

CHAPTER 256
SB 235 – FINAL VERSION

03/26/2015 1029s
3June2015... 1505h
06/24/2015 2279CofC

2015 SESSION

15-1018
05/10

SENATE BILL **235**

AN ACT relative to the condominium act and the land sales full disclosure act.

SPONSORS: Sen. Soucy, Dist 18

COMMITTEE: Public and Municipal Affairs

AMENDED ANALYSIS

This bill defines the financial statements required if the declarant or subdivider is not a natural person. The bill also describes the type of financial information required to provide reasonable assurance that all proposed improvements and amenities will be completed.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT relative to the condominium act and the land sales full disclosure act.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 256:1 Condominium Act; Application for Registration Fee; Financial Statements. Amend RSA
2 356-B:51, I(u) to read as follows:

3 (u) Any other information including any current financial statement, which the attorney
4 general by ~~his~~ rules reasonably requires for the protection of purchasers. ***If the declarant is a***
5 ***corporation, limited liability company, or other entity, personal financial statements from***
6 ***all principals holding more than a 25 percent ownership interest in the declarant,***
7 ***certified as true and complete by the individual principals, accompanied by federal income***
8 ***tax returns for the 2 most recent full calendar years, may be submitted in lieu of financial***
9 ***statements for the declarant.*** Financial information filed with the attorney general shall not be
10 disclosed publicly except in connection with a hearing, civil action, or criminal action involving the
11 party who submitted the information.

12 256:2 Condominium Act; Inquiry and Investigation; Reasonable Assurance. Amend RSA 356-
13 B:53, I(b) to read as follows:

14 (b) That there is reasonable assurance that all uncompleted improvements and
15 amenities will be completed as represented. ***Reasonable assurance includes, but is not limited***
16 ***to, institutional financing in the form of a revolving line of credit in an amount equal to***
17 ***one-fourth of the total cost of constructing the units being registered, so long as (i) the loan***
18 ***documents provide (a) that funds may be re-advanced during the term of the loan to***
19 ***construct the units, and (b) that the institutional lender shall notify the attorney general***
20 ***in the event that the revolving line of credit is cancelled and (ii) in addition to the funds***
21 ***allocated to unit construction, the applicant shall provide evidence of adequate funds to***
22 ***complete any infrastructure, such as roads and utilities, necessary to service the units***
23 ***being registered. This subparagraph shall not prohibit the attorney general from finding***
24 ***other forms of financing to provide reasonable assurance. If the attorney general***
25 ***determines that a revolving line of credit has been cancelled, or is no longer adequate to***
26 ***pay for the cost of constructing the units that have been registered, the attorney general***
27 ***may issue a temporary cease and desist order pursuant to RSA 356-B:61;***

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1 256:3 Land Sales Full Disclosure Act; Application for Registration; Financial Statement. Amend
2 RSA 356-A:5, I(v) to read as follows:

3 (v) Any other information, including any current financial statement, which the attorney
4 general by ~~his~~ reasonable rules requires for the protection of purchasers. ***If the subdivider is a***
5 ***limited liability company, corporation, or other entity, personal financial statements from***
6 ***all principals holding more than a 25 percent ownership interest in the subdivider,***
7 ***certified as true and complete by the individual principals, accompanied by federal income***
8 ***tax returns for the 2 most recent full calendar years, may be submitted in lieu of financial***
9 ***statements for the subdivider.*** Financial information filed with the attorney general shall not be
10 disclosed publicly except in connection with a hearing, civil action, or criminal action involving the
11 party who submitted the information.

12 256:4 Land Sales Full Disclosure Act; Inquiry and Examination; Reasonable Assurance. Amend
13 RSA 356-A:7, I(b) to read as follows:

14 (b) That there is reasonable assurance that all proposed improvements will be completed
15 as represented. ***Reasonable assurance includes, but is not limited to, institutional***
16 ***financing in the form of a revolving line of credit in an amount equal to one-fourth of the***
17 ***total cost of constructing the residential units being registered, so long as (i) the loan***
18 ***documents provide (a) that funds may be re-advanced during the term of the loan to***
19 ***construct the residential units, and (b) that the institutional lender shall notify the***
20 ***attorney general in the event that the revolving line of credit is cancelled and (ii) in***
21 ***addition to the funds allocated to residential unit construction, the applicant shall***
22 ***provide evidence of adequate funds to complete any infrastructure, such as roads and***
23 ***utilities, necessary to service the units being registered. This subparagraph shall not***
24 ***prohibit the attorney general from finding other forms of financing to provide reasonable***
25 ***assurance. If the attorney general determines that a revolving line of credit has been***
26 ***cancelled, or is no longer adequate to pay for the cost of constructing the units that have***
27 ***been registered, the attorney general may issue a temporary cease and desist order***
28 ***pursuant to RSA 356-A:12;***

29 256:5 Effective Date. This act shall take effect January 1, 2016.

30
31 Approved: July 13, 2015

32 Effective Date: January 1, 2016