

- *Planned Community*: a group of residential dwellings, excluding condominiums, composed of individual lots for which a deed, common plan, or declaration requires all owners become a member of the association, owners or the association hold or lease property or facilities for the benefit of all owners, or owners support by membership fees or property or facilities for all owners to use.

This act shall not apply to current developments or neighborhood that do not have a homeowners' association that meet the definition of a planned community defined herein. SB 120 GA only applies to homeowners' associations or planned communities formed after the effective date of this Act.

SB 120 GA goes into detail regarding the rules, regulations, and time frames for establishing an association and the associations responsibilities to its members. The direct impact to local governments will primarily be the required filings with the office of county clerk.

In order to establish a planned community, the declaration establishing the planned community must be filed and recorded in the office of the county clerk of the county or counties in which the planned community is located. Any amendment filed thereafter shall not be effective until filed with the county clerk. Likewise, no termination of a declaration or association shall be effective until filed with the county clerk.

The fiscal impact of SB 120 GA on local governments will be minimal. The required filings will easily be absorbed in current county clerk operations and any associated filing fees resulting from SB 120 will be minimal. Whereas most homeowners' associations in Kentucky follow the structure of a nonprofit corporation and follow the Kentucky Nonprofit Corporation Act (KRS 273.161 through KRS 273.4050), they currently file their declarations and subsequent actions with the county clerk.

SB 120 GA does not affect any services provided by local government to residents regardless of the existence of a homeowners' association.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to SB 120 GA. The GA version of SB 120 is the same as the bill introduced. SB 120 passed its chamber of origin without amendments or substitutes.

Data Source(s): LRC Staff

Preparer: WB (CH) **Reviewer:** KHC **Date:** 3/2/23