

SENATE BILL NO. 376

INTRODUCED BY K. BOGNER

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING COVENANT LAW; PROVIDING THAT COVENANTS ON RESIDENTIAL PROPERTY MAY NOT PROHIBIT THE OCCUPANCY OR RENTAL OF ACCESSORY DWELLING UNITS OR PROHIBIT THE PROVISION OF CHILD CARE; PROVIDING THAT COVENANTS ON RESIDENTIAL PROPERTY MAY NOT LAST LONGER THAN 5 YEARS UNLESS RERATIFIED BY A MAJORITY OF OWNERS OF PROPERTY SUBJECT TO THE COVENANT; AND PROVIDING AN APPLICABILITY DATE."

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

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

- (1) prohibit the occupancy or rental of accessory dwelling units;
- (2) prohibit the provision of child care.

NEW SECTION. **Section 2. Affirmation of covenants on residential property.** (1) A covenant on residential property may not last longer than 5 years unless:

- (a) a majority of owners of property subject to a covenant vote to sustain the covenant pursuant to subsection (2);
 - (b) the covenant provides for a right to reenter or repossess land on account of a breach of the covenant; or
 - (c) the covenant is necessary to the maintenance of shared infrastructure or was required by an approving government entity on establishment of the covenant.
- (2) A vote to sustain a covenant must extend the covenant 5 years and must be made or recorded in writing, whether on one or more documents.

