

HOUSE BILL NO. 233

INTRODUCED BY A. GRIFFITH

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE TRANSFER OF TITLE OF OPEN SPACES IN A RECORDED FINAL PLAT TO A HOMEOWNERS' ASSOCIATION; REQUIRING A PUBLIC HEARING; PROVIDING A DEFINITION; AND AMENDING SECTIONS 76-3-103, 76-8-101, 76-25-103, AND 76-25-411, MCA."

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

**NEW SECTION. Section 1. Transfer of title of open spaces in recorded final plat.** (1) After a final subdivision plat has been filed for record with the county clerk and recorder, a homeowners' association may file a petition with the governing body to transfer title to the homeowners' association of any open spaces, parks, or similar common-use areas set aside in the final plat if the following conditions are met:

- (a) the homeowners' association is organized in accordance with the covenants;
- (b) the covenants require the homeowners' association to maintain, repair, or insure the open spaces, parks, or similar common-use areas; ~~and~~
- (c) the governing body finds that it was the intent of the subdivider that the open spaces, parks, or similar common-use areas be owned by the homeowners' association; ~~and~~
- (d) the property to be transferred is not owned by a person.

(2) The petition under subsection (1) must be signed by an authorized representative of the homeowners' association.

(3) After a public hearing on the petition, the governing body shall issue written findings of fact and a decision based on the record. If the requirements of subsection (1) have been met, the governing body shall approve the transfer. If the governing body approves the transfer, the approval must be recorded with the clerk and recorder.

**Section 2.** Section 76-3-103, MCA, is amended to read:

gained between the units through an internal doorway, excluding common hallways.

~~(36)~~(37)"Two-unit dwelling" or "duplex" means a building designed for two attached dwelling units in which the dwelling units share a common separation, such as a ceiling or wall, and in which access cannot be gained between the units through an internal doorway."

**Section 5.** Section 76-25-411, MCA, is amended to read:

**"76-25-411. Filing and recordation of plats and certificates of survey.** (1) (a) Except as provided in subsection (1)(b), every final plat or certificate of survey must be filed for record with the county clerk and recorder before title to the land may be sold or transferred in any manner. The clerk and recorder of the county may not accept any final plat or certificate of survey for record that has not been approved in accordance with this part unless the final plat or certificate of survey is located in an area over which the state does not have jurisdiction.

(b) After the preliminary plat of a subdivision has been approved or conditionally approved, the subdivider may enter into contracts to sell lots in the proposed subdivision if all of the following contract conditions are imposed and met:

(i) the purchasers of lots in the proposed subdivision make payments to an escrow agent, which must be a bank or savings and loan association chartered to do business in the state of Montana;

(ii) the payments made by purchasers of lots in the proposed subdivision may not be distributed by the escrow agent to the subdivider until the final plat of the subdivision is filed with the county clerk and recorder;

(iii) if the final plat of the proposed subdivision is not filed with the county clerk and recorder within the approval period of the preliminary plat, the escrow agent shall immediately refund to each purchaser any payments the purchaser has made under the contract;

(iv) the county treasurer has certified that no real property taxes assessed and levied on the land to be divided are delinquent; and

(v) the following language is conspicuously set out in each contract: "The real property that is the subject of this contract has not been finally platted, and until a final plat identifying the property has been filed with the county clerk and recorder, title to the property may not be transferred in any manner".

(2) (a) Subject to subsection (2)(b), no division of land may be made unless the county treasurer has certified that all real property taxes and special assessments assessed and levied on the land to be divided have been paid.

(b) (i) If a division of land includes centrally assessed property and the property taxes applicable to the division of land are not specifically identified in the tax assessment, the department of revenue shall prorate the taxes applicable to the land being divided on a reasonable basis. The owner of the centrally assessed property shall ensure that the prorated real property taxes and special assessments are paid on the land being sold before the division of land is made.

(ii) The county treasurer may accept the amount of the tax prorated pursuant to this subsection (2)(b) as a partial payment of the total tax that is due.

(3) (a) The county clerk and recorder shall maintain an index of all recorded and filed subdivision plats and certificates of survey.

(b) The index must list plats and certificates of survey by the quarter section, section, township, and range in which the platted or surveyed land lies and must list the recording or filing numbers of all plats or certificates of survey depicting lands lying within each quarter section. Each quarter section list must be definitive to the exclusion of all other quarter sections. The index must also list the names of all subdivision plats in alphabetical order and the place where filed.

(4) The recording of any plat made in compliance with the provisions of this chapter must serve to establish the identity of all lands shown on and being part of the plat. When lands are conveyed by reference to a plat, the plat itself or any copy of the plat properly certified by the county clerk and recorder as being a true copy thereof must be regarded as incorporated into the instrument of conveyance and must be received in evidence in all courts of this state.

(5) (a) Any plat prepared and recorded as provided in this part may be vacated either in whole or in part as provided by 7-5-2501, 7-5-2502, 7-14-2616(1) and (2), 7-14-2617, 7-14-4114(1) and (2), and 7-14-4115. Upon vacation, the governing body or the district court, as provided in 7-5-2502, shall determine to which properties the title to the streets and alleys of the vacated portions must revert. The governing body or the district court, as provided in 7-5-2502, shall take into consideration:

(i) the previous platting;

- (ii) the manner in which the right-of-way was originally dedicated, granted, or conveyed;
- (iii) the reasons stated in the petition requesting the vacation;
- (iv) the parties requesting the vacation; and
- (v) any agreements between the adjacent property owners regarding the use of the vacated area.

The title to the streets and alleys of the vacated portions may revert to one or more of the owners of the properties within the platted area adjacent to the vacated portions.

(b) Notwithstanding the provisions of subsection (5)(a), when any poleline, pipeline, or any other public or private facility is located in a vacated street or alley at the time of the reversion of the title to the vacated street or alley, the owner of the public or private utility facility has an easement over the vacated land to continue the operation and maintenance of the public utility facility.

(6) (a) After a final subdivision plat has been filed for record with the county clerk and recorder, a homeowners' association may file a petition with the governing body to transfer title to the homeowners' association of any open spaces, parks, or similar common-use areas set aside in the final plat if the following conditions are met:

- (i) the homeowners' association is organized in accordance with the covenants;
- (ii) the covenants require the homeowners' association to maintain, repair, or insure the open spaces, parks, or similar common-use areas; and
- (iii) the governing body finds that it was the intent of the subdivider that the open spaces, parks, or similar common-use areas be owned by the homeowners' association; and
- (iv) the property to be transferred is not owned by a person.

(b) The petition under subsection (6)(a) must be signed by an authorized representative of the homeowners' association.

(c) After a public hearing on the petition, the governing body shall issue written findings of fact and a decision based on the record. If the requirements of subsection (6)(a) have been met, the governing body shall approve the transfer. If the governing body approves the transfer, the approval must be recorded with the clerk and recorder."

NEW SECTION. Section 6. Codification instruction. [Section 1] is intended to be codified as an