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## Committees

Ways and Means, *Vice Chair*  
Education  
Insurance and Financial  
Institutions  
Finance Subcommittee on Primary  
and Secondary Education

Chairman Schuring, Vice Chair Rulli, Ranking Member O'Brien, and Members of the Senate General Government and Agency Review Committee, thank you for allowing me the opportunity to present sponsor testimony on Senate Bill 289, which modernizes practices of Condominium, Neighborhood, and Homeowners Associations.

Firstly, this bill addresses concerns brought to my attention by my constituents as well as other property owners around the state regarding solar panel installation. Currently, there are instances in which HOAs completely block a person's ability to install solar panels. This bill will prohibit these associations from doing so, as long as the HOA does not own or maintain the roof or exterior walls where the panels will be placed. This language comes from months of work with the Community Associations Institute, ensuring clarity and effectiveness should this become enacted law.

Secondly, there are a number of updates this legislation makes to improve consumer protections, clean up cumbersome language, and increase overall efficiency in communication between the associations and its members.

SB 289 would allow electronic communication between the association and unit owners, so long as the individual agrees, regarding upcoming meetings, permit notices, and enforcement assessments for violation of the community's rules and bylaws. If the email is returned undeliverable, these notices will be sent via regular mail.

To ensure balanced representation serving on the HOA and Condo Unit Owners Associations boards, SB 289 clarifies that a majority of the board may not consist of unit owners from the same unit or same lot.

SB 289 better informs prospective buyers about the association they would be joining by making them aware of the covenants, restrictions, and financial operations through the transfer of property disclosure forms. This disclosure form is created by the Director of Commerce. SB 289 requires the Director to revise the current form to include a copy of the declaration, association bylaws, and any recorded rules adopted by the board, a statement indicating the current amount assessed against the particular residential property by the owner association for common expenses or other fees, a copy of the budget for operating expenses and reserves adopted by the board for the prior fiscal year and the current fiscal year, and any conditions or restrictions on solar energy collection devices contained in the recorded declaration of a condominium property or planned community.

This bill also establishes a continuing lien for condominiums as codified since 2010 for planned communities. Because this lien may be foreclosed in the same manner as a mortgage on real property, SB 289 seeks to clarify the procedure for bringing actions for foreclosure when necessary.

Finally, SB 289 aims to preserve member fees by establishing minimum insurance levels for blanket fidelity, crime, or dishonesty for any person who controls or disburses association funds. This ensures the owners are better protected if such a crime is committed.

Thank you for your consideration of SB 289. I am happy to answer any questions from the committee.