

Proposal to reform HOA document disclosure and access

This Bill proposal is mostly administrative and will not impose any measurable costs on businesses, homeowners or HOAs. Most requirements involve information dissemination between an HOA and homeowners, buyers, Realtors and the public that is already available. Any funding to implement will not require taxpayer general funds. Funding requirements to be collected through HOA registration fees of no more than a one-time start-up fee of \$25 per HOA and no more than \$10-15 per year per HOA (about ten cents per HOA homeowner per year) to maintain these requirements post implementation. The processes and procedures in this document should be standardized among all registered HOAs. These requirements will provide the first and only comprehensive data base on HOAs. And will result in less complaints, infractions of covenants and a more informative home buying experience to mitigate post-purchase issues.

Summary of Proposal:

- 1) Improve upon disclosure and transparency during the home closing process on the issues of maintenance responsibilities, HOA reserve funds, insurance needs of the community (HOA) and individual homeowner's insurance policies), Metro Districts, condominium specifics, CCR's (covenants, controls and restrictions), Home Sale Transfer fee details, approved and planned capital improvement projects, pending litigation and other issues. This doesn't require the HOA create any new data but requires an administrative process related HOA information dissemination.
- 2) Requires the Division of Real Estate to modify the Contract to Buy and Sell Real Estate Form to expand upon the disclosure in Item 1.
- 3) Require both the home buyer and their buyer's agent (if any) to confirm: the receipt of information mentioned in item "1"; that the home buyer read and understands the HOA documentation; and that all home buyer questions were answered concerning HOA governance.
- 4) Directs the State HOA Office to develop an HOA central data base by expanding registration requirements to include transmitting to the Office select HOA documentation.
- 5) All funding, if any, to implement this proposal to be raised through HOA registration fees.