

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB613

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: February 22, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 613 would address the issue of condominium association and homeowner's association lien priorities and would impact the following issues:

(1) fines imposed by a condominium association or homeowner's association that remain unpaid would not constitute liens that may be enforced pursuant to foreclosure proceedings;

(2) any mortgage or deed of trust, not just a first mortgage or deed of trust, that is recorded prior to a notice of lien being recorded in connection with delinquent condominium association or homeowner's association assessments would have priority over the lien for assessments; and

(3) the Supreme Court decision in *Grayhawk West Townhome Owners Association vs. Birth*, would be codified by clarifying provisions of existing law to require that a lien for condominium association or homeowner's association assessments is only "perfected" if the assessment is delinquent and a notice of lien has been duly recorded.

Principal Introducer: _____

Senator Pete Pirsch