

3/11/11 11:20am

Chapter No. 344

11/HR40/R239.1

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***HOUSE BILL NO. 575***

Originated in House Don Richardson Clerk

HOUSE BILL NO. 575

AN ACT TO AMEND SECTION 89-1-69, MISSISSIPPI CODE OF 1972, TO PROHIBIT THE PAYMENT OF A FEE TO A PERSON IMPOSING CERTAIN COVENANTS ON FUTURE CONVEYANCES OF REAL PROPERTY; AND FOR RELATED PURPOSES.

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

**SECTION 1.** Section 89-1-69, Mississippi Code of 1972, is amended as follows:

89-1-69. (1) In this section, "property owners' association" means an incorporated or unincorporated association that:

(a) Is designated as the representative of the owners of property in a \* \* \* subdivision;

(b) Has a membership primarily consisting of the owners of the property covered by the dedicatory instrument for the \* \* \* subdivision; and

(c) Manages or regulates the \* \* \* subdivision for the benefit of the owners of property in the \* \* \* subdivision.

(2) A deed restriction or other covenant running with the land applicable to the conveyance of \* \* \* real property that requires a transferee of \* \* \* real property or the transferee's heirs, successors, or assigns to pay a declarant or other person imposing the deed restriction or covenant on the property or a third party designated by a transferor of the property a fee in connection with a future transfer of the property is prohibited. A deed restriction or other covenant running with the land that violates this section or a lien purporting to encumber the land to secure a right under a deed restriction or other covenant running

with the land that violates this section is void and unenforceable. For purposes of this section, a conveyance of real property includes a conveyance or other transfer of an interest or estate in \* \* \* real property.

(3) This section does not apply to a deed restriction or other covenant running with the land that requires a fee associated with the conveyance of property in a subdivision that is payable to:

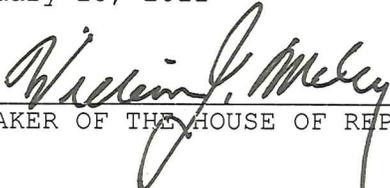
(a) A property owners' association that manages or regulates the subdivision or the association's managing agent if the subdivision contains more than one (1) platted lot;

(b) An entity organized under Section 501(c)(3), Internal Revenue Code of 1986; or

(c) A governmental entity.

**SECTION 2.** This act shall take effect and be in force from and after July 1, 2011.

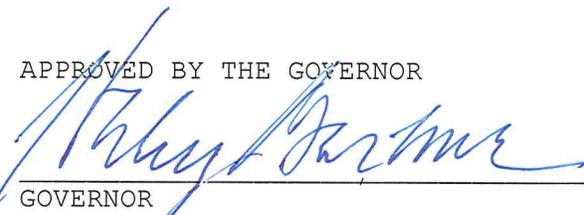
PASSED BY THE HOUSE OF REPRESENTATIVES  
January 25, 2011

  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE  
March 2, 2011

  
PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

  
GOVERNOR

*Yaka 11:20-*