

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6356

BILL NUMBER: SB 126

NOTE PREPARED: Jan 17, 2013

BILL AMENDED:

SUBJECT: Homeowners Association Covenants.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that if all the lots included as part of certain homeowners associations are not all subject to the same homeowners association covenants, all the lots may be made subject to new replacement covenants if the homeowners association: (1) distributes to the owner of each lot a proposed set of covenants that would apply to all lots included as part of the homeowners association and a petition to be signed by each lot owner on which the owner indicates whether the owner approves or disapproves of applying the proposed covenants to all lots included as part of the homeowners association; and (2) submits the petitions and covenants to the county recorder if the lesser of: (A) a percentage of lot owners specified in the covenants; or (B) two-thirds of all lot owners; approve of applying the covenants to all lots included as part of the homeowners association. The bill specifies that homeowners association covenants submitted to a county recorder in accordance with these procedures are considered to be in effect on the date they are recorded.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: In situations where new covenants are recorded, county recorders in counties with land developments, as described in the bill, would receive additional revenue from recording fees.

Basic fees for recording a document with the county recorder are \$6 for the first page and \$2 for each additional page of any document the recorder records if the pages are not larger than 8½ inches by 14 inches. If the pages are larger than 8½ inches by 14 inches, the fees are \$15 for the first page and \$5 for each additional page of any document the recorder records. Additional fees apply in certain situations as prescribed under state statute.

State Agencies Affected:

Local Agencies Affected: County recorders.

Information Sources:

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