property Code (the Texas Residential Property Owners Protection Act) or a dedicatory instrument. The bill is intended to make it easier for property owners to bring suit challenging a board member's violation of Chapter 209 or the association's governing documents. If the court finds that there was a violation, the court may grant one or more of the following: (1) a judgment for the association to immediately remove the director from the board, (2) a judgment against the association for damages incurred by the member in connection with the violation, including attorney's fees, and (3) a judgment authorizing the member to deduct any damages from future assessments owed to the association. Prior to bringing an action, the member must first send written notice to the association by certified mail, describing the alleged violation.

Feds Downgrade Prospects For 10-Year Job Growth

A new report from the U.S. Bureau of Labor Statistics downgraded many 10-year job growth projections because the COVID-19 pandemic could permanently alter the behavior of consumers and employers. The

agency predicts more employment in computer-related and medical research jobs over the next decade and less in retail trade and restaurants.

Remote working was cited as the primary force of economic change, with a quarter of all full-time employees still working from home. In some fields, including computers, legal services, and business operations, well over half of employees are teleworking. Spending on commuting, business travel, and restaurants is also expected to decline from pre-pandemic levels, and the desire by some to avoid large crowds and close proximity to others could hurt industries with large gatherings and reduce demand for some customer service jobs.

CAI-TCAA Texas Legislative Week Is Here

CAI-TCAA is planning a week of outreach to state legislators during the week of March 22-26. Dozens of property owners' association supporters are scheduled for virtual meetings to educate lawmakers on the benefits of community associations and the importance of protecting the quality of life in Texas neighborhoods. Each day of the week will feature outreach from a different region of the state, including Austin, Houston, Dallas, Fort Worth, and San Antonio.

In a typical legislative session, this event would be conducted in-person at the Texas capitol. This year, however, most of the advocacy will be conducted virtually in light of the ongoing pandemic and related safety protocols. Despite these limitations, the CAI-TCAA team is confident that the outreach will be a success and appreciates the input and engagement of its members and supporters.

Get Involved

CAI and TCAA hope to hear from you about the issues of concern to you and your neighbors, and we also encourage you to share your support of community associations with your local legislators. For more information on the Texas Legislature and updates on our activities and events, please visit caionline.org/txlac and txcaa.org.