

The House Committee on Judiciary offers the following substitute to SB 442:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 44 of the Official Code of Georgia Annotated, relating to property, so as to
2 prohibit amendments to property owners' association instruments and covenants that restrict
3 rental of residential lots and plots; to provide for a definition; to provide for related matters;
4 to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Title 44 of the Official Code of Georgia Annotated, relating to property, is amended in Code
8 Section 44-3-226, relating to amendment of instrument and presumption of validity in court
9 action, by revising subsection (a) as follows:

10 "(a)(1) Except to the extent expressly permitted or required by other provisions of this
11 article, the instrument shall be amended only by the agreement of lot owners of lots to
12 which two-thirds of the votes in the association pertain or such larger majority as the
13 instrument may specify; provided, however, that, during any such time as there shall exist
14 an unexpired option to add any additional property to the property owners' association or
15 during any such time as the declarant has the right to control the association under the
16 instrument, the agreement shall be that of the declarant and the lot owners of lots to
17 which two-thirds of the votes in the association pertain, exclusive of any vote or votes
18 appurtenant to any lot or lots then owned by the declarant, or a larger majority as the
19 instrument may specify.

20 (2) Notwithstanding any other provisions of this subsection, ~~during:~~

21 (A) During such time as the declarant shall own at least one lot primarily for the
22 purpose of sale of such lot, no amendment shall be made to the instrument without the
23 written agreement of the declarant if such amendment would impose a greater
24 restriction on the use or development by the declarant of the lot or lots owned by the
25 declarant; and

26 (B) No amendment shall be made to the instrument so as to prohibit or restrict a
27 nonowner occupied lot from continuing to be leased or rented for an initial term of six
28 months or longer pursuant to the preamended instrument; provided, however, that upon
29 the conveyance for value of such lot, such lot shall be made to conform to the
30 instrument as amended. For purposes of this subparagraph, the term 'conveyance for
31 value' means any transfer of the lot for consideration in the amount of \$100.00 or more
32 or any transfer of an interest in the entity that owns the lot for consideration in the
33 amount of \$100.00 or more."

34 **SECTION 2.**

35 All laws and parts of laws in conflict with this Act are repealed.