



## Representative Lindsey Holmes

### House Bill 269 Sponsor Statement

#### **An Act relating to the amendment of a declaration that creates a common interest community.**

In 1986 Alaska adopted the Common Interest Ownership Act found in AS 34.08. This law was based on the 1982 version of the Uniform Common Interest Ownership Act (“UCIOA”) that served as a model for condominium statutes around the country. Since then, the national UCIOA has been revised more than once, with the most recent version in 2008. However, Alaska’s law has not been similarly updated. HB 269 takes one section of the updated UCIOA and incorporates it into Alaska’s law.

When a developer begins construction of a common interest community such as a condominium development they have to specify a timeline for the continued development of the project. Under current law, if a developer and the homeowners association of a common interest community want to extend the timeline for these development rights it takes a unanimous vote of the homeowners.

Achieving a unanimous vote, even for a project with overwhelming support is problematic at best. In the 1994 version of the UCIOA this problem was addressed by modifying the threshold to a super-majority of 80% of the homeowners. HB 269 would mirror this change. An 80% threshold for modifying the timeline for development rights will still require extremely strong support, but will not require a prohibitively difficult unanimous vote.

This update to Alaska’s law is especially important now due to the recent difficulties in the economy. With the new economics of the housing market, development rights are often the only valuable remaining part of many projects, but without this change communities and developers may be unable to extend the timelines for those development rights, which would decrease the value of these projects and discourage participation by banks as lenders. HB 269 will ensure that those communities and developers will have the necessary tools in statute to address this issue and keep Alaska’s economy moving forward.

Please join me in supporting HB 269 to protect and strengthen Alaska’s housing industry.