

Testimony in Favor of Senate Bill 2229

Presented to the Senate Industry and Business Committee

January 28, 2025

Chairman Barta and Members of the Senate Industry and Business Committee,

Good morning. My name is Gloria Palm Connor, and I currently serve on the Government Affairs Committee for both the North Dakota Association of Realtors and the Fargo-Moorhead Area Association of Realtors. I am also an associate broker at Beyond Realty in Fargo, with extensive experience as a retired broker-owner. Over the course of my career, I have overseen agents and managed thousands of real estate transactions.

My testimony is in strong support of Senate Bill 2229, which seeks to amend and reenact section 47-10 of the North Dakota Century Code. This amendment addresses the requirement for timely disclosure of key documents to buyers before the purchase of a condominium unit or property within a homeowner's association (HOA) or condominium project.

As someone with decades of experience in real estate, I can confidently attest that having access to HOA documents prior to purchase is *absolutely essential* for buyers. Here's why:

1. Transparency and Informed Decision-Making

Buyers deserve full transparency regarding the financial, operational, and governance structure of the HOA or condominium association they are buying into. The HOA documents—such as the Covenants, Conditions, and Restrictions (CC&Rs), bylaws, rules and regulations, and financial statements—contain vital information. These documents outline obligations, fees, rules, and the financial health of the association.

Without these disclosures, buyers may enter into agreements unaware of potential restrictions or obligations, such as special assessments or limitations on property use. This can lead to unforeseen costs and conflicts after the sale, creating unnecessary financial and emotional stress for the buyer.

2. Avoiding Disputes and Legal Issues Post-Sale

Failing to provide access to HOA documents prior to closing can lead to disputes between buyers, sellers, and even the HOA itself. Buyers who discover hidden fees, structural issues, or rules they weren't aware of may feel misled. This opens the door for legal challenges, tarnishing the integrity of the transaction process. Requiring these disclosures in advance helps ensure all parties are aligned and avoids complications after the sale is finalized.

3. Aligning with Best Practices and Market Trends

Many states across the country already require upfront disclosure of HOA documents, recognizing that this is an industry best practice. By passing Senate Bill 2229, North Dakota can align with these standards, which are designed to protect consumers and uphold the credibility of our real estate market. This bill reinforces North Dakota's commitment to promoting fairness, transparency, and consumer confidence in real estate transactions.

4. Promoting Financial Preparedness

Purchasing a property is one of the largest investments most individuals will ever make. Ensuring that buyers are fully informed about HOA dues, reserve funds, and potential assessments gives them the ability to budget appropriately and avoid financial surprises. This proactive approach fosters trust between buyers, sellers, and real estate professionals, strengthening the integrity of the home-buying process.

In Conclusion

Senate Bill 2229 represents a common-sense approach to protecting North Dakota's homebuyers by ensuring they have access to critical information before making one of the most significant financial decisions of their lives. As someone who has worked in this field for years and seen firsthand the consequences of incomplete disclosures, I firmly believe this legislation will benefit not only buyers but also sellers and the broader real estate community.

I urge the members of this committee to support Senate Bill 2229 and advance it for consideration by the full Senate. Thank you for your time and the opportunity to testify today. I am happy to answer any questions you may have.

Respectfully,
Gloria Palm Connor
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