

# One Hundred Second Legislature - First Session - 2011

## Introducer's Statement of Intent

### LB614

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**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 614** 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.

In addition, the bill establishes the procedure by which a condominium association or homeowner's association may create and perfect a lien for unpaid assessments and contains provisions by which any person having an interest in restricted real estate may release a condominium association or homeowner's association lien; the manner in which a condominium association or homeowner's association liens may be discharged or released; and a requirement for a homeowner's association or condominium association, upon written request, to furnish a person with an interest in restricted real estate with a recordable statement certifying the amount of any unpaid assessments against the restricted real estate.

**Principal Introducer:** \_\_\_\_\_

**Senator Pete Pirsch**