

2022 DRAFT SENATE BILL 2 –NH QUALIFIED PRIVATE COMMUNITIES ACT

New Statute for Qualified Private Communities

Add New Chapter 360 to TITLE XXXI: TRADE AND COMMERCE

Chapter 360 Qualified Private Communities.

I. Definitions

- a) "qualified private community" means a residential condominium, cooperative, open space subdivision or other community consisting of at least four (4) units, the residents of which do not receive any tax abatement or tax exemption related to its construction, comprised of a community trust or other trust device, condominium association, homeowners' association, or council of co-owners, wherein the cost of maintaining roads, streets, water and sewer infrastructure and providing essential services is paid for by a not-for-profit entity consisting exclusively of unit owners within the community.

No apartment building or garden apartment complex owned by an individual or entity that receives monthly rental payments from tenants who occupy the premises shall be considered a qualified private community. No "proprietary campground facility" shall be considered a qualified private community. No community where title to land does not convey with improvements shall be considered a qualified private community, except a residential condominium or cooperative.

- b) "Capital Reserve Fund" means a monetary fund setup for the purpose of accumulating cash reserves for future expenses related to capital assets in the Qualified Private Community.
- c) "Declarant" means all persons who execute or propose to execute the declaration associated with a Qualified Planned Community, or on whose behalf the declaration is executed or proposed to be executed.

II. No city or town may approve plans for a Qualified Private Community unless the Declarant agrees to establish a Capital Reserve Fund of no less than 50% of the cost to replace all roadways within the Qualified Private Community, based on a cost estimate as described in Paragraph III.

III. The Declarant shall submit a written estimate of the cost to replace the roadways in the Qualified Private Community for approval by the city or town. The estimate shall be based on the projected cost to replace the roads on the projected completion date of the project. This estimate may be updated from time to time until completion of the project.

IV. The Capital Reserve Fund shall be held in escrow until the Qualified Private Community is complete, the unit owners have control of the community trust or other trust device, condominium association, homeowners' association, or council of co-owners and the Declarant has relinquished interest in the Qualified Private Community.

Effective Date. This act shall take effect April 1, 2023.