DRAFT HJ 50: STUDY OF THE UNIFORM COMMON INTEREST OWNERSHIP ACT

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FINAL REPORT TO THE 70TH MONTANA LEGISLATURE

Local Government Interim Committee

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This report is a summary of the work of the Local Government Interim Committee, specific to the Local Government Interim Committee's 2025-2026 study of the Uniform Common Interest Ownership Act (UCIOA) as outlined in the Local Government Interim Committee's 2025-26 work plan and House Joint Resolution 50 (2025). Members received additional information and public testimony on the subject, and this report is an effort to highlight key information and the processes followed by the Local Government Interim Committee in reaching its conclusions. To review additional information, including audio minutes, and exhibits, visit the Local Government Interim Committee website: https://committees.legmt.gov/#/nonStandingCommittees/20.

A full report, including links to the documents referenced in this print report, is available at the Local Government Interim Committee website: https://committees.legmt.gov/#/nonStandingCommittees/20

HJ 50: STUDY OF THE UNIFORM COMMON INTEREST OWNERSHIP ACT

OVERVIEW

Homeowners' associations have increasingly become a common aspect of everyday life, both in single family homes and multiunit buildings such as condos and apartments. Montana's code offers little guidance regarding owners' associations and what guidance is offered is relatively old. The last major overhaul occurred in 1965 with the passage of the "Unit Ownership Act"[1] that set standards for owners' associations in condominium style developments. HB 619 was introduced in the 2025 session which would have implemented a version of the Uniform Common Interest Ownership Act (UCIOA). It was ultimately determined that more time was needed to study the potential effects of such a sweeping change.

STUDY DIRECTIVES

The study resolution suggested that the committee:

- review the UCIOA as introduced via HB 619 (2025) for potential implementation in Montana;
- review and analyze the current structure of owners' associations in Montana; and
- determine if legislative changes are warranted to the current system in place.

THE LAST MAJOR OVERHAUL OF OWNERS ASSOCIATIONS WAS IN 1965 WITH THE PASSAGE OF THE "UNIT OWNERSHIP ACT".

The study ranked 28th out of 36 study resolutions in the post session poll of legislators. The legislative council assigned HJ 50 to the Local Government Interim Committee, the fourth of four assigned studies. The committee moved to dedicate 5% of its committee time to HJ 50.

The study resolution suggested a limited examination focusing solely on owner's associations. The committee opted to follow the study's recommendations and limited their examination to HB 619, the UCIOA, and the current structure of HOA laws in the state.

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[1] https://mca.legmt.gov/bills/mca/title_0700/chapter_0230/parts_index.html

BACKGROUND AND RECENT CHANGES

LEGISLATION

While no major overhauls have been passed in recent years there has been an increased interest in owners' associations. Between 2009 and 2025 8 bills were passed addressing aspects of owners' associations. The table below gives a brief overview of each bill.

Bill	Overview	Bill	Overview
HB 546 (2009)	Prohibits covenants restricting certain political speech	HB 147 (2025)	Provides a definition for "enforcement action"
SB 300 (2019)	Provides a definition of "homeowners' association" and provides limited guidance on covenants impacting a member's real property	HB 325 (2025)	Clarifies what parties may initiate legal action related to covenants.
SB 145 (2021)	Provides that HOA's are allowed to hold meetings by remote means	HB 233 (2025)	Provides a definition for "homeowners' association" regarding land use planning and provides a process for an HOA to acquire legal title to certain open spaces.
SB 247 (2023)	Provides limitations on the enforcement of certain covenants and clarifies what constitutes the abandonment of a covenants.	HB 416 (2025)	Provides requirements for a representative of an HOA before entering real property.

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UCIOA HISTORY

The Uniform Common Interest Ownership Act (UCIOA) was originally adopted by the Uniform Law Commission (ULC) in 1982 to combine three prior uniform laws in this area: The Uniform Condominium Act (1980), the Uniform Planned Community Act (1980), and the Model Real Estate Cooperative Act (1981). The ULC adopted updates to the UCIOA in 1994, 2008, 2014, and 2021.

The prefatory note to the 1994 revisions explains that the UCIOA is intended to provide "comprehensive legislation, providing maximum flexibility and certainty to all developers, lenders, and title insurers, while at the same time providing all unit purchasers and their associations a uniform level of disclosure, warranty protection, and other rights."

Updates to the UCIOA adopted by the ULC over the years have sought to address issues that have arisen between common interest associations and individual unit owners. The UCIOA as adopted by the ULC in 2021 is broken into five parts: General Provisions; Creation, Alteration, and Termination of Common Interest Communities; Management of the Common Interest Community; Protection of Purchasers; and Applicability and Transition. This 2021 version is what HB 619 was based off of with small changes to comply with Montana code requirements.

TIMELINE OF COMMITTEE ACTIONS

APRIL 2, 2026

Given the relatively minimal time dedicated to HJ 50 the committee focused its efforts on a singular day. This meeting saw staff presentations on HB 619, changes made to the draft since the end of session, and a brief overview of the current statutory framework in place in Montana.

This was followed by a panel made up of attorneys to discuss the background of the UCIOA, why they'd undertaken this work, and why, in their view, updated legislation was needed. Generally, a lack of overarching statutory guidance was highlighted as the primary reason for bringing forward these changes.

The final panel brought together representatives from land and title organizations, realtors, bankers, developers, and HOA managers to discuss the UCIOA. Bankers, realtors, and HOA managers did not raise specific concerns but indicated they were willing to assist with any continued development of the bill. The Montana Land Title Association highlighted issues related to notice requirements regarding liens, and developers showed some general apprehension. Ultimately, all stakeholders agreed to reconvene and resolve remaining details prior to bringing the bill forward for further discussion.

CONCLUSION

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APPENDIX A:
LOCAL GOVERNMENT INTERIM COMMITTEE MEMBERS

Before the close of each legislative session, House and Senate leadership appoint lawmakers to interim committees. The members of the Local Government Interim Committee, like most other interim committees, serve one 20-month term. Members who are reelected to the Legislature, subject to overall term limits and if appointed, may serve again on an interim committee. This information is included in order to comply with 2-15-155, MCA.

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