

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB1117

Hearing Date: February 19, 2008

Committee On: Urban Affairs

Introducer(s): (Pedersen)

Title: Change homeowners association requirements in sanitary and improvement districts

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

7 Yes	Senators Cornett, Friend, Janssen, Lathrop, McGill, Rogert, White
0 No	
0 Absent	
0 Present, not voting	

Proponents:

Senator Dwight Pedersen
Jon Roberts
Eloise Shuemake

Representing:

Introducer
Self
Self

Opponents:

Aimee Haley

Representing:

Eastern Nebraska Development Council

Neutral:

None

Representing:

Summary of purpose and/or change: This legislation deals with homeowners' associations in sanitary and improvement districts. It proposes to change voting and annual fee provisions of current law and prescribes new requirements for the SID annual statement.

Artistic (and expensive) entry displays (fountains, bas relief brick structures, etc.) have become common elements in new subdivisions, establishing a tone for the area and serving as a marketing tool. While they (and green areas and out lots) have become common, they are also expensive and not often welcomed or approved by cities within whose jurisdiction they are developed. Cities look upon them as unnecessary additions to the debt of the SID that complicate and delay annexation and that require city maintenance resources after annexation. The solution to the dilemma has been to create homeowners associations (by covenant) and to deed the amenities to them making them responsible for maintenance obligations even after annexation. While the debt and maintenance costs do not disappear they are no longer a concern of the SID or, eventually, the city.

This legislation deals with these homeowners' associations and is aimed, first, at giving new residents notice of the existence and mandatory nature of these associations and then giving them a greater voice in association management and a fairer distribution of association fees.

Section 1 proposes to amend section 31-727.03 annual statement which must be filed regarding each SID. The statement must be provided by the real estate agent handling a sale to any prospective purchaser of real estate in the SID. To the current financial information there is added the requirement that the statement include information about the amount of any fees, dues, or charges owing to a landowner by reason of homeowner membership in an association, whether membership is mandatory, and if the association holds title to property in the subdivision and is financially responsible for maintenance and upkeep of the property.

Section 2 specifies with regard to homeowner associations of the type specified by this bill that (1) voting rights in the association must be allocated on a uniform basis (such as lot area, front footage, or similar standard) and (2) that dues, fees, and charges must be allocated in a similar fashion amongst all the owners of property in the SID.

Explanation of amendments, if any: N/A

Senator Mike Friend, Chairperson