

One Hundred Sixth Legislature - Second Session - 2020

Introducer's Statement of Intent

LB767

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: February 11, 2020

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

LB 767 would amend the Nebraska Condominium Act to encourage increased housing development by amending timelines to mitigate litigation risk to developers while protecting buyers and unit owners by providing opportunities for mediation and cure of defects prior to litigation. The Legislature originally adopted the Nebraska Condominium Act in 1983 and last amended it in 2013.

Specifically, LB 767:

- Reduces the statute of limitations on warranty claims from four years to two years, subject to tolling;
- Requires a six-month cure period and mediation prior to pursuing a judicial proceeding against a condominium unit owner for breach of a covenant;
- Requires inclusion of a preventive maintenance plan prepared by a licensed engineer or architect within all condominium declarations;
- Places minimum voting requirements between 60 percent and 80 percent of all unit owners to amend a condominium declaration;
- Prohibits any amendment to the boundaries or interest in a condominium unit without the consent of the unit's owner;
- Prohibits delegation of a unit owner's litigation rights, other than those to enforce covenants, bylaws, or rules against unit owners, to a third-party;
- Requires the formation of an owners association no later than the date on which more than one-half of the condominium units are conveyed;
- Decreases the super majority vote necessary to encumber common elements of the condominium from 80 percent to 67 percent; and

- Requires disclosure of applicable threatened or pending litigation prior to the sale of a condominium unit.

Principal Introducer: _____

Senator Brett Lindstrom