



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1499

PRINTERS NO. 3688

PRIME SPONSOR: M. Keller

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
Local Funds	\$0	\$0

SUMMARY: Amends Title 68 to clarify and update provisions relating to planned communities, condominiums and cooperatives. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends portions of Title 68 (Real and Personal Property), within the Uniform Condominium Act, the Uniform Planned Community Act, and the Real Estate Cooperative Act by:

- Clarifying in statute the right of a board to suspend a unit owner's access to common elements, voting rights, and the right to serve on the board if they are delinquent in assessments for violations of the governing documents of the community;
- Ensuring that the existing requirement for declarant turnover of control to a board is satisfied without any undue delay or prejudice to the interests of the unit owners;
- Clarifying that the procedures and voting requirements relating to the conveyance or encumbrance of common elements also apply in the case of tax sale or involuntary transfer, and that the interest in the common elements subject to the declaration prior to a conveyance or encumbrance are still subject to the declaration following the conveyance or encumbrance;
- Establishing that a declarant's obligation to release the real estate from liens before conveying the real estate to the association includes unpaid real estate taxes on that real estate;
- Establishes that an association's right to pursue action under a declarant's warranty against structural defects begins six years after the warranty begins, or two years after the unit owners elect a board, whichever occurs first; and
- Brings the statute in line with DEP guidelines regarding maintenance and operation of stormwater management facilities and the association's responsibility for the stormwater management facilities following termination of declarant control.

The legislation also amends Title 68 regarding only planned communities by:

- Expanding the definition of “common facilities” to include terms frequently used in community governing documents such as “common area” or “open space”;
- Clarifying that provisions in the Uniform Planned Community Act relating to the contents of a recorded declaration and the declarant’s special rights are in effect and enforceable even if not expressly stated in the community documents; and
- Clarifying that the declarant’s right to designate portions of a planned community as a “common facility” must be disclosed within the declaration of the community.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or local funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 4, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.