

SENATE BILL 324

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 27 and Title 66, Chapter 5, Part 2, relative to residential property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 5, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 66-5-2__.

(a) As used in this section, unless the context otherwise requires:

(1) "Bylaws" mean guidelines for the operation of a homeowner's association which define the duties of the various offices of the board of directors, the terms of the directors, the membership's voting rights, required meetings and notices of meetings, and the principal office of the association, as well as other specific items that are necessary to run the homeowner's association as a business;

(2) "Planned unit development (PUD)" means an area of land, controlled by one (1) or more landowners, to be developed under unified control or unified plan of development for a number of dwelling units, commercial, educational, recreational or industrial uses, or any combination of the foregoing, the plan for which does not correspond in lot size, bulk or type of use, density, lot coverage, open space, or other restrictions to the existing land use regulations; and

(3) "Restrictive covenant" means any written provision that places limitations or conditions on some aspect of use of the property, such as

size, location or height of structures, materials to be used in structure exterior, activities carried out on the property, or restrictions on future subdivision or land development.

(b) In addition to any other disclosures required in this part with regard to transfers described in § 66-5-201, the owner of the residential property shall, prior to entering a contract with a buyer, disclose in the contract itself or in writing, including acknowledgement of receipt, whether or not the property is located in a PUD, and provide the buyer a copy of the development's restrictive covenants, homeowner bylaws, and master deed.

SECTION 2. This act shall take effect July 1, 2009, the public welfare requiring it.