

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE PRINCIPAL CLERK

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HOUSE DRH30581-RIz-31A (04/10)

Short Title: HOAs/Planned Community Act Amends. (Public)

Sponsors: Representatives Jordan, Justice, R. Moore, and Spear (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO (1) REQUIRE ASSOCIATIONS TO RELEASE LIENS UPON PAYMENT IN FULL; (2) REQUIRE ALL ASSOCIATIONS TO CONDUCT FINANCIAL REVIEWS OR FINANCIAL AUDITS; (3) ALLOW USE OF ALTERNATIVE DISPUTE RESOLUTION FOR CONFLICTS ARISING UNDER THE PLANNED COMMUNITY ACT OR CONDOMINIUM ACT; AND (4) SIMPLIFY THE COLLECTION OF PROPERTY TAXES THAT ARE DUE ON PROPERTY OWNED BY CERTAIN NONPROFIT HOMEOWNERS ASSOCIATIONS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON HOMEOWNERS ASSOCIATIONS.

The General Assembly of North Carolina enacts:

PART I. AMENDMENTS TO PLANNED COMMUNITY ACT

SECTION 1. Article 3 of Chapter 47F of the General Statutes is amended by adding a new section to read:

"§ 47F-3-116.1. Associations with claim of lien to file notice of satisfaction with clerk of court upon full payment; liability for failure.

(a) An association that has filed a claim of lien pursuant to G.S. 47F-3-116 shall acknowledge satisfaction of the claim of lien securing the debt within 30 days after the association receives full payment or performance of the debt, as provided in this section. The association shall file with the clerk of court a notice of satisfaction of lien signed by the association's agent or attorney, whereupon the clerk of superior court shall forthwith make upon the record of the claim of lien on real property an entry of acknowledgment of satisfaction.

(b) An association that fails to acknowledge satisfaction of a claim of lien pursuant to this section by the end of the period specified in subsection (a) of this section is liable to the lot owner for any actual damages caused by the failure, but not for punitive damages.

(c) An association that is required to acknowledge satisfaction of a claim of lien pursuant to this section and does not do so by the end of the period specified in subsection (a) of this section is also liable to the lot owner for one thousand dollars (\$1,000) and any reasonable attorneys' fees and court costs incurred if, after the expiration of the period specified in subsection (a) of this section, both of the following occur:

- (1) The lot owner gives the association a notification, by certified mail and first-class mail, that provides proof the association has received full payment, demanding that the association acknowledge satisfaction with the clerk of superior court.



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1 (2) The association does not acknowledge satisfaction with the clerk of superior
2 court within 30 days after the association's receipt of the notification from
3 the lot owner."

4 **SECTION 2.(a)** G.S. 47F-3-118(a) reads as rewritten:

5 **"§ 47F-3-118. Association records.**

6 (a) The association shall keep financial records sufficiently detailed to enable the
7 association to comply with this Chapter. All financial and other records, including records of
8 meetings of the association and executive board, shall be made reasonably available for
9 examination by any lot owner and the lot owner's authorized agents as required in the bylaws
10 and Chapter 55A of the General Statutes. If the bylaws do not specify particular records to be
11 maintained, the association shall keep accurate records of all cash receipts and expenditures and
12 all assets and liabilities. In addition to any specific information that is required by the bylaws to
13 be assembled and reported to the lot owners at specified times, the association shall make an
14 annual income and expense statement and balance sheet available to all lot owners at no charge
15 and within 75 days after the close of the fiscal year to which the information relates.
16 ~~Notwithstanding the bylaws, a more extensive compilation, review, or audit of the association's~~
17 ~~books and records for the current or immediately preceding fiscal year may be required by a~~
18 ~~vote of the majority of the executive board or by the affirmative vote of a majority of the lot~~
19 ~~owners present and voting in person or by proxy at any annual meeting or any special meeting~~
20 ~~duly called for that purpose."~~

21 **SECTION 2.(b)** Article 3 of Chapter 47F of the General Statutes is amended by
22 adding a new section to read:

23 **"§ 47F-3-118A. Financial review or audit requirements.**

24 (a) Except as provided in subsection (b) of this section, the board of directors shall
25 provide for an annual independent financial review of the association. The review shall be
26 completed no later than 90 days after the end of the association's fiscal year and shall be made
27 available upon request to the lot owners within 30 days after its completion.

28 (b) The board of directors shall provide for an annual independent financial audit of the
29 association, in lieu of an annual independent financial review, if any of the following
30 conditions are met:

31 (1) The declaration, bylaws, or other governing documents expressly require
32 conduct of an annual financial audit.

33 (2) The association has annual revenues or expenditures of at least four hundred
34 thousand dollars (\$400,000).

35 (3) An audit is requested by a vote of a majority of the board or by a vote of a
36 majority of the lot owners present and voting in person or by proxy at any
37 annual meeting or any special meeting duly called for that purpose."

38 **SECTION 3.** G.S. 47F-3-108(a) reads as rewritten:

39 **"§ 47F-3-108. Meetings.**

40 (a) A meeting of the association shall be held at least once each year. Special meetings
41 of the association may be called by the president, a majority of the executive board, or by lot
42 owners having ten percent (10%), or any lower percentage specified in the bylaws, of the votes
43 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the
44 secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent
45 prepaid by United States mail to the mailing address of each lot or to any other mailing address
46 designated in writing by the lot owner, or sent by electronic means, including by electronic
47 mail over the Internet, to an electronic mailing address designated in writing by the lot owner.
48 The notice of any meeting shall state the time and place of the meeting and the items on the
49 agenda, including the general nature of any proposed amendment to the declaration or bylaws,
50 any budget changes, ~~and~~ any proposal to remove a director or officer-officer, and any material
51 matter for which a vote is to be taken."

1 **SECTION 4.(a)** G.S. 47F-3-110 is repealed.

2 **SECTION 4.(b)** Article 3 of Chapter 47F of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 47F-3-110A. Voting; proxies; ballots.**

5 (a) Unless prohibited or limited by the declaration or bylaws, lot owners may vote at a
6 meeting in person, by absentee ballot pursuant to subsection (b)(4) of the section, by a proxy
7 pursuant to subsection (c) of the section, or, when a vote is conducted without a meeting, by
8 electronic or paper ballot pursuant to subsection (d) of this section.

9 (b) At a meeting of lot owners, the following requirements apply:

10 (1) Lot owners who are present in person may vote by voice vote, show of
11 hands, standing, or any other method for accurately determining the votes of
12 lot owners, as designated by the person presiding at the meeting.

13 (2) If only one of several owners of a lot is present, that owner is entitled to cast
14 all the votes allocated to that lot. If more than one of the owners are present,
15 the votes allocated to that lot may be cast only in accordance with the
16 agreement of a majority in interest of the owners, unless the declaration
17 expressly provides otherwise. There is majority agreement if any one of the
18 owners casts the votes allocated to the lot without protest being made
19 promptly to the person presiding over the meeting by any of the other
20 owners of the lot.

21 (3) Unless a greater number or fraction of the votes in the association is required
22 for a particular matter to be voted on by this Chapter or the declaration, a
23 majority of the votes cast determines the outcome of any action of the
24 association.

25 (4) Subject to subsection (a) of this section, a lot owner may vote by absentee
26 ballot without being present at the meeting. The association promptly shall
27 deliver an absentee ballot to an owner that requests it if the request is made
28 at least seven days before the scheduled meeting. Votes cast by absentee
29 ballot must be included in the tally of a vote taken at that meeting.

30 (5) When a lot owner votes by absentee ballot, the association must be able to
31 verify that the ballot is cast by the lot owner having the right to do so.

32 (c) Except as otherwise provided in the declaration or bylaws, the following
33 requirements apply with respect to proxy voting:

34 (1) Votes allocated to a lot may be cast pursuant to a directed or undirected
35 proxy duly executed by a lot owner.

36 (2) If a lot is owned by more than one person, each owner of the lot may vote or
37 register protest to the casting of votes by the other owners of the lot through
38 a duly executed proxy.

39 (3) A lot owner may revoke a proxy given pursuant to this section only by actual
40 notice of revocation to the person presiding over a meeting of the
41 association.

42 (4) A proxy is void if it is not dated, if it purports to be revocable without notice,
43 or if it is given in favor of a board member.

44 (5) A proxy is valid only for the meeting at which it is cast and any recessed
45 session of that meeting.

46 (6) A proxy may be used to achieve the required quorum at a meeting.

47 (7) A proxy is valid only if the nature of the matter for which the vote is to be
48 taken is stated in the notice as required by G.S. 47F-3-108(a).

49 (8) A person may not cast proxies representing more than fifteen percent (15%)
50 of the votes in the association.

1 (d) Unless prohibited or limited by the declaration or bylaws, an association may
2 conduct a vote without a meeting. In that event, the following requirements apply:

3 (1) The association shall notify the lot owners that the vote will be taken by
4 ballot.

5 (2) The association shall deliver a paper or electronic ballot to every lot owner
6 entitled to vote on the matter.

7 (3) The ballot must set forth each proposed action and provide an opportunity to
8 vote for or against the action.

9 (4) When the association delivers the ballots, the association shall do all of the
10 following:

11 a. Indicate the number of responses needed to meet the quorum
12 requirements.

13 b. State the percent of votes necessary to approve each matter other
14 than election of directors.

15 c. Specify the time and date, not fewer than seven days after the date
16 the association delivers the ballot, by which a ballot must be
17 delivered to the association to be counted.

18 d. Describe the time, date, and manner by which lot owners wishing to
19 deliver information to all lot owners regarding the subject of the vote
20 may do so.

21 (5) Except as otherwise provided in the declaration or bylaws, a ballot is not
22 revoked after delivery to the association by death or disability or attempted
23 revocation by the person that cast that vote.

24 (6) Approval by ballot pursuant to this subsection is valid only if the number of
25 votes cast by ballot equals or exceeds the quorum required to be present at a
26 meeting authorizing the action.

27 (e) If the declaration requires that votes on specified matters affecting the planned
28 community be cast by lessees rather than lot owners of leased lots, (i) the provisions of this
29 section apply to lessees as if they were lot owners; (ii) lot owners who have leased their lots to
30 other persons may not cast votes on those specified matters; and (iii) lessees are entitled to
31 notice of meetings, access to records, and other rights respecting those matters as if they were
32 lot owners. Lot owners shall also be given notice, in the manner provided in G.S. 47F-3-108, of
33 all meetings at which lessees may be entitled to vote.

34 (f) No votes allocated to a lot owned by the association may be cast.

35 (g) The declaration may provide that, on specified issues, only a defined subgroup of lot
36 owners may vote, provided:

37 (1) The issue being voted on is of special interest solely to the members of the
38 subgroup; and

39 (2) All except de minimis cost that will be incurred based on the vote taken will
40 be assessed solely against those lot owners entitled to vote.

41 (h) For purposes of subdivision (1) of subsection (g) of this section, an issue to be voted
42 on is not a special interest solely to a subgroup if it substantially affects the overall appearance
43 of the planned community or substantially affects living conditions of lot owners not included
44 in the voting subgroup."

45 **SECTION 5.** Article 3 of Chapter 47F of the General Statutes is amended by
46 adding a new section to read:

47 **"§ 47F-3-120.1. Alternative dispute resolution allowed.**

48 Parties to a dispute arising under this Chapter or an association's declaration, bylaws, or
49 rules and regulations may agree to resolve the dispute by any form of binding or nonbinding
50 alternative dispute resolution, except that a declarant may agree with the association to do so
51 only after the period of declarant control has expired. Parties electing to use alternative dispute

1 resolution for disputes arising under this Chapter shall use only mediators certified by the
2 Dispute Resolution Commission. An agreement to submit to any form of binding alternative
3 dispute resolution must be in a record authenticated by the parties."
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5 PART II. AMENDMENTS TO CONDOMINIUM ACT

6 SECTION 6. Article 3 of Chapter 47C of the General Statutes is amended by
7 adding a new section to read:

8 "**§ 47C-3-116.1. Associations with claim of lien to file notice of satisfaction with clerk of**
9 **court upon full payment; liability for failure.**

10 (a) An association that has filed a claim of lien pursuant to G.S. 47C-3-116 shall
11 acknowledge satisfaction of the claim of lien securing the debt within 30 days after the
12 association receives full payment or performance of the debt, as provided in this section. The
13 association shall file with the clerk of court a notice of satisfaction of lien signed by the
14 association's agent or attorney, whereupon the clerk of superior court shall forthwith make upon
15 the record of the claim of lien on real property an entry of acknowledgment of satisfaction.

16 (b) An association that fails to acknowledge satisfaction of a claim of lien pursuant to
17 this section by the end of the period specified in subsection (a) of this section is liable to the
18 unit owner for any actual damages caused by the failure, but not for punitive damages.

19 (c) An association that is required to acknowledge satisfaction of a claim of lien
20 pursuant to this section and does not do so by the end of the period specified in subsection (a)
21 of this section is also liable to the lot owner for one thousand dollars (\$1,000) and any
22 reasonable attorneys' fees and court costs incurred if, after the expiration of the period specified
23 in subsection (a) of this section, both of the following occur:

24 (1) The lot owner gives the association a notification, by certified mail and
25 first-class mail, that provides proof the association has received full
26 payment, demanding that the association acknowledge satisfaction with the
27 clerk of superior court.

28 (2) The association does not acknowledge satisfaction with the clerk of superior
29 court within 30 days after the association's receipt of the notification from
30 the lot owner."

31 SECTION 7.(a) G.S. 47C-3-118(a) reads as rewritten:

32 "**§ 47C-3-118. Association records.**

33 (a) The association shall keep financial records sufficiently detailed to enable the
34 association to comply with this chapter. All financial and other records, including records of
35 meetings of the association and executive board, shall be made reasonably available for
36 examination by any unit owner and the unit owner's authorized agents as required by the
37 bylaws and by Chapter 55A of the General Statutes if the association is a nonprofit corporation.
38 If the bylaws do not specify particular records to be maintained, the association shall keep
39 accurate records of all cash receipts and expenditures and all assets and liabilities. In addition to
40 any specific information that is required by the bylaws to be assembled and reported to the unit
41 owners at specified times, the association shall make an annual income and expense statement
42 and balance sheet available to all unit owners at no charge and within 75 days after the close of
43 the fiscal year to which the information relates. ~~Notwithstanding the bylaws, a more extensive~~
44 ~~compilation, review, or audit of the association's books and records for the current or~~
45 ~~immediately preceding fiscal year may be required by a vote of the majority of the executive~~
46 ~~board or by the affirmative vote of a majority of the unit owners present and voting in person or~~
47 ~~by proxy at any annual meeting or any special meeting duly called for that purpose."~~

48 SECTION 7.(b) Article 3 of Chapter 47C of the General Statutes is amended by
49 adding a new section to read:

50 "**§ 47C-3-103A. Budgets; financial review or audit requirements.**

1 (a) Except as provided in subsection (b) of this section, the board of directors shall
2 provide for an annual independent financial review of the association. The review shall be
3 completed no later than 90 days after the end of the association's fiscal year and shall be made
4 available upon request to the unit owners within 30 days after its completion.

5 (b) The board of directors shall provide for an annual financial audit of the association,
6 in lieu of an annual independent financial review, if any of the following conditions are met:

7 (1) The declaration, bylaws, or other governing documents expressly require
8 conduct of an annual financial audit.

9 (2) The association has annual revenues or expenditures of at least four hundred
10 thousand dollars (\$400,000).

11 (3) An audit is requested by a vote of a majority of the board or by a vote of a
12 majority of the unit owners present and voting in person or by proxy at any
13 annual meeting or any special meeting duly called for that purpose."

14 **SECTION 8.** G.S. 47C-3-108(a) reads as rewritten:

15 **"§ 47C-3-108. Meetings.**

16 (a) A meeting of the association shall be held at least once each year. Special meetings
17 of the association may be called by the president, a majority of the executive board, or by unit
18 owners having twenty percent (20%) or any lower percentage specified in the bylaws of the
19 votes in the association. Not less than 10 nor more than 50 days in advance of any meeting, the
20 secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent
21 prepaid by United States mail to the mailing address of each unit or to any other mailing
22 address designated in writing by the unit owner, or sent by electronic means, including by
23 electronic mail over the Internet, to an electronic mailing address designated in writing by the
24 unit owner. The notice of any meeting must state the time and place of the meeting and the
25 items on the agenda, including the general nature of any proposed amendment to the
26 declaration or bylaws, any budget changes, ~~and~~ any proposal to remove a director or ~~officer-~~
27 officer, and any material matter for which a vote is to be taken."

28 **SECTION 9.(a)** G.S. 47C-3-110 is repealed.

29 **SECTION 9.(b)** Article 3 of Chapter 47C of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 47C-3-110A. Voting; proxies; ballots.**

32 (a) Unless prohibited or limited by the declaration or bylaws, unit owners may vote at a
33 meeting in person, by absentee ballot pursuant to subsection (b)(4) of this section, by a proxy
34 pursuant to subsection (c) of this section, or, when a vote is conducted without a meeting, by
35 electronic or paper ballot pursuant to subsection (d) of this section.

36 (b) At a meeting of unit owners, all of the following requirements apply:

37 (1) Unit owners who are present in person may vote by voice vote, show of
38 hands, standing, or any other method for accurately determining the votes of
39 unit owners, as designated by the person presiding at the meeting.

40 (2) If only one of several owners of a unit is present, that owner is entitled to
41 cast all the votes allocated to that unit. If more than one of the owners are
42 present, the votes allocated to that unit may be cast only in accordance with
43 the agreement of a majority in interest of the owners, unless the declaration
44 expressly provides otherwise. There is majority agreement if any one of the
45 owners casts the votes allocated to the unit without protest being made
46 promptly to the person presiding over the meeting by any of the other
47 owners of the unit.

48 (3) Unless a greater number or fraction of the votes in the association is required
49 for a particular matter to be voted on by this Chapter or the declaration, a
50 majority of the votes cast determines the outcome of any action of the
51 association.

- 1 (4) Subject to subsection (a), a unit owner may vote by absentee ballot without
2 being present at the meeting. The association promptly shall deliver an
3 absentee ballot to an owner that requests it if the request is made at least
4 seven days before the scheduled meeting. Votes cast by absentee ballot must
5 be included in the tally of a vote taken at that meeting.
- 6 (5) When a unit owner votes by absentee ballot, the association must be able to
7 verify that the ballot is cast by the unit owner having the right to do so.
- 8 (c) Except as otherwise provided in the declaration or bylaws, the following
9 requirements apply with respect to proxy voting:
- 10 (1) Votes allocated to a unit may be cast pursuant to a directed or undirected
11 proxy duly executed by a unit owner.
- 12 (2) If a unit is owned by more than one person, each owner of the unit may vote
13 or register protest to the casting of votes by the other owners of the unit
14 through a duly executed proxy.
- 15 (3) A unit owner may revoke a proxy given pursuant to this section only by
16 actual notice of revocation to the person presiding over a meeting of the
17 association.
- 18 (4) A proxy is void if it is not dated, if it purports to be revocable without notice,
19 or if it is given in favor of a board member.
- 20 (5) A proxy is valid only for the meeting at which it is cast and any recessed
21 session of that meeting.
- 22 (6) A proxy may be used to achieve the required quorum at a meeting.
- 23 (7) A proxy is valid only if the nature of the matter for which the vote is to be
24 taken is stated in the notice as required by G.S. 47F-3-108(a).
- 25 (8) A person may not cast proxies representing more than fifteen percent (15%)
26 of the votes in the association.
- 27 (d) Unless prohibited or limited by the declaration or bylaws, an association may
28 conduct a vote without a meeting. In that event, the following requirements apply:
- 29 (1) The association shall notify the unit owners that the vote will be taken by
30 ballot.
- 31 (2) The association shall deliver a paper or electronic ballot to every unit owner
32 entitled to vote on the matter.
- 33 (3) The ballot must set forth each proposed action and provide an opportunity to
34 vote for or against the action.
- 35 (4) When the association delivers the ballots, the association shall do all of the
36 following:
- 37 a. Indicate the number of responses needed to meet the quorum
38 requirements.
- 39 b. State the percent of votes necessary to approve each matter other
40 than election of directors.
- 41 c. Specify a time and date, not fewer than seven days after the date the
42 association delivers the ballot, by which a ballot must be delivered to
43 the association to be counted.
- 44 d. Describe the time, date, and manner by which unit owners wishing to
45 deliver information to all unit owners regarding the subject of the
46 vote may do so.
- 47 (5) Except as otherwise provided in the declaration or bylaws, a ballot is not
48 revoked after delivery to the association by death or disability or attempted
49 revocation by the person that cast that vote.

1 (6) Approval by ballot pursuant to this subsection is valid only if the number of
2 votes cast by ballot equals or exceeds the quorum required to be present at a
3 meeting authorizing the action.

4 (e) If the declaration requires that votes on specified matters affecting the condominium
5 be cast by lessees rather than unit owners of leased units, (i) the provisions of this section apply
6 to lessees as if they were unit owners; (ii) unit owners who have leased their units to other
7 persons may not cast votes on those specified matters; and (iii) lessees are entitled to notice of
8 meetings, access to records, and other rights respecting those matters as if they were unit
9 owners. Unit owners must also be given notice, in the manner provided in G.S. 47C-3-108, of
10 all meetings at which lessees may be entitled to vote.

11 (f) No votes allocated to a unit owned by the association may be cast.

12 (g) The declaration may provide that, on specified issues, only a defined subgroup of
13 unit owners may vote provided:

14 (1) The issue being voted on is of special interest solely to members of the
15 subgroup; and

16 (2) All except de minimis costs that will be incurred based on the vote taken will
17 be assessed solely against those unit owners entitled to vote.

18 (h) For purposes of subdivision (1) of subsection (g) of this section, an issue to be voted
19 on is not of special interest solely to a subgroup if it substantially affects the overall appearance
20 of the condominium or substantially affects living conditions of unit owners not included in the
21 voting subgroup."

22 **SECTION 10.** Article 3 of Chapter 47C of the General Statutes is amended by
23 adding a new section to read:

24 **"§ 47C-3-120. Alternative dispute resolution allowed.**

25 Parties to a dispute arising under this Chapter or an association's declaration, bylaws, or
26 rules and regulations, may agree to resolve the dispute by any form of binding or nonbinding
27 alternative dispute resolution, except that a declarant may agree with the association to do so
28 only after the period of declarant control has expired. Parties electing to use alternative dispute
29 resolution for disputes arising under this Chapter shall only use mediators certified by the
30 Dispute Resolution Commission. An agreement to submit to any form of binding alternative
31 dispute resolution must be in a record authenticated by the parties."

32 33 **PART III. AMENDMENTS TO TAXATION OF PROPERTY OWNED BY** 34 **ASSOCIATIONS**

35 **SECTION 11.(a)** G.S. 105-277.8 reads as rewritten:

36 **"§ 105-277.8. Taxation of property of nonprofit homeowners' association.**

37 (a) ~~The~~ Except as provided in subsection (a1) of this section, the value of real and
38 personal property owned by a nonprofit homeowners' association shall be included in the
39 appraisals of property owned by members of the association and shall not be assessed against
40 the association ~~if~~ if each of the following requirements is met:

41 (1) All property owned by the association is held for the use, benefit, and
42 enjoyment of all members of the association ~~equally;~~ equally.

43 (2) Each member of the association has an irrevocable right to use and enjoy, on
44 an equal basis, all property owned by the association, subject to any
45 restrictions imposed by the instruments conveying the right or the rules,
46 regulations, or bylaws of the ~~association;~~ and association.

47 (3) Each irrevocable right to use and enjoy all property owned by the association
48 is appurtenant to taxable real property owned by a member of the
49 association.

50 The assessor may allocate the value of the association's property among the property of the
51 association's members on any fair and reasonable basis.

1 (a1) The value of real property owned by a nonprofit homeowners association that (i)
2 meets the requirements of subdivisions (1) through (3) of subsection (a) of this section and (ii)
3 is entirely contained within a taxing jurisdiction that is different from all taxable real property
4 owned by any member of the association to which the rights to use and enjoy the association
5 property is appurtenant shall be subject to taxation only in the jurisdiction in which it is entirely
6 contained and only in the amount of the local tax of the jurisdiction in which it is entirely
7 contained. The value of any property taxed pursuant to this subsection shall not be included in
8 the appraisals of property owned by members of the association that are referenced in
9 subsection (a) of this section or otherwise subject to taxation. The assessor for the jurisdiction
10 that imposes a tax pursuant to this subsection shall provide notice of the property, the value,
11 and any other information to the assessor of any other jurisdiction so that the real properties
12 owned by the members of the association are not subject to taxation for that value.

13 (b) As used in this section, "nonprofit homeowners' association" means a homeowners'
14 association as defined in § 528(c) of the Internal Revenue Code."

15 **SECTION 11.(b)** This section is effective for taxes imposed for taxable years
16 beginning on or after July 1, 2012.

17 **SECTION 12.** Except as otherwise provided, this act becomes effective July 1,
18 2012.