

Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Assembly Committee on Commerce and Labor

This measure may be considered for action during today's work session.

SENATE BILL 186 (R1)

Revises provisions relating to collection agencies. (BDR 54-582)

Sponsored By: Senate Committee on Commerce and Labor
Date Heard: May 10, 2021
Fiscal Notes: Effect on Local Government: No.
Effect on the State: No.

Senate Bill 186 prohibits a collection agency from collecting a debt from a person who owes fees to an apartment manager, homeowner's association, or tow car operator, under certain circumstances. In addition, the bill requires a collection agency to file an annual report with the commissioner of the Division of Financial Institutions of the Department of Business and Industry that includes certain information pertaining to a debt collected for a homeowner's association during the immediately preceding year. The manager of the collection agency must provide a signed statement affirming the collection agency did not collect a debt against a prohibited person.

Amendments:

Senator Spearman proposes the following amendments:

1. Provide that if a homeowner's association (HOA) uses the foreclosure process, the home may not be sold to: (1) any person who was involved in the foreclosure process, including, without limitation, a collection agency used by the HOA to collect an obligation relating to the property, a community manager of the HOA and his or her assistants, an HOA Board member, and an attorney who represented any of the parties with regard to the foreclosure; or (2) any person who is related within the third degree of consanguinity to a person described in item one. For purposes of this provision, "any person who was involved in the foreclosure process" means any person who exercised discretion in any decision relating to the foreclosure of a lien and any person employed by such a person.
2. Require an HOA to send its notices and communications by mail and to the electronic mail address designated by a unit's owner, unless the unit's owner has opted out of receiving electronic communications or has not designated an electronic mail address.
3. Require each HOA in a common-interest community that has 150 or more units, to establish either a website or electronic portal which may be accessed by its members. Specifically, this provision would provide that:
 - Beginning on January 1, 2022, each HOA in a common-interest communities that has 150 or more units, must establish a website or portal and post on the website or portal documents which relate to the HOA, including, without limitation, the most recent copy of the CC&Rs, the HOA bylaws and rules, the articles of incorporation, the HOA's annual budget, any proposed budgets, notices and agendas for upcoming meetings, and any other documents required by regulation to be posted.

- Beginning on January 1, 2023, these HOAs must establish, on the website or portal, the ability for units' owners to pay their assessments online.
- Homeowner associations with less than 150 units are authorized and encouraged to create such websites or portals.