



**House
Legislative
Analysis
Section**

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CONDO CO-OWNER ATTEND BOARD MTG.

House Bill 4666 (Substitute H-2)
First Analysis (6-6-90)

Sponsor: Rep. Walter J. DeLangel 1 1 2 1990
Committee: Urban Affairs

THE APPARENT PROBLEM:

The Condominium Act regulates the establishment of condominiums and the creation of the bylaws by which the condominiums are governed. Some condominium association bylaws include provisions enabling co-owners to address the association's board of directors, but this is not required under the law. In addition, no procedure has been established in statute to address the election of members to the boards.

Testimony given before the House Urban Affairs Committee revealed some of the problems that can result when co-owners do not have access to their boards of directors. For instance, in one case a constituent was not able to park his vehicle in his condo parking lot because the board of directors had decided that the vehicle was a motorhome, but in actuality, the vehicle was a van with a dome to accommodate his wife's wheelchair. The constituent was unable to address the board of directors concerning this issue because he could never gain access to board meetings. Legislation has been introduced to address this problem and other related issues.

THE CONTENT OF THE BILL:

The bill would amend the Condominium Act to require bylaws for condominiums to allow a co-owner to attend a meeting of the condominium association board of directors if the co-owner notified the board of the plans to attend the meeting. The board would have to give notice of its meetings at least 48 hours in advance of the meeting to all co-owners and would post the notice in the place where other condominium documents are kept. In addition, the bylaws would provide that the co-owners could call a special meeting of the association of co-owners at any time by submitting to the board a petition signed by 1/4 of the co-owners.

The bill would also establish an election procedure for board members by requiring members of a condominium association board of directors to be elected for noncurrent terms and requiring that the election for board members be held at the association's annual meeting or at any other time that the co-owners request an election for membership on the board by submitting to the board a petition signed by 1/3 of the co-owners.

MCL 559.154

FISCAL IMPLICATIONS:

According to the Department of Commerce, the bill would have no fiscal implications for the state. (5-31-90)

ARGUMENTS:

For:

Co-owners of condominium property should have some input into how that property is managed. It is unfair to

exclude condominium co-owners from the decision making process of the condominium association board. Co-owners may be able to provide valuable insight into situations concerning them. In addition, it is only fair that when decisions are made about a particular owner, the owner should be able to address the board concerning the decisions. The bill will ensure that all condo owners have access to meetings of their boards of directors by requiring that condominium association bylaws contain a notification procedure. In addition, the bill will address situations in which special meetings may be needed in order to address urgent board business. Further, the bill will establish a uniform election process for boards of directors in order to ensure consistency in all condominium association bylaws.

Against:

The bill is impractical, could impose excessive and unnecessary costs upon association boards of directors, may duplicate provisions that are currently in existence, and will not affect the constituent problem it was meant to address. There is no need for co-owners to attend every meeting, and in some instances attendance of co-owners at board meetings would violate the confidentiality of others (such as when contracts, personnel, or lawsuits were being discussed). The bill could also impose excessive and unnecessary costs upon boards. Most boards meet monthly at a regular time and place, and members are usually notified of association business through the association newsletter. Some of the associations are very large (600 people or more) and it would be infeasible to require their boards of directors to send written notice of every meeting. Also, it may not be feasible for a board to send out notices if an emergency situation arises, and the board needs to meet quickly. Further, condominium co-owners may already have the ability to petition for elections under the Nonprofit Corporation Act, and many associations already make provisions for co-owners to petition to hold a special membership meeting. Finally, the bill would not solve the constituent problem that prompted its introduction because it would not apply to associations already in existence.

POSITIONS:

The United Condominium Owners of Michigan (representing condominium associations) opposes the bill. (6-5-90)

H.B. 4666 (6-6-90)