

1 SENATE BILL NO. 376

2 INTRODUCED BY K. BOGNER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING COVENANT LAW; PROVIDING THAT COVENANTS  
5 ON RESIDENTIAL PROPERTY MAY NOT PROHIBIT THE OCCUPANCY, ~~OR RENTAL, OR~~  
6 CONSTRUCTION OF ACCESSORY DWELLING UNITS OR PROHIBIT THE PROVISION OF CHILD CARE;  
7 PROVIDING THAT COVENANTS ON RESIDENTIAL PROPERTY MAY NOT LAST LONGER THAN 5 YEARS  
8 UNLESS RERATIFIED BY A MAJORITY OF OWNERS OF PROPERTY SUBJECT TO THE COVENANT;  
9 ALLOWING OWNERS TO VOTE TO SUSTAIN OR AMEND A COVENANT; REQUIRING RECORDING OF  
10 COVENANTS; AND PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. Section 1. Prohibitions on covenants on residential property. A covenant on  
15 residential property may not:

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(1) prohibit the occupancy, ~~or rental, or construction~~ of accessory dwelling units; ~~or~~

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(2) prohibit the provision of child care in a family day-care home or a group day-care home as

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those terms are defined in 52-2-703.

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20 NEW SECTION. Section 2. Affirmation, ~~AMENDMENT, OR REMOVAL~~ of covenants on residential  
21 property -- RECORDING REQUIRED TO SUSTAIN COVENANTS. (1) EXCEPT AS PROVIDED IN SUBSECTION (4), A A

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covenant on residential property may not last longer than 5 years unless ALL OWNERS OF PROPERTY SUBJECT TO

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THE COVENANT HAVE THE OPPORTUNITY TO VOTE ON THE COVENANT AND:

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(a) ~~AT LEAST~~ a majority of ~~owners of property subject to a covenant vote~~ THE OWNERS VOTE to  
25 sustain OR AMEND the covenant pursuant to subsection (2);

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(b) ~~the covenant provides for a right to reenter or repossess land on account of a breach of the~~  
27 covenant; or

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(c) ~~the covenant is necessary to the maintenance of shared infrastructure or was required by an~~