

TEXAS HOA LAW 2019 LEGISLATIVE UPDATE



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On May 27, 2019, the Texas Legislature concluded the 2019 legislative session. Although a number of bills were filed that could have had a dramatic effect on the laws governing Texas Homeowners Associations, only a few bills were ultimately enacted by the 2019 Texas Legislature that apply to Texas Homeowners Associations, including Homeowners Associations that administer condominium developments (generally referred to as “Condominium Associations”) and Homeowners Associations that administer subdivision developments (generally referred to as “Subdivision Associations”). The following is a brief description of such new statutory laws.

This report should be used for general information purposed only and may not be construed as a legal opinion or legal advice.

HOUSE BILL 234 – Protection of Lemonade Stands (applies to Subdivision Associations only)

House Bill 234 adds Section 202.020 to the Texas Property Code, which prohibits a property owners association that administers a subdivision development from enforcing any restrictive covenant that would restrict a child under the age of 18 from occasionally operating a lemonade stand (or a stand that sells other non-alcoholic beverages) on real property located in the subdivision development, provided the child has the permission of the owner of such real property.

HOUSE BILL 302 – Possession and Transportation of Firearms and Ammunition in Common Elements (applies to Condominium Associations only)

House Bill 302 adds Section 82.121 to the Texas Property Code, which restricts the ability of a condominium association to regulate the possession of firearms and/or ammunition on common element property. More specifically, Section 82.121 provides that unless possession of a firearm or ammunition on condominium property is prohibited by state or federal law, a condominium association cannot restrict a unit owner, or his or her tenant or guest, from lawfully possessing, carrying, transporting, or storing a firearm or ammunition in the unit owner’s unit; in a vehicle located in a common element parking area; or in any other common element area as necessary to enter or exit the condominium, enter or exit the unit owner’s unit; or enter or exit a vehicle parked on the common element parking area.

HOUSE BILL 1025 – Membership on the Board of Directors (applies to Subdivision Associations only)

House Bill 1025 amends Section 209.00591 of the Texas Property Code, which governs membership on a Board of Directors for a property owners association that administers a subdivision development. As amended, Section 209.00591 now permits a property

owners association that governs a subdivision development comprised of multiple sections to specify Board positions that must be elected from a designated section of the subdivision development and to require each Board member representing a section to reside in that section.

Section 209.00591 also now prohibits a person who lives at the same primary residence with a current Board member from also serving on the Board of Directors at the same time. Such new rule, however, does not apply to a property owners association that governs a subdivision development with fewer than 10 residences or to a person who lives at the same primary residence with a developer of a subdivision development during the developer control period.

HOUSE BILL 2554 – Political Signs (applies to Condominium Associations and Subdivision Associations)

House Bill 2554 adds a new Chapter 259 to the Texas Election Code, which now governs the placement and display of political signs. House Bill 2554 also recodifies Section 202.009 of the Texas Property Code (which imposes restrictions against the enforcement of restrictive covenants that prohibit the display of political signs) as Section 259.002 of the Texas Election Code. Other than changing the location of the statute from the Texas Property Code to the Texas Election Code, there were no other substantive modifications to the statute.

HOUSE BILL 2569 – Condominium Declarations (applies to Condominium Associations only)

House Bill 2569 amends Section 82.059 of the Texas Property Code, which governs the requirements of a condominium declaration. As amended, Section 82.059 now waives the requirement to identify the horizontal boundary of a unit on the plats and plans attached to a condominium declaration if the horizontal unit boundaries are described in the condominium declaration itself.

SENATE BILL 741 – Possession and Discharge of Firearms (applies to Condominium Associations and Subdivision Associations)

Senate Bill 741 adds Section 202.020 to the Texas Property Code, which provides that all Texas homeowners associations may not include or enforce a provision in a dedicatory instrument that prohibits, restricts, or has the effect of prohibiting or restricting any person who is otherwise authorized from: (1) lawfully possessing, transporting, or storing a firearm, any part of a firearm, or firearm ammunition; or (2) lawfully discharging a firearm.

SENATE BILL 1845 – Declaration Amendment Procedures for “Mixed-Use Real Estate Developments (applies to Mixed-Used Real Estate Developments only)

Senate Bill 1845 adds Chapter 214 to the Texas Property Code, which creates a new statutory procedure for amending dedicatory instruments applicable to non-residential “mixed-use real estate developments” located in the City of Houston. For purposes of new Chapter 214, a “Mixed-Use Real Estate Development” is very narrowly defined and must meet several criteria, including the development must contain at least 200 acres, but no more than 250 acres, of deed-restricted property composed of at least 10 separate tracts for which commercial properties constitute at least 70% of the total land area of the development and office properties constitute at least 50% of the total land area of the development. Such new statutory procedure now authorizes a declaration for a mixed-use real estate development to be amended by a vote of a majority of the total votes allocated to property owners in the mixed-use real estate development entitled to vote on the declaration amendment.

SENATE BILL 1969 – Ratification of Corporate Acts (applies to Condominium Associations and Subdivision Associations that are incorporated as nonprofit corporations)

Senate Bill 1969 adds Subchapter J to Chapter 22 of the Texas Business Organizations Code (also known as the “Nonprofit Corporation Law”), which establishes procedures for the ratification of void or voidable acts of a nonprofit corporation that are modeled on provisions of the Texas Business Organizations Code that applicable to for-profit corporations and similar provisions for ratification of corporate acts contained in the Model Nonprofit Corporation Act.

HB 234

AN ACT

relating to the local regulation of the sale of lemonade or other beverages by children.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Chapter 250, Local Government Code, is amended to read as follows:

CHAPTER 250. MISCELLANEOUS REGULATORY AUTHORITY [~~OF MUNICIPALITIES AND COUNTIES~~]

SECTION 2. Chapter 250, Local Government Code, is amended by adding Section 250.009 to read as follows:

Sec. 250.009. CERTAIN SALES OF BEVERAGES BY CHILDREN. Notwithstanding any other law, a municipality, county, or other local public health authority may not adopt or enforce an ordinance, order, or rule that prohibits or regulates, including by requiring a license, permit, or fee, the occasional sale of lemonade or other nonalcoholic beverages from a stand on private property or in a public park by an individual younger than 18 years of age.

SECTION 3. Chapter 202, Property Code, is amended by adding Section 202.020 to read as follows:

Sec. 202.020. CERTAIN SALES OF BEVERAGES BY CHILDREN. (a) A property owners' association of a residential subdivision may not adopt or enforce a restrictive covenant that prohibits or regulates, including by requiring a permit or fee, the occasional

1 sale of lemonade or other nonalcoholic beverages from a stand on
2 property located in the subdivision by an individual younger than
3 18 years of age who has the permission of a property owner in the
4 subdivision for the sale.

5 (b) A property owners' association:

6 (1) does not owe a duty of care to persons
7 participating in a beverage sale described by Subsection (a); and

8 (2) is not liable for any injury to persons
9 participating in a beverage sale described by Subsection (a),
10 except for wilful or wanton acts or gross negligence of the
11 association.

12 SECTION 4. This Act takes effect September 1, 2019.

HB 302

AN ACT

relating to the carrying, storage, or possession of a firearm or
firearm ammunition by certain persons on certain residential or
commercial property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 30.05, Penal Code, is amended by adding
Subsections (f-1), (f-2), and (f-3) to read as follows:

(f-1) It is a defense to prosecution under this section
that:

(1) the basis on which entry on the property was
forbidden is that entry with a firearm or firearm ammunition was
forbidden;

(2) the actor is:

(A) an owner of an apartment in a condominium
regime governed by Chapter 81, Property Code;

(B) an owner of a condominium unit governed by
Chapter 82, Property Code;

(C) a tenant or guest of an owner described by
Paragraph (A) or (B); or

(D) a guest of a tenant of an owner described by
Paragraph (A) or (B);

(3) the actor:

(A) carries or stores a firearm or firearm
ammunition in the condominium apartment or unit owner's apartment

1 or unit;

2 (B) carries a firearm or firearm ammunition
3 directly en route to or from the condominium apartment or unit
4 owner's apartment or unit;

5 (C) carries a firearm or firearm ammunition
6 directly en route to or from the actor's vehicle located in a
7 parking area provided for residents or guests of the condominium
8 property; or

9 (D) carries or stores a firearm or firearm
10 ammunition in the actor's vehicle located in a parking area
11 provided for residents or guests of the condominium property; and

12 (4) the actor is not otherwise prohibited by law from
13 possessing a firearm or firearm ammunition.

14 (f-2) It is a defense to prosecution under this section
15 that:

16 (1) the basis on which entry on a leased premises
17 governed by Chapter 92, Property Code, was forbidden is that entry
18 with a firearm or firearm ammunition was forbidden;

19 (2) the actor is a tenant of the leased premises or the
20 tenant's guest;

21 (3) the actor:

22 (A) carries or stores a firearm or firearm
23 ammunition in the tenant's rental unit;

24 (B) carries a firearm or firearm ammunition
25 directly en route to or from the tenant's rental unit;

26 (C) carries a firearm or firearm ammunition
27 directly en route to or from the actor's vehicle located in a

1 parking area provided for tenants or guests by the landlord of the
2 leased premises; or

3 (D) carries or stores a firearm or firearm
4 ammunition in the actor's vehicle located in a parking area
5 provided for tenants or guests by the landlord of the leased
6 premises; and

7 (4) the actor is not otherwise prohibited by law from
8 possessing a firearm or firearm ammunition.

9 (f-3) It is a defense to prosecution under this section
10 that:

11 (1) the basis on which entry on a leased premises
12 governed by Chapter 94, Property Code, was forbidden is that entry
13 with a firearm or firearm ammunition was forbidden;

14 (2) the actor is a tenant of a manufactured home lot or
15 the tenant's guest;

16 (3) the actor:

17 (A) carries or stores a firearm or firearm
18 ammunition in the tenant's manufactured home;

19 (B) carries a firearm or firearm ammunition
20 directly en route to or from the tenant's manufactured home;

21 (C) carries a firearm or firearm ammunition
22 directly en route to or from the actor's vehicle located in a
23 parking area provided for tenants or tenants' guests by the
24 landlord of the leased premises; or

25 (D) carries or stores a firearm or firearm
26 ammunition in the actor's vehicle located in a parking area
27 provided for tenants or tenants' guests by the landlord of the

1 leased premises; and

2 (4) the actor is not otherwise prohibited by law from
3 possessing a firearm or firearm ammunition.

4 SECTION 2. Section 30.06, Penal Code, is amended by adding
5 Subsections (e-1), (e-2), and (e-3) to read as follows:

6 (e-1) It is a defense to prosecution under this section
7 that:

8 (1) the license holder is:

9 (A) an owner of an apartment in a condominium
10 regime governed by Chapter 81, Property Code;

11 (B) an owner of a condominium unit governed by
12 Chapter 82, Property Code;

13 (C) a tenant or guest of an owner described by
14 Paragraph (A) or (B); or

15 (D) a guest of a tenant of an owner described by
16 Paragraph (A) or (B); and

17 (2) the license holder:

18 (A) carries or stores a handgun in the
19 condominium apartment or unit owner's apartment or unit;

20 (B) carries a handgun directly en route to or
21 from the condominium apartment or unit owner's apartment or unit;

22 (C) carries a handgun directly en route to or
23 from the license holder's vehicle located in a parking area
24 provided for residents or guests of the condominium property; or

25 (D) carries or stores a handgun in the license
26 holder's vehicle located in a parking area provided for residents
27 or guests of the condominium property.

1 (e-2) It is a defense to prosecution under this section
2 that:

3 (1) the license holder is a tenant of a leased premises
4 governed by Chapter 92, Property Code, or the tenant's guest; and

5 (2) the license holder:

6 (A) carries or stores a handgun in the tenant's
7 rental unit;

8 (B) carries a handgun directly en route to or
9 from the tenant's rental unit;

10 (C) carries a handgun directly en route to or
11 from the license holder's vehicle located in a parking area
12 provided for tenants or guests by the landlord of the leased
13 premises; or

14 (D) carries or stores a handgun in the license
15 holder's vehicle located in a parking area provided for tenants or
16 guests by the landlord of the leased premises.

17 (e-3) It is a defense to prosecution under this section
18 that:

19 (1) the license holder is a tenant of a manufactured
20 home lot governed by Chapter 94, Property Code, or the tenant's
21 guest; and

22 (2) the license holder:

23 (A) carries or stores a handgun in the tenant's
24 manufactured home;

25 (B) carries a handgun directly en route to or
26 from the tenant's manufactured home;

27 (C) carries a handgun directly en route to or

1 from the license holder's vehicle located in a parking area
2 provided for tenants or tenants' guests by the landlord of the
3 leased premises; or

4 (D) carries or stores a handgun in the license
5 holder's vehicle located in a parking area provided for tenants or
6 tenants' guests by the landlord of the leased premises.

7 SECTION 3. Section 30.07, Penal Code, is amended by adding
8 Subsections (e-1), (e-2), and (e-3) to read as follows:

9 (e-1) It is a defense to prosecution under this section
10 that:

11 (1) the license holder is:

12 (A) an owner of an apartment in a condominium
13 regime governed by Chapter 81, Property Code;

14 (B) an owner of a condominium unit governed by
15 Chapter 82, Property Code;

16 (C) a tenant or guest of an owner described by
17 Paragraph (A) or (B); or

18 (D) a guest of a tenant of an owner described by
19 Paragraph (A) or (B); and

20 (2) the license holder:

21 (A) carries or stores a handgun in the
22 condominium apartment or unit owner's apartment or unit;

23 (B) carries a handgun directly en route to or
24 from the condominium apartment or unit owner's apartment or unit;

25 (C) carries a handgun directly en route to or
26 from the license holder's vehicle located in a parking area
27 provided for residents or guests of the condominium property; or

1 (D) carries or stores a handgun in the license
2 holder's vehicle located in a parking area provided for residents
3 or guests of the condominium property.

4 (e-2) It is a defense to prosecution under this section
5 that:

6 (1) the license holder is a tenant of a leased premises
7 governed by Chapter 92, Property Code, or the tenant's guest; and

8 (2) the license holder:

9 (A) carries or stores a handgun in the tenant's
10 rental unit;

11 (B) carries a handgun directly en route to or
12 from the tenant's rental unit;

13 (C) carries a handgun directly en route to or
14 from the license holder's vehicle located in a parking area
15 provided for tenants or guests by the landlord of the leased
16 premises; or

17 (D) carries or stores a handgun in the license
18 holder's vehicle located in a parking area provided for tenants or
19 guests by the landlord of the leased premises.

20 (e-3) It is a defense to prosecution under this section
21 that:

22 (1) the license holder is a tenant of a manufactured
23 home lot governed by Chapter 94, Property Code, or the tenant's
24 guest; and

25 (2) the license holder:

26 (A) carries or stores a handgun in the tenant's
27 manufactured home;

1 (B) carries a handgun directly en route to or
2 from the tenant's manufactured home;

3 (C) carries a handgun directly en route to or
4 from the license holder's vehicle located in a parking area
5 provided for tenants or tenants' guests by the landlord of the
6 leased premises; or

7 (D) carries or stores a handgun in the license
8 holder's vehicle located in a parking area provided for tenants or
9 tenants' guests by the landlord of the leased premises.

10 SECTION 4. Section 82.002, Property Code, is amended by
11 adding Subsection (c-1) to read as follows:

12 (c-1) Section 82.121 applies to a condominium for which the
13 declaration was recorded before January 1, 1994.

14 SECTION 5. Subchapter C, Chapter 82, Property Code, is
15 amended by adding Section 82.121 to read as follows:

16 Sec. 82.121. POSSESSION OF FIREARM OR FIREARM AMMUNITION ON
17 CONDOMINIUM PROPERTY. (a) Unless possession of a firearm or
18 firearm ammunition on condominium property is prohibited by state
19 or federal law, a condominium unit owner, or a tenant or guest of a
20 condominium unit owner, or a guest of a tenant of a condominium unit
21 owner may not be prohibited from lawfully possessing, carrying,
22 transporting, or storing a firearm, any part of a firearm, or
23 firearm ammunition:

24 (1) in the condominium unit owner's unit;

25 (2) in a vehicle located in a parking area provided for
26 the residents or guests of the condominium property; or

27 (3) in other common element locations as necessary to:

- 1 (A) enter or exit the condominium property;
2 (B) enter or exit the condominium unit owner's
3 unit; or
4 (C) enter or exit a vehicle on the condominium
5 property or located in a parking area provided for residents or
6 guests of the condominium property.

7 (b) This section applies notwithstanding any provision of a
8 dedicatory instrument to the contrary and regardless of the date of
9 the provision's adoption.

10 SECTION 6. Subchapter A, Chapter 92, Property Code, is
11 amended by adding Section 92.026 to read as follows:

12 Sec. 92.026. POSSESSION OF FIREARMS OR FIREARM AMMUNITION
13 ON LEASED PREMISES. Unless possession of a firearm or firearm
14 ammunition on a landlord's property is prohibited by state or
15 federal law, a landlord may not prohibit a tenant or a tenant's
16 guest from lawfully possessing, carrying, transporting, or storing
17 a firearm, any part of a firearm, or firearm ammunition:

- 18 (1) in the tenant's rental unit;
19 (2) in a vehicle located in a parking area provided for
20 tenants or guests by the landlord of the leased premises; or
21 (3) in other locations controlled by the landlord as
22 necessary to:

- 23 (A) enter or exit the tenant's rental unit;
24 (B) enter or exit the leased premises; or
25 (C) enter or exit a vehicle on the leased
26 premises or located in a parking area provided by the landlord for
27 tenants or guests.

1 SECTION 7. Subchapter F, Chapter 94, Property Code, is
2 amended by adding Section 94.257 to read as follows:

3 Sec. 94.257. POSSESSION OF FIREARM OR FIREARM AMMUNITION ON
4 LEASED PREMISES. Unless possession of a firearm or firearm
5 ammunition on a landlord's property is prohibited by state or
6 federal law, a landlord may not prohibit a tenant or a tenant's
7 guest from lawfully possessing, carrying, transporting, or storing
8 a firearm, any part of a firearm, or firearm ammunition:

9 (1) in the tenant's manufactured home;

10 (2) in a vehicle located in a parking area provided for
11 tenants or tenants' guests by the landlord of the leased premises;
12 or

13 (3) in other locations controlled by the landlord as
14 necessary to:

15 (A) enter or exit the tenant's manufactured home;

16 (B) enter or exit the leased premises; or

17 (C) enter or exit a vehicle on the leased
18 premises or located in a parking area provided by the landlord for
19 tenants or tenants' guests.

20 SECTION 8. Sections 30.05, 30.06, and 30.07, Penal Code, as
21 amended by this Act, apply only to an offense committed on or after
22 the effective date of this Act. An offense committed before the
23 effective date of this Act is governed by the law in effect on the
24 date the offense was committed, and the former law is continued in
25 effect for that purpose. For purposes of this section, an offense
26 was committed before the effective date of this Act if any element
27 of the offense occurred before that date.

1 SECTION 9. Sections 92.026 and 94.257, Property Code, as
2 added by this Act, do not affect the enforceability of a provision
3 in a lease agreement entered into or renewed before the effective
4 date of this Act.

5 SECTION 10. This Act takes effect September 1, 2019.

HB 1025

AN ACT

relating to membership on and the eligibility of certain persons to serve on the board of certain property owners' associations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 209.00591, Property Code, is amended by adding Subsections (a-2) and (a-3) to read as follows:

(a-2) Notwithstanding any other provision of this chapter, a property owners' association that governs a subdivision comprised of multiple sections may designate in an association instrument governing the administration or operation of the association a specified number of positions on the board, each of which must be elected from a designated section of the subdivision. The instrument may require each board member representing a section to reside in that section.

(a-3) A person may not serve on the board of a property owners' association if the person cohabits at the same primary residence with another board member of the association. This subsection does not apply:

(1) to an association with fewer than 10 residences;

or

(2) during a subdivision's development period to affect the eligibility to serve on the board of:

(A) a person who cohabits with a developer of the subdivision regulated by the association; or

1 (B) the developer.

2 SECTION 2. Section 209.00591(a-3), Property Code, as added
3 by this Act:

4 (1) does not affect the entitlement of a member
5 serving on the board of a property owners' association immediately
6 before the effective date of this Act to continue to carry out the
7 board's functions for the remainder of the member's term; and

8 (2) applies only to a member elected on or after the
9 effective date of this Act.

10 SECTION 3. (a) Except as provided by Subsection (b) of this
11 section, this Act takes effect September 1, 2019.

12 (b) Section 209.00591(a-3), Property Code, as added by this
13 Act, takes effect immediately if this Act receives a vote of
14 two-thirds of all the members elected to each house, as provided by
15 Section 39, Article III, Texas Constitution. If this Act does not
16 receive the vote necessary for immediate effect, Section
17 209.00591(a-3), Property Code, as added by this Act, takes effect
18 September 1, 2019.

HB 2554

1 AN ACT

2 relating to regulation of the display of signs containing political
3 advertising.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Title 15, Election Code, is amended by adding
6 Chapter 259, and a heading is added to that chapter to read as
7 follows:

8 CHAPTER 259. POLITICAL SIGNS

9 SECTION 2. Section 255.007, Election Code, is transferred
10 to Chapter 259, Election Code, as added by this Act, and
11 redesignated as Section 259.001, Election Code, to read as follows:

12 Sec. 259.001 [~~255.007~~]. NOTICE REQUIREMENT ON POLITICAL
13 ADVERTISING SIGNS. (a) The following notice must be written on
14 each political advertising sign:

15 "NOTICE: IT IS A VIOLATION OF STATE LAW (CHAPTERS 392 AND
16 393, TRANSPORTATION CODE), TO PLACE THIS SIGN IN THE RIGHT-OF-WAY
17 OF A HIGHWAY."

18 (b) A person commits an offense if the person:

19 (1) knowingly enters into a contract to print or make a
20 political advertising sign that does not contain the notice
21 required by Subsection (a); or

22 (2) instructs another person to place a political
23 advertising sign that does not contain the notice required by
24 Subsection (a).

1 (c) An offense under this section is a Class C misdemeanor.

2 (d) It is an exception to the application of Subsection (b)
3 that the political advertising sign was printed or made before
4 September 1, 1997, and complied with Subsection (a) as it existed
5 immediately before that date.

6 (e) In this section, "political advertising sign" means a
7 written form of political advertising designed to be seen from a
8 road but does not include a bumper sticker.

9 SECTION 3. Section 202.009, Property Code, is transferred
10 to Chapter 259, Election Code, as added by this Act, redesignated as
11 Section 259.002, Election Code, and amended to read as follows:

12 Sec. 259.002 [~~202.009~~]. REGULATION OF DISPLAY OF
13 POLITICAL SIGNS BY PROPERTY OWNERS' ASSOCIATION. (a) In this
14 section, "property owners' association" has the meaning assigned by
15 Section 202.001, Property Code.

16 (b) Except as otherwise provided by this section, a property
17 owners' association may not enforce or adopt a restrictive covenant
18 that prohibits a property owner from displaying on the owner's
19 property one or more signs advertising a [~~political~~ candidate or
20 measure [~~ballot item~~] for an election:

21 (1) on or after the 90th day before the date of the
22 election to which the sign relates; or

23 (2) before the 10th day after that election date.

24 (c) [~~(b)~~] This section does not prohibit the enforcement or
25 adoption of a covenant that:

26 (1) requires a sign to be ground-mounted; or

27 (2) limits a property owner to displaying only one

1 sign for each candidate or measure [~~ballot item~~].

2 (d) [~~(c)~~] This section does not prohibit the enforcement or
3 adoption of a covenant that prohibits a sign that:

4 (1) contains roofing material, siding, paving
5 materials, flora, one or more balloons or lights, or any other
6 similar building, landscaping, or nonstandard decorative
7 component;

8 (2) is attached in any way to plant material, a traffic
9 control device, a light, a trailer, a vehicle, or any other existing
10 structure or object;

11 (3) includes the painting of architectural surfaces;

12 (4) threatens the public health or safety;

13 (5) is larger than four feet by six feet;

14 (6) violates a law;

15 (7) contains language, graphics, or any display that
16 would be offensive to the ordinary person; or

17 (8) is accompanied by music or other sounds or by
18 streamers or is otherwise distracting to motorists.

19 (e) [~~(d)~~] A property owners' association may remove a sign
20 displayed in violation of a restrictive covenant permitted by this
21 section.

22 SECTION 4. Section 216.903, Local Government Code, is
23 transferred to Chapter 259, Election Code, as added by this Act, and
24 redesignated as Section 259.003, Election Code, to read as follows:

25 Sec. 259.003 [~~216.903~~]. REGULATION OF POLITICAL SIGNS BY
26 MUNICIPALITY. (a) In this section, "private real property" does
27 not include real property subject to an easement or other

1 encumbrance that allows a municipality to use the property for a
2 public purpose.

3 (b) A municipal charter provision or ordinance that
4 regulates signs may not, for a sign that contains primarily a
5 political message and that is located on private real property with
6 the consent of the property owner:

7 (1) prohibit the sign from being placed;

8 (2) require a permit or approval of the municipality
9 or impose a fee for the sign to be placed;

10 (3) restrict the size of the sign; or

11 (4) provide for a charge for the removal of a political
12 sign that is greater than the charge for removal of other signs
13 regulated by ordinance.

14 (c) Subsection (b) does not apply to a sign, including a
15 billboard, that contains primarily a political message on a
16 temporary basis and that is generally available for rent or
17 purchase to carry commercial advertising or other messages that are
18 not primarily political.

19 (d) Subsection (b) does not apply to a sign that:

20 (1) has an effective area greater than 36 feet;

21 (2) is more than eight feet high;

22 (3) is illuminated; or

23 (4) has any moving elements.

24 SECTION 5. Section [255.001\(c\)](#), Election Code, is amended to
25 read as follows:

26 (c) A person may not knowingly use, cause or permit to be
27 used, or continue to use any published, distributed, or broadcast

1 political advertising containing express advocacy that the person
2 knows does not include the disclosure required by Subsection (a). A
3 person is presumed to know that the use of political advertising is
4 prohibited by this subsection if the commission notifies the person
5 in writing that the use is prohibited. A person who learns that
6 political advertising signs, as defined by Section 259.001
7 [~~255.007~~], that have been distributed do not include the disclosure
8 required by Subsection (a) or include a disclosure that does not
9 comply with Subsection (a) does not commit a continuing violation
10 of this subsection if the person makes a good faith attempt to
11 remove or correct those signs. A person who learns that printed
12 political advertising other than a political advertising sign that
13 has been distributed does not include the disclosure required by
14 Subsection (a) or includes a disclosure that does not comply with
15 Subsection (a) is not required to attempt to recover the political
16 advertising and does not commit a continuing violation of this
17 subsection as to any previously distributed political advertising.

18 SECTION 6. Section 571.1211(2), Government Code, is amended
19 to read as follows:

20 (2) "Category One violation" means a violation of a
21 law within jurisdiction of the commission as to which it is
22 generally not difficult to ascertain whether the violation occurred
23 or did not occur, including:

24 (A) the failure by a person required to file a
25 statement or report to:

26 (i) file the required statement or report
27 in a manner that complies with applicable requirements; or

1 (ii) timely file the required statement or
2 report;

3 (B) a violation of Section 255.001, Election
4 Code;

5 (C) a misrepresentation in political advertising
6 or a campaign communication relating to the office held by a person
7 in violation of Section 255.006, Election Code;

8 (D) a failure to include in any written political
9 advertising intended to be seen from a road the right-of-way notice
10 in violation of Section 259.001 [~~255.007~~], Election Code; or

11 (E) a failure to timely respond to a written
12 notice under Section 571.123(b).

13 SECTION 7. This Act takes effect September 1, 2019.

HB 2569

AN ACT

relating to requirements for condominium plats or plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 82.059(b) and (d), Property Code, are amended to read as follows:

(b) Each plat must show:

(1) the name and a survey or general schematic map of the entire condominium;

(2) the location and dimensions of all real property not subject to development rights, or subject only to the development right to withdraw, and the location and dimensions of all existing improvements within that real property;

(3) a legally sufficient description of any real property subject to development rights, labeled to identify the rights applicable to each parcel;

(4) the extent of any encroachments by or on any portion of the condominium;

(5) to the extent feasible, a legally sufficient description of all easements serving or burdening any portion of the condominium, and the location of any underground utility line that is actually known by the declarant at the time of filing the declaration to have been constructed outside a recorded easement;

(6) the location and dimensions of any vertical unit boundaries not shown or projected on recorded plans and the unit's

1 identifying number;

2 (7) the location of horizontal unit boundaries, if
3 any, with reference to established data, unless described in the
4 declaration or [~~of any horizontal unit boundaries not~~] shown or
5 projected on recorded plans, and the unit's identifying number;

6 (8) a legally sufficient description of any real
7 property in which the unit owners will own only an estate for years,
8 labeled as "leasehold real property";

9 (9) the distance between noncontiguous parcels of real
10 property constituting the condominium;

11 (10) the location and dimensions of limited common
12 elements, other than those described by Sections 82.052(2) and (4);

13 (11) in the case of real property not subject to
14 development rights, all other matters required by law on land
15 surveys; and

16 (12) the distance and bearings locating each building
17 from all other buildings and from at least one boundary line of the
18 real property constituting the condominium.

19 (d) To the extent not shown on the plats, plans must show:

20 (1) the location and dimensions of the vertical
21 boundaries of each unit, and the unit's identifying number;

22 (2) the horizontal unit boundaries, if any, with
23 reference to established data, unless described in the declaration,
24 and the unit's identifying number; and

25 (3) any units, appropriately identified, in which the
26 declarant has reserved the right to create additional units or
27 common elements.

1 SECTION 2. The changes in law made by this Act apply only to
2 a declaration, plat, or plan of a condominium for which the
3 declaration was recorded on or after the effective date of this Act.
4 A declaration, plat, or plan of a condominium for which the
5 declaration was recorded before the effective date of this Act is
6 governed by the law in effect immediately before the effective date
7 of this Act, and that law is continued in effect for that purpose.

8 SECTION 3. This Act takes effect September 1, 2019.

SB 741

AN ACT

relating to restrictive covenants regarding firearms or firearm ammunition.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 202, Property Code, is amended by adding Section 202.020 to read as follows:

Sec. 202.020. REGULATION OF FIREARMS OR FIREARM AMMUNITION.

A property owners' association may not include or enforce a provision in a dedicatory instrument that prohibits, restricts, or has the effect of prohibiting or restricting any person who is otherwise authorized from lawfully possessing, transporting, or storing a firearm, any part of a firearm, or firearm ammunition, as well as the otherwise lawful discharge of a firearm.

SECTION 2. This Act takes effect September 1, 2019.

SB 1845

1 AN ACT

2 relating to the amendment of the dedicatory instruments of certain
3 mixed-use real estate developments.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Title 11, Property Code, is amended by adding
6 Chapter 214 to read as follows:

7 CHAPTER 214. AMENDMENT OF DEDICATORY INSTRUMENTS OF CERTAIN
8 MIXED-USE REAL ESTATE DEVELOPMENTS

9 Sec. 214.001. DEFINITIONS. In this chapter:

10 (1) "Current developer" means an owner of one or more
11 tracts or lots in a mixed-use real estate development, or the
12 owner's affiliate, who:

13 (A) is the current declarant in the declaration
14 governing the development; and

15 (B) currently holds the developer rights for the
16 development.

17 (2) "Declaration" means an instrument filed in the
18 real property records of a county that includes restrictive
19 covenants governing a real estate development.

20 (3) "Dedicatory instrument" has the meaning assigned
21 by Section 202.001.

22 (4) "Mixed-use real estate development" means a real
23 estate development that:

24 (A) contains at least 200 acres and not more than

1 250 acres of deed-restricted property composed of at least 10
2 separate tracts or parcels of property;

3 (B) includes:

4 (i) commercial properties, including hotel
5 and retail properties, that constitute at least 70 percent of the
6 total land area of the development; and

7 (ii) office properties that constitute at
8 least 50 percent of the total land area of the development;

9 (C) may include other real estate uses;

10 (D) is governed by a property owners'
11 association; and

12 (E) is subject to a dedicatory instrument that:

13 (i) requires mandatory membership in the
14 property owners' association;

15 (ii) authorizes the property owners'
16 association to collect a regular assessment on all or a majority of
17 the property in the development;

18 (iii) requires the approval of owners of
19 more than:

20 (a) 90 percent of the ground area
21 constituting the development to change a provision of the
22 dedicatory instrument governing the permitted use of a property; or

23 (b) 60 percent of the ground area
24 constituting the development to change a provision of the
25 dedicatory instrument that is not related to the permitted use of a
26 property; and

27 (iv) provides that voting for an amendment

1 is based on the number of acres owned by each owner.

2 (5) "Property owners' association" has the meaning
3 assigned by Section 202.001.

4 Sec. 214.002. APPLICABILITY OF CHAPTER. (a) This chapter
5 applies only to a mixed-use real estate development that is located
6 in:

7 (1) a municipality with a population of two million or
8 more; and

9 (2) a county with a population of 3.3 million or more.

10 (b) This chapter does not apply to:

11 (1) a mixed-use real estate development that includes
12 single-family residential properties; or

13 (2) a condominium subject to Chapter 81 or 82.

14 (c) This chapter applies to a dedicatory instrument
15 regardless of the date on which the dedicatory instrument was
16 created.

17 Sec. 214.003. AMENDMENT OF DEDICATORY INSTRUMENT.

18 (a) This section supersedes any conflicting requirement in a
19 dedicatory instrument of a mixed-use real estate development.

20 (b) To the extent of any conflict with another provision of
21 this title, this section prevails.

22 (c) Except as provided by Subsection (d), a declaration of a
23 mixed-use real estate development may be amended only by a vote of a
24 majority of the total votes allocated to property owners entitled
25 to vote on the amendment of the declaration.

26 (d) If the declaration contains a lower approval
27 requirement than prescribed by Subsection (c), the approval

1 requirement in the declaration controls. If the declaration is
2 silent as to voting rights for an amendment, the declaration may be
3 amended by a vote of a majority of the total votes allocated to
4 property owners entitled to vote on the amendment of the
5 declaration.

6 (e) While the mixed-use real estate development has a
7 current developer, an amendment made to the declaration under this
8 section requires the current developer to consent to the amendment
9 to be valid.

10 (f) A bylaw of a mixed-use real estate development may not
11 be amended to conflict with this section.

12 SECTION 2. This Act takes effect September 1, 2019.

SB 1969

1 AN ACT

2 relating to ratification of defective corporate acts of nonprofit
3 corporations; authorizing a fee.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 22, Business Organizations Code, is
6 amended by adding Subchapter J to read as follows:

7 SUBCHAPTER J. RATIFICATION OF DEFECTIVE CORPORATE ACTS;

8 PROCEEDINGS

9 Sec. 22.501. DEFINITIONS. In this subchapter:

10 (1) "Corporate statute," with respect to an action or
11 filing, means this code, the former Texas Non-Profit Corporation
12 Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), or
13 any predecessor statute of this state that governed the action or
14 the filing.

15 (2) "Defective corporate act" means:

16 (A) an election or appointment of directors that
17 is void or voidable due to a failure of authorization; or

18 (B) any act or transaction purportedly taken by
19 or on behalf of the corporation that is, and at the time the act or
20 transaction was purportedly taken would have been, within the power
21 of a corporation to take under the corporate statute, but is void or
22 voidable due to a failure of authorization.

23 (3) "District court" means a district court in:

24 (A) the county in which the corporation's

1 principal office in this state is located; or

2 (B) the county in which the corporation's
3 registered office in this state is located, if the corporation does
4 not have a principal office in this state.

5 (4) "Failure of authorization" means:

6 (A) the failure to authorize or effect an act or
7 transaction in compliance with the provisions of the corporate
8 statute, the governing documents of the corporation, a corporate
9 resolution, or any plan or agreement to which the corporation is a
10 party, if and to the extent the failure would render the act or
11 transaction void or voidable; or

12 (B) the failure of the board of directors or an
13 officer of the corporation to authorize or approve an act or
14 transaction taken by or on behalf of the corporation that required
15 the prior authorization or approval of the board of directors or the
16 officer.

17 (5) "Time of the defective corporate act" means the
18 date and time the defective corporate act was purported to have been
19 taken or the approximate date and time, if the exact date is
20 unknown.

21 (6) "Validation effective time" or "effective time of
22 the validation," with respect to any defective corporate act
23 ratified under this subchapter, means the latest of:

24 (A) the time at which the defective corporate act
25 submitted to the members for approval under Section 22.505 is
26 approved by the members or, if the corporation has no members or has
27 no members with voting rights or if no member approval is required,

1 the time at which the board of directors adopts the resolutions
2 required by Section 22.503;

3 (B) if a certificate of validation is not
4 required to be filed under Section 22.508, the time, if any,
5 specified by the board of directors or the members in the
6 resolutions adopted under Section 22.503, which may not precede the
7 time at which the resolutions are adopted; or

8 (C) the time at which any certificate of
9 validation filed under Section 22.508 takes effect in accordance
10 with Chapter 4.

11 Sec. 22.502. RATIFICATION OF DEFECTIVE CORPORATE ACT.
12 Subject to Section 22.509, a defective corporate act is not void or
13 voidable solely as a result of a failure of authorization if the act
14 is:

15 (1) ratified in accordance with this subchapter; or
16 (2) validated by the district court in a proceeding
17 brought under Section 22.512.

18 Sec. 22.503. RATIFICATION OF DEFECTIVE CORPORATE ACT;
19 ADOPTION OF RESOLUTIONS. (a) To ratify one or more defective
20 corporate acts, the board of directors of the corporation shall
21 adopt resolutions stating:

22 (1) the defective corporate act or acts to be
23 ratified;

24 (2) the date of each defective corporate act;

25 (3) the nature of the failure of authorization with
26 respect to each defective corporate act to be ratified; and

27 (4) that the board of directors approves the

1 ratification of the defective corporate act or acts.

2 (b) If the corporation has members with voting rights, a
3 resolution may also state that, notwithstanding member approval of
4 the ratification of a defective corporate act that is a subject of
5 the resolution, the board of directors may, with respect to the
6 defective corporate act, abandon the ratification of the defective
7 corporate act at any time before the validation effective time
8 without further member action.

9 (c) If the management of the affairs of the corporation is
10 vested in its members under Section 22.202, the members of the
11 corporation shall adopt resolutions stating:

12 (1) the defective corporate act or acts to be
13 ratified;

14 (2) the date of each defective corporate act;

15 (3) the nature of the failure of authorization with
16 respect to each corporate act to be ratified; and

17 (4) that the members approve the ratification of the
18 defective corporate act or acts.

19 Sec. 22.504. QUORUM AND VOTING REQUIREMENTS FOR ADOPTION OF
20 RESOLUTIONS. (a) The quorum and voting requirements applicable to
21 the adoption of the resolutions to ratify a defective corporate act
22 under Section 22.503 are the same as the quorum and voting
23 requirements applicable at the time of the adoption of the
24 resolutions for the type of defective corporate act proposed to be
25 ratified.

26 (b) Notwithstanding Subsection (a) and except as provided
27 by Subsection (c), if in order for a quorum to be present or to

1 approve the defective corporate act, the presence or approval of a
2 larger number or portion of the governing authority would have been
3 required by the governing documents of the corporation, any plan or
4 agreement to which the corporation was a party, or any provision of
5 the corporate statute, each as in effect at the time of the
6 defective corporate act, then the presence or approval of the
7 larger number or portion of such governing authority must be
8 required for a quorum to be present or to adopt the resolutions to
9 ratify the defective corporate act, as applicable.

10 (c) If the corporation has members with voting rights or if
11 the corporation had members with voting rights at the time of the
12 taking of the defective corporate act, the presence or approval of
13 any director elected, appointed, or nominated by a class of members
14 that no longer exists, or by any person that is no longer a member,
15 shall not be required for a quorum to be present or to adopt the
16 resolutions.

17 Sec. 22.505. APPROVAL OF RATIFIED DEFECTIVE CORPORATE ACT
18 BY MEMBERS WITH VOTING RIGHTS REQUIRED; EXCEPTION. If the
19 corporation has members with voting rights, each defective
20 corporate act ratified under Section 22.503(a) must be submitted to
21 such members of the corporation for approval as provided by
22 Sections 22.506 and 22.507, unless no other provision of the
23 corporate statute, no provision of the corporation's governing
24 documents, and no provision of any plan or agreement to which the
25 corporation is a party would have required approval by such members
26 of:

27 (1) the defective corporate act to be ratified at the

1 time of that defective corporate act; or

2 (2) the type of defective corporate act to be ratified
3 at the time the board of directors adopts the resolutions ratifying
4 that defective corporate act under Section 22.503.

5 Sec. 22.506. NOTICE REQUIREMENTS FOR RATIFIED DEFECTIVE
6 CORPORATE ACT SUBMITTED FOR APPROVAL OF MEMBERS WITH VOTING RIGHTS.

7 (a) If a corporation has members with voting rights and if the
8 ratification of a defective corporate act is required to be
9 submitted to such members for approval under Section 22.505, notice
10 of the time, place, if any, and purpose of the meeting shall be
11 given at least 20 days before the date of the meeting to:

12 (1) each member with voting rights as of the record
13 date of the meeting, at the address of the member as it appears or
14 most recently appeared, as appropriate, on the corporation's
15 records; and

16 (2) each member with voting rights as of the time of
17 the defective corporate act, except that notice is not required to
18 be given to a member whose identity or address cannot be ascertained
19 from the corporation's records.

20 (b) The notice must contain:

21 (1) copies of the resolutions adopted by the board of
22 directors under Section 22.503 or the information required by
23 Sections 22.503(a)(1)-(4); and

24 (2) a statement that, on member approval of the
25 ratification of the defective corporate act made in accordance with
26 this subchapter, the member's right to challenge the defective
27 corporate act is limited to an action claiming that a court of

1 appropriate jurisdiction, in its discretion, should declare:

2 (A) that the ratification not take effect or that
3 it take effect only on certain conditions, if that action is filed
4 with the court not later than the 120th day after the applicable
5 validation effective time; or

6 (B) that the ratification was not accomplished in
7 accordance with this subchapter.

8 Sec. 22.507. QUORUM AND VOTING FOR APPROVAL OF RATIFIED
9 DEFECTIVE CORPORATE ACT AT MEETING OF MEMBERS WITH VOTING RIGHTS.

10 (a) If the corporation has members with voting rights, at the
11 meeting of such members, the quorum and voting requirements
12 applicable to the approval of the ratification of a defective
13 corporate act under Section 22.505 are the same as the quorum and
14 voting requirements applicable at the time of the approval by the
15 members of the ratification for the type of ratified defective
16 corporate act proposed to be approved, except as provided by this
17 section.

18 (b) If the presence or approval of a larger number of
19 members or of any class of members would have been required for a
20 quorum to be present or to approve the defective corporate act, as
21 applicable, by the corporation's governing documents, any plan or
22 agreement to which the corporation was a party, or any provision of
23 the corporate statute, each as in effect at the time of the
24 defective corporate act, then the presence or approval of the
25 larger number of members or of the class of members shall be
26 required for a quorum to be present or to approve the ratification
27 of the defective corporate act, as applicable, except that the

1 presence or approval of any class that is no longer in existence or
2 has no members, or of any person that is no longer a member with
3 voting rights, is not required.

4 (c) The approval by the members with voting rights of the
5 ratification of the election of a director requires the affirmative
6 vote of the majority of members present at the meeting and entitled
7 to vote on the election of the director at the time of the approval,
8 unless the governing documents of the corporation then in effect or
9 in effect at the time of the defective election require or required
10 a larger number of members with voting rights or of any class of
11 members with voting rights to elect the director, in which case the
12 affirmative vote of the larger number of members or of the class of
13 members is required to ratify the election of the director, except
14 that the presence or approval of any class that is no longer in
15 existence or has no members, or of any person that is no longer a
16 member with voting rights, is not required.

17 Sec. 22.508. CERTIFICATE OF VALIDATION. (a) If a
18 defective corporate act ratified under this subchapter would have
19 required under any other provision of the corporate statute the
20 filing of a filing instrument or other document with the filing
21 officer, the corporation shall file a certificate of validation
22 with respect to the defective corporate act in accordance with
23 Chapter 4, regardless of whether a filing instrument or other
24 document was previously filed with respect to the defective
25 corporate act. The filing of another filing instrument or document
26 is not required.

27 (b) A separate certificate of validation is required for

1 each defective corporate act for which a certificate of validation
2 is required under this section, except that two or more defective
3 corporate acts may be included in a single certificate of
4 validation if the corporation filed, or to comply with the
5 applicable provisions of this code could have filed, a single
6 filing instrument or other document under another provision of this
7 code to effect the acts.

8 (c) The certificate of validation must include:

9 (1) each defective corporate act that is a subject of
10 the certificate of validation, including:

11 (A) the date of the defective corporate act; and

12 (B) the nature of the failure of authorization
13 with respect to the defective corporate act;

14 (2) a statement that each defective corporate act was
15 ratified in accordance with this subchapter, including:

16 (A) the date on which the board of directors
17 ratified each defective corporate act; and

18 (B) if the corporation has members with voting
19 rights, the date, if any, on which the members approved the
20 ratification of each defective corporate act or, if the management
21 of the affairs of the corporation is vested in its members under
22 Section 22.202, the date on which the members ratified each
23 defective corporate act; and

24 (3) as appropriate:

25 (A) if a filing instrument was previously filed
26 with a filing officer under the corporate statute with respect to
27 the defective corporate act and no change to the filing instrument

1 is required to give effect to the defective corporate act as
2 ratified in accordance with this subchapter:

3 (i) the name, title, and filing date of the
4 previously filed filing instrument and of any certificate of
5 correction to the filing instrument; and

6 (ii) a statement that a copy of the
7 previously filed filing instrument, together with any certificate
8 of correction to the filing instrument, is attached as an exhibit to
9 the certificate of validation;

10 (B) if a filing instrument was previously filed
11 with a filing officer under the corporate statute with respect to
12 the defective corporate act and the filing instrument requires any
13 change to give effect to the defective corporate act as ratified in
14 accordance with this subchapter, including a change to the date and
15 time of the effectiveness of the filing instrument:

16 (i) the name, title, and filing date of the
17 previously filed filing instrument and of any certificate of
18 correction to the filing instrument;

19 (ii) a statement that a filing instrument
20 containing all the information required to be included under the
21 applicable provisions of this code to give effect to the ratified
22 defective corporate act is attached as an exhibit to the
23 certificate of validation; and

24 (iii) the date and time that the attached
25 filing instrument is considered to have become effective under this
26 subchapter; or

27 (C) if a filing instrument was not previously

1 filed with a filing officer under the corporate statute with
2 respect to the defective corporate act and the defective corporate
3 act as ratified under this subchapter would have required under the
4 other applicable provisions of this code the filing of a filing
5 instrument in accordance with Chapter 4, if the defective corporate
6 act had occurred when this code was in effect:

7 (i) a statement that a filing instrument
8 containing all the information required to be included under the
9 applicable provisions of this code to give effect to the defective
10 corporate act, as if the defective corporate act had occurred when
11 this code was in effect, is attached as an exhibit to the
12 certificate of validation; and

13 (ii) the date and time that the attached
14 filing instrument is considered to have become effective under this
15 subchapter.

16 (d) A filing instrument attached to a certificate of
17 validation under Subsection (c)(3)(B) or (C) does not need to be
18 executed separately and does not need to include any statement
19 required by any other provision of this code that the instrument has
20 been approved and adopted in accordance with that provision.

21 Sec. 22.509. ADOPTION OF RESOLUTIONS; EFFECT ON DEFECTIVE
22 CORPORATE ACT. On or after the validation effective time, unless
23 determined otherwise in an action brought under Section 22.512,
24 each defective corporate act ratified in accordance with this
25 subchapter may not be considered void or voidable as a result of the
26 failure of authorization described by the resolutions adopted under
27 Sections 22.503 and 22.504, and the effect shall be retroactive to

1 the time of the defective corporate act.

2 Sec. 22.510. NOTICE TO MEMBERS FOLLOWING RATIFICATION OF
3 DEFECTIVE CORPORATE ACT. (a) If the management of the affairs of a
4 corporation is vested in its members under Section 22.202 or if a
5 corporation has members with voting rights, for each defective
6 corporate act ratified by the governing authority under Sections
7 22.503 and 22.504, notice of the ratification shall be given
8 promptly to:

9 (1) each member having voting rights as of the date the
10 governing authority adopted the resolutions ratifying the
11 defective corporate act; or

12 (2) each member having voting rights as of a date not
13 later than the 60th day after the date of adoption, as established
14 by the governing authority.

15 (b) Notice under this section shall be sent to the address
16 of a member described by Subsection (a)(1) or (a)(2) as the address
17 appears or most recently appeared, as appropriate, on the records
18 of the corporation.

19 (c) Notice under this section shall also be given to each
20 member having voting rights as of the time of the defective
21 corporate act, except that notice is not required to be given to a
22 member whose identity or address cannot be ascertained from the
23 corporation's records.

24 (d) The notice must contain:

25 (1) copies of the resolutions adopted by the governing
26 authority under Section 22.503 or the information required by
27 Sections 22.503(a)(1)-(4) or 22.503(c)(1)-(4), as applicable; and

1 (2) a statement that, on ratification of the defective
2 corporate act made in accordance with this subchapter, the member's
3 right to challenge the defective corporate act is limited to an
4 action claiming that a court of appropriate jurisdiction, in its
5 discretion, should declare:

6 (A) that the ratification not take effect or that
7 it take effect only on certain conditions, if the action is filed
8 not later than the 120th day after the later of the applicable
9 validation effective time or the time at which the notice required
10 by this section is given; or

11 (B) that the ratification was not accomplished in
12 accordance with this subchapter.

13 (e) Notwithstanding Subsections (a)-(d), notice is not
14 required to be given under this section to a person if notice of the
15 ratification of the defective corporate act is given to that person
16 in accordance with Section 22.506.

17 (f) For purposes of Sections 22.505, 22.506, and 22.507 and
18 this section, notice to members with voting rights as of the time of
19 the defective corporate act shall be treated as notice to such
20 members for purposes of Sections 6.051, 6.052, 6.053, 6.201, 6.202,
21 6.203, 6.204, 6.205, and 22.156.

22 (g) If the ratification of a defective corporate act has
23 been approved by the members acting under Section 6.202, the notice
24 required by this section may be included in any notice required to
25 be given under Section 6.202(d) and, if included:

26 (1) shall be sent to the members entitled to the notice
27 under Section 6.202(d) and all other members otherwise entitled to

1 the notice under Subsection (a); and

2 (2) is not required to be sent to members who signed a
3 consent described by Section 6.202(b).

4 Sec. 22.511. RATIFICATION PROCEDURES OR COURT PROCEEDINGS
5 CONCERNING VALIDATION NOT EXCLUSIVE. (a) Ratification of an act
6 or transaction under this subchapter or validation of an act or
7 transaction as provided by Sections 22.512 through 22.515 is not
8 the exclusive means of ratifying or validating any act or
9 transaction taken by or on behalf of the corporation, including any
10 defective corporate act, or of adopting or endorsing any act or
11 transaction taken by or in the name of the corporation before the
12 corporation exists.

13 (b) The absence or failure of ratification of an act or
14 transaction in accordance with this subchapter or of validation of
15 an act or transaction as provided by Sections 22.512 through 22.515
16 does not, of itself, affect the validity or effectiveness of any act
17 or transaction properly ratified under common law or otherwise, nor
18 does it create a presumption that any such act or transaction is or
19 was a defective corporate act.

20 Sec. 22.512. PROCEEDING REGARDING VALIDITY OF DEFECTIVE
21 CORPORATE ACTS. (a) The following may bring an action under this
22 section:

- 23 (1) the corporation;
24 (2) any successor entity to the corporation;
25 (3) any member of the corporation's board of directors
26 or other person having fiduciary responsibility in relation to the
27 actions of the corporation;

1 (4) any member with voting rights; or

2 (5) any record member with voting rights as of the time
3 a defective corporate act was ratified in accordance with this
4 subchapter.

5 (b) Subject to Section 22.515, the district court, on
6 application by a person described by Subsection (a), may:

7 (1) determine the validity and effectiveness of any
8 defective corporate act ratified in accordance with this
9 subchapter;

10 (2) determine the validity and effectiveness of the
11 ratification of any defective corporate act in accordance with this
12 subchapter;

13 (3) determine the validity and effectiveness of:

14 (A) any defective corporate act not ratified
15 under this subchapter; or

16 (B) any defective corporate act not ratified
17 effectively under this subchapter;

18 (4) determine the validity of any corporate act or
19 transaction; and

20 (5) modify or waive any of the procedures set forth in
21 Sections 22.501 through 22.511 to ratify a defective corporate act.

22 (c) In connection with an action brought under this section,
23 the district court may:

24 (1) declare that a ratification in accordance with and
25 pursuant to this subchapter is not effective or that the
26 ratification is effective only at a time or on conditions as
27 specified by the district court;

1 (2) validate and declare effective any defective
2 corporate act and impose conditions on such a validation;

3 (3) require measures to remedy or avoid harm to any
4 person substantially and adversely affected by a ratification under
5 this subchapter or from any order of the district court pursuant to
6 this section, excluding any harm that would have resulted had the
7 defective corporate act been valid when approved or effectuated;

8 (4) order the filing officer to accept for filing an
9 instrument with an effective date and time as specified by the
10 court, which may be before or subsequent to the time of the order;

11 (5) if the corporation has members with voting rights,
12 order that a meeting of such members be held and determine the right
13 and power of persons to vote at the meeting;

14 (6) declare that a defective corporate act validated
15 by the court is effective as of the time of the defective corporate
16 act or at such other time as determined by the court; and

17 (7) make any other order regarding such matters as the
18 court considers appropriate under the circumstances.

19 (d) In connection with the resolution of matters under
20 Subsections (b) and (c), the district court may consider:

21 (1) whether the defective corporate act was originally
22 approved or effectuated with the belief that the approval or
23 effectuation was in compliance with the provisions of the corporate
24 statute or the governing documents of the corporation;

25 (2) whether the corporation and the corporation's
26 board of directors have treated the defective corporate act as a
27 valid act or transaction and whether any person has acted in

1 reliance on the public record that the defective corporate act was
2 valid;

3 (3) whether any person will be or was harmed by the
4 ratification or validation of the defective corporate act,
5 excluding any harm that would have resulted had the defective
6 corporate act been valid when it was approved or took effect;

7 (4) whether any person will be harmed by the failure to
8 ratify or validate the defective corporate act; and

9 (5) any other factors or considerations the district
10 court considers just and equitable.

11 Sec. 22.513. EXCLUSIVE JURISDICTION. The district court
12 has exclusive jurisdiction to hear and determine any action brought
13 under Section 22.512.

14 Sec. 22.514. SERVICE. (a) Service of an application filed
15 under Section 22.512 on the registered agent of a corporation or in
16 any other manner permitted by applicable law is considered to be
17 service on the corporation, and no other party need be joined in
18 order for the district court to adjudicate the matter.

19 (b) If an action is brought by a corporation under Section
20 22.512, the district court may require that notice of the action be
21 provided to other persons identified by the court and permit those
22 other persons to intervene in the action.

23 Sec. 22.515. STATUTE OF LIMITATIONS. (a) This section
24 does not apply to:

25 (1) an action asserting that a ratification was not
26 accomplished in accordance with this subchapter; or

27 (2) any person to whom notice of the ratification was

1 not given as required by Sections 22.506 and 22.510.

2 (b) Notwithstanding any other provision of this subchapter:

3 (1) an action claiming that a defective corporate act
4 is void or voidable due to a failure of authorization identified in
5 the resolutions adopted in accordance with Section 22.503 may not
6 be filed in or must be dismissed by any court after the applicable
7 validation effective time; and

8 (2) an action claiming that a court of appropriate
9 jurisdiction, in its discretion, should declare that a ratification
10 in accordance with this subchapter not take effect or that the
11 ratification take effect only on certain conditions may not be
12 filed with the court after the expiration of the 120th day after the
13 later of the validation effective time or the time that any notice
14 required to be given under Section 22.510 is given with respect to
15 the ratification.

16 (c) Except as otherwise provided by a corporation's
17 governing documents, for purposes of this section, notice under
18 Section 22.510 that is:

19 (1) mailed is considered to be given on the date the
20 notice is deposited in the United States mail with postage paid in
21 an envelope addressed to the member at the member's address
22 appearing or most recently appearing, as appropriate, in the
23 records of the corporation; and

24 (2) transmitted by facsimile or electronic message is
25 considered to be given when the facsimile or electronic message is
26 transmitted to a facsimile number or an electronic message address
27 provided by the member, or to which the member consents, for the

1 purpose of receiving notice.

2 Sec. 22.516. NOTICE TO ATTORNEY GENERAL. (a) In this
3 section, "charitable entity" has the meaning assigned by Section
4 123.001, Property Code.

5 (b) An action brought under Section 22.512 that involves a
6 charitable entity is considered a "proceeding involving a
7 charitable trust" to which Chapter 123, Property Code, applies.

8 SECTION 2. Section 4.153, Business Organizations Code, is
9 amended to read as follows:

10 Sec. 4.153. FILING FEES: NONPROFIT CORPORATIONS. For a
11 filing by or for a nonprofit corporation, the secretary of state
12 shall impose the following fees:

- 13 (1) for filing a certificate of formation, \$25;
- 14 (2) for filing a certificate of amendment, \$25;
- 15 (3) for filing a certificate of merger, conversion, or
16 consolidation, without regard to whether the surviving or new
17 corporation is a domestic or foreign corporation, \$50;
- 18 (4) for filing a statement of change of a registered
19 office, registered agent, or both, \$5;
- 20 (5) for filing a certificate of termination, \$5;
- 21 (6) for filing an application of a foreign corporation
22 for registration to conduct affairs in this state, \$25;
- 23 (7) for filing an application of a foreign corporation
24 for an amended registration to conduct affairs in this state, \$25;
- 25 (8) for filing a certificate of withdrawal of a
26 foreign corporation, \$5;
- 27 (9) for filing a restated certificate of formation and

1 accompanying statement, \$50;

2 (10) for filing a statement of change of name or
3 address of a registered agent, \$15, except that the maximum fee for
4 simultaneous filings by a registered agent for more than one
5 corporation may not exceed \$250;

6 (11) for filing a report under Chapter 22, \$5;

7 (12) for filing a report under Chapter 22 to reinstate
8 a corporation's right to conduct affairs in this state, \$5, plus a
9 late fee in the amount of \$5 or in the amount of \$1 for each month or
10 part of a month that the report remains unfiled, whichever amount is
11 greater, except that the late fee may not exceed \$25;

12 (13) for filing a report under Chapter 22 to reinstate
13 a corporation or registration following involuntary termination or
14 revocation, \$25; ~~and~~

15 (14) for filing a certificate of validation, \$5, plus
16 the filing fee imposed for filing each new filing instrument that is
17 attached as an exhibit to the certificate of validation under
18 Section 22.508(c)(3)(C); and

19 (15) for filing any instrument of a domestic or
20 foreign corporation as provided by this code for which this section
21 does not expressly provide a fee, \$5.

22 SECTION 3. This Act takes effect September 1, 2019.