To: Judiciary A

By: Representative Lamar

HOUSE BILL NO. 1155 (As Passed the House)

AN ACT TO AUTHORIZE PROPERTY OWNERS IN A RESIDENTIAL

SUBDIVISION THAT IS NOT GOVERNED BY A HOMEOWNERS ASSOCIATION TO ESTABLISH OR AMEND COVENANTS, CONDITIONS, AND RESTRICTIONS, INCLUDING THOSE THAT RUN WITH THE LAND; TO AUTHORIZE PROPERTY 5 OWNERS IN A RESIDENTIAL SUBDIVISION THAT IS GOVERNED BY A 6 HOMEOWNERS ASSOCIATION, TO ESTABLISH AND AMEND COVENANTS, 7 CONDITIONS, AND RESTRICTIONS, INCLUDING THOSE THAT RUN WITH THE LAND; TO REQUIRE SUCH PROPERTY OWNERS TO FILE A PETITION TO 8 9 ESTABLISH AND/OR AMEND COVENANTS, CONDITIONS AND RESTRICTIONS, IF 10 NECESSARY; TO REQUIRE NOTICE OF THE HEARING ON SUCH PETITION TO BE 11 PROVIDED THROUGH PUBLICATION; TO PROVIDE THAT IF THE CHANCELLOR 12 FINDS THAT THE PETITION IS WELL TAKEN THEN HE OR SHE SHALL ENTER A DECREE ACCORDINGLY, WHICH SHALL BE FILED WITH THE CHANCERY CLERK; TO BRING FORWARD SECTIONS 17-1-23, 19-5-10, 21-19-63 AND 89-1-69, 14 MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND 15 16 FOR RELATED PURPOSES. 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 18 **SECTION 1.** (1) Property owners in a residential subdivision 19 that has been platted in accordance with Section 17-1-23, and that 20 is not governed by a homeowners association may, acting through a majority vote of such owners, provided that each plat of real 21 22 property shall only be entitled to one (1) vote without regard to the number of individuals who possess an ownership interest in 23 24 such property, establish or amend covenants, conditions, and

- restrictions, including those that run with the land, as provided in this section.
- 27 (2) (a) Property owners in such a residential subdivision
- 28 that has existing covenants, conditions, and restrictions, who
- 29 seek to establish additional covenants, conditions, and
- 30 restrictions, or amend the existing, covenants, conditions, and
- 31 restrictions under subsection (1) of this section, shall file a
- 32 petition with the chancery court of the county where the existing
- 33 covenants, conditions, and restrictions were initially filed.
- 34 (b) In such a residential subdivision where no
- 35 covenants, conditions, and restrictions exist, property owners in
- 36 such a residential subdivision who seek to establish covenants,
- 37 conditions, and restrictions under subsection (1) of this section,
- 38 shall file a petition with the chancery court of the county where
- 39 the subdivision is located.
- 40 (3) After filing such petition to amend and/or establish
- 41 covenants, conditions, and restrictions, the chancellor shall set
- 42 a day, either in term time or in vacation, for the hearing of the
- 43 petition, and notice shall be given to all persons interested in,
- 44 affected by, or having objections to the petition, indicating that
- 45 the hearing on the petition will be held on the day fixed by the
- 46 chancellor, and that all such persons will have the right to
- 47 appear and enter their objections, if any, to the proposed
- 48 petition.

Such notice shall be given by publication in a newspaper
published or having a general circulation in the county where the
subdivision is located once each week for three (3) consecutive
weeks, and by posting a copy of such notice at all entrances to
the subdivision from a public road, as denoted on the official
plat of the subdivision.

55 The first publication of such notice and the posted notice 56 shall be made at least thirty (30) days prior to the day fixed for 57 the hearing of the petition, and such notice shall describe the 58 subdivision by name as the same appears on the official plat filed 59 in the land records of the county and the plat book or cabinet and 60 page where filed.

- 61 At the time fixed, the chancellor shall proceed to hear all evidence offered in support of the petition, together with all 62 63 objections, if any, that may be presented touching or bearing upon the relief requested. If the chancellor finds from the evidence 64 65 that the proposed petition, in whole or in part, is well taken then he or she shall enter a decree accordingly, which shall be 66 67 filed with the chancery clerk, and shall be denoted by him or her 68 in the official plat book of the county for the subdivision at 69 issue and in such other places where matters relating to 70 covenants, conditions, and restrictions for subdivisions are 71 filed.
- 72 <u>SECTION 2.</u> (1) Except as otherwise provided in this
 73 section, property owners, acting through a majority vote, in a

- 74 residential subdivision that has been platted in accordance with
- 75 Section 17-1-23, and that is governed by a homeowners association,
- 76 may establish and amend covenants, conditions, and restrictions,
- 77 including those that run with the land, as provided in this
- 78 section, and further provided that each plat of real property
- 79 shall only be entitled to one (1) vote in any such election to
- 80 <u>establish or amend covenants, conditions and restrictions of the</u>
- 81 <u>subdivision without regard to the number of individuals who</u>
- 82 possess an ownership interest in such property.
- 83 (2) If the governing documents for the homeowners'
- 84 association of such a residential subdivision provide a process
- 85 for establishing and amending existing covenants, conditions, and
- 86 restrictions, property owners in the residential subdivision who
- 87 seek to exercise the authority granted under subsection (1) of
- 88 this section shall comply with the applicable provisions in such
- 89 governing documents.
- 90 (3) (a) If the governing documents for the homeowners'
- 91 association of such a residential subdivision do not provide a
- 92 process for establishing and amending covenants, conditions, and
- 93 restrictions, property owners in a residential subdivision that
- 94 has existing covenants, conditions, and restrictions, who seek to
- 95 establish additional covenants, conditions, and restrictions, or
- 96 amend the existing covenants, conditions, and restrictions under
- 97 subsection (1) of this section, shall file a petition with the

- 98 chancery court of the county where the existing covenants, 99 conditions, and restrictions were initially filed.
- 100 If the governing documents for the homeowners' association of such a residential subdivision do not provide a 101 102 process for establishing and amending covenants, conditions, and 103 restrictions, property owners in a residential subdivision where 104 no covenants, conditions, and restrictions exist, who seek to establish covenants, conditions, and restrictions under subsection 105 106 (1) of this section, shall file a petition with the chancery court 107 of the county where the subdivision is located.
 - (4) After filing such petition to amend and/or establish covenants, conditions and restrictions, the chancellor shall set a day, either in term time or in vacation, for the hearing of the petition, and notice shall be given to all persons interested in, affected by, or having objections to the petition, that the hearing on the petition will be held on the day fixed by the chancellor and that all such persons will have the right to appear and enter their objections, if any, to the proposed petition.
 - The notice shall be given by publication in a newspaper published or having a general circulation in the county where the subdivision is located once each week for three (3) consecutive weeks, and by posting a copy of such notice at all entrances to the subdivision from a public road as denoted on the official plat of the subdivision.

108

109

110

111

112

113

114

115

116

117

118

119

120

- 122 The first publication of such notice and the posted notice 123 shall be made at least thirty (30) days prior to the day fixed for the hearing of the petition, and such notice shall describe the 124 125 subdivision by name as the same appears on the official plat filed 126 in the land records of the county and the plat book or cabinet and 127 page where filed.
- 128 (3) At the time fixed, the chancellor shall proceed to hear 129 all evidence offered in support of the petition, together with all 130 objections, if any, that may be presented touching or bearing upon the relief requested. If the chancellor finds from the evidence 131 132 that the proposed petition, in whole or in part, is well taken 133 then he or she shall enter a decree accordingly, which shall be 134 filed with the chancery clerk and shall be denoted by him or her 135 in the official plat book of the county for the subdivision at issue and in such other places where matters relating to 136 137 covenants, conditions, and restrictions for subdivisions are 138 filed.
- SECTION 3. Section 17-1-23, Mississippi Code of 1972, is 139 140 brought forward as follows:
- 141 17-1-23. (1) When new subdivisions are laid out, the 142 governing authority of each municipality or county may, before 143 allowing dedication, impose such terms as may be deemed necessary to make the provisions of Sections 17-1-1 through 17-1-27, 144 inclusive, effective, and such governing authorities may receive 145

easements in the land affected whereby such sections may be made effective.

- The board of supervisors of any county may order that no 148 plat of a subdivision shall be recorded until it has been approved 149 150 by the board of supervisors, and the board of supervisors shall 151 have power to require the installation of utilities and laying out 152 of streets in subdivisions or to accept performance bonds in lieu thereof; the board of supervisors of any county bordering on the 153 154 State of Tennessee having a population of more than sixty-seven 155 thousand nine hundred (67,900) but less than seventy thousand (70,000) according to the 1990 federal census and having a land 156 157 area of more than four hundred seventy (470) square miles but less 158 than five hundred (500) square miles may also, in lieu thereof, 159 require the deposit of monies with the county which shall be placed in a special interest-bearing account in the county 160 161 treasury, and such board of supervisors at the appropriate time 162 shall spend monies from such account solely for the purpose of 163 constructing or improving the roads and other infrastructure 164 within the subdivision with respect to which the deposit or 165 deposits were made.
 - (3) The governing authorities of a municipality may provide that any person desiring to subdivide a tract of land within the corporate limits shall submit a map and plat of such subdivision, and a correct abstract of title of the land platted, to said governing authorities, to be approved by them before the same

166

167

168

169

171 shall be filed for record in the land records of the county; and 172 where the municipality has adopted an ordinance so providing, no such map or plat of any such subdivision shall be recorded by the 173 174 chancery clerk unless same has been approved by said governing 175 authorities. In all cases where a map or plat of the subdivision 176 is submitted to the governing authorities of a municipality, and is by them approved, all streets, roads, alleys and other public 177 178 ways set forth and shown on said map or plat shall be thereby 179 dedicated to the public use, and shall not be used otherwise unless and until said map or plat is vacated in the manner 180 181 provided by law, notwithstanding that said streets, roads, alleys 182 or other public ways have not been actually opened for the use of 183 the public. If any easement dedicated pursuant to the provisions 184 of this section for a street, road, alley or other public purpose 185 is determined to be not needed for the public purpose, the 186 easement may be declared abandoned, and ownership of the fee 187 underlying the easement shall revert, regardless of the date of dedication, to the adjoining property owner or owners at the time 188 189 of abandonment. Ownership of such easement shall extend to the 190 centerline of said abandoned street, road or public way. Such 191 abandonment and reversion shall not affect any private easements 192 which might exist.

193 (4) If the owner of any land which shall have been laid off, 194 mapped or platted as a city, town or village, or addition thereto, 195 or subdivision thereof, or other platted area, whether inside or 196 outside a municipality, desires to alter or vacate such map or 197 plat, or any part thereof, he may petition the board of supervisors of the county or the governing authorities of the 198 municipality for relief in the premises, setting forth the 199 particular circumstances of the case and giving an accurate 200 201 description of the property, the map or plat of which is to be 202 vacated or altered and the names of the persons to be adversely affected thereby or directly interested therein. However, before 203 204 taking such action, the parties named shall be made aware of the 205 action and must agree in writing to the vacation or alteration. 206 Failure to gain approval from the parties named shall prohibit the 207 board of supervisors or governing authorities from altering or 208 vacating the map or plat, or any part thereof. Any alterations of 209 a plat or map must be recorded in the appropriate location and a note shall be placed on the original plat denoting the altered or 210 211 revised plat. No land shall be subdivided nor shall the map or 212 plat of any land be altered or vacated in violation of any duly 213 recorded covenant running with the land. Any municipality which 214 shall approve such a vacation or alteration pursuant to this 215 section shall be exempt from the sale of surplus real property 216 provisions as set forth in Section 21-17-1.

217 (5) Subdivision regulation under this section shall not 218 conflict with Article VII of the Chickasaw Trail Economic 219 Development Compact described in Section 57-36-1.

221	brought forward as follows:
222	19-5-10. (1) The board of supervisors of any county is
223	authorized to enter into one or more development agreements with
224	the developer or developers of a master planned community in order
225	to authorize, in addition to any other matters to which the board
226	of supervisors may lawfully obligate the county, the master
227	planned community, through a community self-governing entity
228	created by the owners of the property, to administer, manage and
229	enforce the land use restrictions and covenants, land use
230	regulations, subdivision regulations, building codes and
231	regulations, and any other limitations and restrictions on land
232	and buildings provided in the master plan for the master planned
233	community, in lieu of the real estate and property owners within
234	the master planned community being subject to the county
235	ordinances and regulations pertaining to buildings, subdivisions,
236	zoning, the county's comprehensive plan, and any other county
237	ordinances and regulations pertaining thereto. Prior to entering
238	into any such development agreement, the board of supervisors
239	shall review the master plan for the master planned community and
240	find that the provisions of the master plan providing for
241	regulations, restrictions, covenants and limitations pertaining to
242	building, subdivisions, zoning and comprehensive planning shall be

SECTION 4. Section 19-5-10, Mississippi Code of 1972, is

comparable to, or greater than, similar provisions in the

ordinances and regulations of the county. The term of such a

243

244

245 development agreement may be not more than thirty (30) years or 246 the number of years allowed in the county's subdivision ordinance 247 for terms of subdivision covenants, whichever is greater. development agreement shall have attached to it a boundary survey 248 249 made by a registered land surveyor, and upon approval of the 250 development agreement by the board of supervisors, the boundary 251 survey shall be recorded in the land records of the chancery clerk of the county. The recorded boundary survey shall serve as the 252 253 description of the property within the master planned community 254 which shall not be subject to the county's zoning map, and the 255 county's zoning map shall simply recognize the territory described 256 in such boundary survey as a "master planned community." Whenever 257 there may be a conflict between the county ordinances and 258 regulations pertaining to buildings, subdivisions, zoning, the 259 county's comprehensive plan, and any other county ordinances and 260 regulations pertaining thereto, and the provisions of such a 261 development agreement, including the provisions of the master plan 262 providing for regulations, restrictions, covenants and limitations 263 pertaining to buildings, subdivisions, zoning and comprehensive 264 planning, the provisions of the development agreement shall 265 prevail if the provisions of the development agreement are 266 comparable to or greater than similar provisions of county 267 ordinances and regulations.

As used in this section, the term "master planned

community" means a development by one or more developers of real

268

270	estate consisting of residential, commercial, educational, health
271	care, open space and recreational components that is developed
272	pursuant to a long range, multiphase master plan providing
273	comprehensive land use planning and staged implementation and
274	development and the master plan must include the following minimum
275	provisions:

- 276 (a) The real estate described in the master plan must 277 consist of not less than two thousand five hundred (2,500) acres. 278 The master plan may require that not less than fifty percent (50%) 279 of the total dwelling units planned for such acreage must be:
- 280 (i) Dwelling units within a certified retirement
 281 community certified by the Mississippi Development Authority; or
 282 (ii) Dwelling units where at least one (1)

283 occupant:

284

285 2. Receives pension income reported on his or
286 her most recent federal income tax return filed prior to
287 occupancy; or

Is sixty-two (62) years of age; or

288 3. Declares himself to be retired.

1.

289 (b) The real estate described in the master plan must
290 be subjected to a set of land use restrictions imposed by deed
291 restriction or restrictive covenants recorded by the developer in
292 the land records of the chancery clerk of the county as land is
293 developed and sold in phases to users. Such restrictions shall
294 include design guidelines and standards that provide for:

295				(i)	Internal	community	self-governance	bу	the
296	owners	of	the	prope	rtv:				

- (ii) The establishment of one or more legal
 persons endowed with the powers, rights and duties to administer,
 manage, own and maintain common areas, establish community
 activities and enforce the land use restrictions on the common
 areas and private property; and
- 302 (iii) The establishment of assessments and lien 303 rights to fund amenities, services and maintenance of common 304 areas.
- 305 (c) The real estate described in the master plan must
 306 be within the territorial boundaries of one or more public utility
 307 districts established by the county for the provision of water and
 308 sewer facilities and water and sewer services.
- 309 The master plan for a master planned community shall be 310 subject to modification from time to time by the original owner or 311 owners of the real estate described in the initial master plan, 312 its affiliates, successors or assigns to meet changing economic 313 and market conditions; provided, however, any such modifications 314 in the master plan which materially change the regulations, 315 restrictions, covenants and limitations pertaining to buildings, 316 subdivisions and land use regulations approved in the development agreement, or which significantly change the overall plan concept, 317 318 shall be subject to, and shall not take effect until, approved by the board of supervisors of the county. 319

320	(4) As used in this section, the term "dwelling unit" means
321	single-family residences, apartments or other units within a
322	multifamily residence, or a room or apartment in a nursing home or
323	congregate-care facility

324 **SECTION 5.** Section 21-19-63, Mississippi Code of 1972, is 325 brought forward as follows:

21-19-63. The governing authorities of municipalities may provide that any person desiring to subdivide a tract of land within the corporate limits shall submit a map and plat of such subdivision, and a correct abstract of title of the land platted, to said governing authorities, to be approved by them before the same shall be filed for record in the land records of the county. Where the municipality has adopted an ordinance so providing, no such map or plat of any such subdivision shall be recorded by the chancery clerk unless same has been approved by said governing authorities. In all cases where a map or plat of the subdivision is submitted to the governing authorities of a municipality, and is by them approved, all streets, roads, alleys and other public ways set forth and shown on said map or plat shall be thereby dedicated to the public use, and shall not be used otherwise unless and until said map or plat is vacated in the manner provided by law, notwithstanding that said streets, roads, alleys or other public ways have not been actually opened for the use of the public. If any easement dedicated pursuant to the provisions of this section for a street, road, alley or other public purpose

326

327

328

329

330

331

332

333

334

335

336

337

338

339

340

341

342

343

345	is determined to be not needed for the public purpose, the
346	easement may be declared abandoned, and ownership of the fee
347	underlying the easement shall revert, regardless of the date of
348	dedication, to the adjoining property owner or owners at the time
349	of abandonment. Ownership of the easement shall extend to the
350	centerline of said abandoned street, road or public way. Such
351	abandonment and reversion shall not affect any private easements
352	which might exist.

- 353 SECTION 6. Section 89-1-69, Mississippi Code of 1972, is 354 brought forward as follows:
- In this section, "property owners' 355 89-1-69. (1) 356 association" means an incorporated or unincorporated association 357 that:
- 358 Is designated as the representative of the owners 359 of property in a subdivision;
- 360 Has a membership primarily consisting of the owners 361 of the property covered by the dedicatory instrument for the 362 subdivision; and
- 363 Manages or regulates the subdivision for the (C) 364 benefit of the owners of property in the subdivision.
- 365 A deed restriction or other covenant running with the 366 land applicable to the conveyance of real property that requires a 367 transferee of real property or the transferee's heirs, successors, 368 or assigns to pay a declarant or other person imposing the deed restriction or covenant on the property or a third party 369

370 designated by a transferor of the property a fee in connection 371 with a future transfer of the property is prohibited. A deed 372 restriction or other covenant running with the land that violates 373 this section or a lien purporting to encumber the land to secure a 374 right under a deed restriction or other covenant running with the 375 land that violates this section is void and unenforceable. 376 purposes of this section, a conveyance of real property includes a 377 conveyance or other transfer of an interest or estate in real 378 property.

- 379 (3) This section does not apply to a deed restriction or 380 other covenant running with the land that requires a fee 381 associated with the conveyance of property in a subdivision that 382 is payable to:
- 383 (a) A property owners' association that manages or
 384 regulates the subdivision or the association's managing agent if
 385 the subdivision contains more than one (1) platted lot and the
 386 right to collect a fee in connection with a future transfer of the
 387 property is evidenced by a deed restriction or covenant running
 388 with the land filed in the public land records;
- 389 (b) An entity organized under Section 501(c)(3),
 390 Internal Revenue Code of 1986 if the entity has a right to collect
 391 a fee in connection with a future transfer of the property
 392 evidenced by a deed restriction or covenant running with the land
 393 filed in the public land records; or
- 394 (c) A governmental entity.

395 **SECTION 7.** This act shall take effect and be in force from 396 and after July 1, 2023.