

SENATE BILL NO. 300

INTRODUCED BY K. BOGNER, J. ELLSWORTH, J. FIELDER, S. HINEBAUCH, C. KEOGH,
M. MACDONALD, J. SMALL, D. ZOLNIKOV

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING PROPERTY LAWS TO PROTECT
PROPERTY RIGHTS; PREVENTING HOMEOWNERS' ASSOCIATIONS FROM IMPOSING MORE ONEROUS
RESTRICTIONS ON A PROPERTY OWNER'S BASIC RIGHTS THAN WHEN THE PROPERTY OWNER
ACQUIRED THE PROPERTY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Homeowners' association restrictions -- property rights. (1) A

homeowners' association may not enter into, amend, or enforce a covenant or condition in such a way that
imposes more onerous restrictions on a member's basic rights to use the member's real property than those
restrictions that existed when the member acquired the member's interest in the real property, unless the member
who owns the affected property expressly agrees to the restriction in writing at the time of the adoption or
amendment of the covenant or condition.

(2) A successor-in-interest to a member's real property may not claim the benefit of subsection (1) to the
extent that the homeowners' association entered into, amended, or enforced a covenant, condition, or restriction
before the successor-in-interest purchased the real property, even if the covenant, condition, or restriction was
not enforceable against the previous owner pursuant to subsection (1), unless the successor-in-interest is owned
by or shares ownership with the previous member.

(3) Nothing in this section may be construed to prevent the enforcement of a covenant, condition, or
restriction limiting a member's basic rights as long as the covenant, condition, or restriction applied to the real
property at the time the member acquired the member's interest in the real property.

(4) Nothing in this section invalidates existing covenants of a homeowners' association or creates a
private right of action for actions or omissions occurring before [the effective date of this act]. However, after [the
effective date of this act], unless the member has consented as provided by subsection (1), a homeowners'
association may not enforce a covenant, condition, or restriction in such a way that limits the basic rights of a
member that existed when the member acquired the affected property.

1 (5) As used in this section, the following definitions apply:

2 (a) "Basic rights" means the following rights of a member:

3 (i) the right to use real property for residential, agricultural, or commercial purposes;

4 (ii) the right to rent the real property, including the land and structures on the real property, for any
5 amount of time; and

6 (iii) the right to otherwise develop the property in accordance with the laws of this state.

7 (b) "Homeowners' association" means:

8 (i) an association of all the owners of real property within a geographic area defined by physical
9 boundaries which:

10 (A) is formally governed by a declaration of covenants, bylaws, or both;

11 (B) may be authorized to impose assessments that, if unpaid, may become a lien on a member's real
12 property; and

13 (C) may enact or enforce rules concerning the operation of the community or subdivision; and

14 (ii) an association of unit owners as defined by 70-23-102 subject to the Unit Ownership Act.

15 (c) "Member" means a person that belongs to a homeowners' association and whose real property is
16 subject to the jurisdiction of the homeowners' association.

17 (d) "Person" means one or more individuals or a legal or commercial entity.

18 (e) "Real property" has the meaning provided in 70-1-106, except that it is limited to real property
19 governed by a homeowners' association.

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21 **NEW SECTION. Section 2. Restriction on covenants by association of unit owners.** An association
22 of unit owners shall abide by the provisions of [section 1].

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24 **NEW SECTION. Section 3. Codification instruction.** (1) [Section 1] is intended to be codified as an
25 integral part of Title 70, and the provisions of Title 70 apply to [section 1].

26 (2) [Section 2] is intended to be codified as an integral part of Title 70, chapter 23, and the provisions
27 of Title 70, chapter 23, apply to [section 2].

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29 **NEW SECTION. Section 4. Severability.** If a part of [this act] is invalid, all valid parts that are severable
30 from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part

1 remains in effect in all valid applications that are severable from the invalid applications.

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3 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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