

AMENDMENTS TO LB 613

Introduced by Banking, Commerce and Insurance

1 1. Insert the following new sections:

2 Sec. 2. Section 76-825, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 76-825 Sections 76-825 to 76-894 and section 4 of this
5 act shall be known and may be cited as the Nebraska Condominium
6 Act.

7 Sec. 4. (a) An association may require a person who
8 purchases a unit on or after the effective date of this act to
9 make payments into an escrow account established by the association
10 until the balance in the escrow account for that unit is in an
11 amount equal to six months of assessments.

12 (b) All payments made under subsection (a) of this
13 section and received after the effective date of this act shall
14 be held in a non-interest-bearing checking account in a bank,
15 savings bank, building and loan association, or savings and loan
16 association in this state under terms that place such payments
17 beyond the claim of creditors of the association. Upon request
18 by a unit owner, the association shall disclose the name of the
19 financial institution and the account number where the payments
20 made under subsection (a) of this section are being held. An
21 association may maintain a single escrow account to hold payments
22 made under subsection (a) of this section from all of the unit
23 owners. If a single escrow account is maintained, the association

1 shall maintain separate accounting records for each unit owner.

2 (c) The association shall return the payments made under
3 subsection (a) of this section to the unit owner when the owner
4 sells the unit and has fully paid all assessments. The association
5 may use the balance in the account attributable to a unit owner
6 to offset any assessments remaining unpaid by such owner. To the
7 extent that the escrow deposit or any part thereof is applied to
8 offset any unpaid assessments of a unit owner, the association may
9 require such owner to replenish the escrow deposit.

10 (d) The payments made under this section may be used
11 by the association to cover up to six months of the assessments
12 attributable to an owner of a unit for which assessment payments
13 have not been made.

14 (e) Nothing in this section shall prohibit an association
15 from establishing escrow deposit requirements in excess of the
16 amounts authorized under this section pursuant to provisions in the
17 association's declaration.

18 2. On page 3, after line 23, insert the following new
19 subsection:

20 "(8) (a) A homeowners' association may require a person
21 who purchases real estate on or after the effective date of this
22 act to make payments into an escrow account established by the
23 homeowners' association until the balance in the escrow account
24 for that real estate is in an amount not to exceed six months of
25 assessments.

26 (b) All payments made under subdivision (a) of this
27 subsection and received after the effective date of this act shall

1 be held in a non-interest-bearing checking account in a bank,
2 savings bank, building and loan association, or savings and loan
3 association in this state under terms that place such payments
4 beyond the claim of creditors of the association. Upon request by
5 an owner of real estate, the homeowners' association shall disclose
6 the name of the financial institution and the account number
7 where the payments made under subdivision (a) of this subsection
8 are being held. A homeowners' association may maintain a single
9 escrow account to hold payments made under subdivision (a) of this
10 subsection from all of the owners of real estate. If a single
11 escrow account is maintained, the homeowners' association shall
12 maintain separate accounting records for each owner of real estate.

13 (c) The homeowners' association shall return the payments
14 made under subdivision (a) of this subsection to the owner of real
15 estate when the owner sells the real estate and has fully paid
16 all assessments. The homeowners' association may use the balance in
17 the account attributable to an owner of real estate to offset any
18 assessments remaining unpaid by such owner. To the extent that the
19 escrow deposit or any part thereof is applied to offset any unpaid
20 assessments of an owner of real estate, the homeowners' association
21 may require such owner to replenish the escrow deposit.

22 (d) The payments made under this subsection may be
23 used by the homeowners' association to satisfy any assessments
24 attributable to an owner of real estate for which assessment
25 payments have become delinquent.

26 (e) Nothing in this subsection shall prohibit
27 a homeowners' association from establishing escrow deposit

1 requirements in excess of the amounts authorized under this
2 subsection pursuant to provisions in the homeowners' association's
3 declaration."; and in line 24 strike "(8)", show as stricken, and
4 insert "(9)".

5 3. On page 5, line 19, strike "(1)" and insert "(a)".