

**As Introduced**

**126th General Assembly  
Regular Session  
2005-2006**

**H. B. No. 407**

**Representative Raga**

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**A BILL**

To enact section 5312.01 of the Revised Code to 1  
define and establish requirements for residential 2  
community association developments. 3

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 5312.01 of the Revised Code be 4  
enacted to read as follows: 5

**Sec. 5312.01.** (A) As used in this section: 6

(1) "Common areas and facilities" means all property, 7  
facilities, and improvements that homeowners in a residential 8  
community association development own or lease in common or that 9  
are held in trust or otherwise for the common benefit or use of 10  
the residents in the development and for which the homeowners have 11  
responsibility to repair, replace, and maintain. 12

(2) "Developer" means any person who develops real estate as 13  
a residential community association development. 14

(3) "Homeowners association" means an association of 15  
homeowners or other designated persons with the authority to 16  
assess fees to replace, maintain, and repair the common areas and 17  
facilities in a residential community association development. 18

(4) "Residential community association development" means a 19  
grouping of two or more homes developed pursuant to a common plan 20

that provides for common areas and facilities for which the  
homeowners are responsible due to a covenant in the deed or other  
condition of ownership. A condominium development, as defined in  
section 5311.01 of the Revised Code, is not a residential  
community association development.

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(B)(1) No developer, agent, or person associated with a  
developer shall convey any home or real property in a residential  
community association development unless the developer has  
furnished, at a minimum, a two-year warranty covering the full  
cost of labor and materials for the completion, repair, or  
replacement of any aspect of the common areas and facilities that  
the developer represents is included in the development or that  
the developer otherwise is responsible for providing. The warranty  
shall cover any completion, repair, or replacement that is  
necessitated by a defect in material or workmanship, the failure  
to complete an improvement or facility, or the failure to complete  
an improvement or facility in a workerlike manner.

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(2) The warranty shall be effective for at least two years  
following the time at which the developer no longer has a  
controlling interest in the homeowners association and  
relinquishes the management responsibilities for the common areas  
and facilities to the homeowners association and for a longer time  
as needed so that any facility or improvement for which a warranty  
is required is covered for at least two years following its  
completion.

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(3) The developer shall furnish a bond to accompany the  
warranty with good and sufficient surety, conditioned on the  
developer completing construction of the common areas and  
facilities and making any repairs or replacement as this section  
requires. The sole beneficiary or obligee of any default payment  
shall be the homeowners association, which shall use the payment  
to make necessary completions, repairs, or replacements, or to

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reimburse the homeowners in proportion to the amount each paid 53  
toward the completion, repair, or replacement. 54

(C) The owner of each platted lot in a residential community 55  
association development shall be assessed fees and charges for the 56  
development's common areas and facilities in an amount equivalent 57  
to the fees and charges assessed to the owner of a lot that 58  
contains an occupied residential structure. A developer, as the 59  
owner of a platted lot, shall be assessed fees and charges 60  
pursuant to this division. 61