



**House
Legislative
Analysis
Section**

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CONDO CO-OWNER ATTEND BOARD MTG.

House Bill 4666 as passed by the House
Second Analysis (7-18-90)

Sponsor: Rep. Walter J. DeLange
Committee: Urban Affairs

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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 at least one meeting of the condominium association board of directors every 90 days. 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. Co-owners who attended a meeting could address the directors concerning association matters. In addition, the bylaws would provide that the board of directors could call a special meeting of the association of co-owners at any time it received a petition signed by 1/4 of the co-owners requesting a meeting of the association for any proper purpose (the reason would have to be included in the petition). A request for a vote on the recall of one or more directors and the election of successors to recalled directors would be considered a proper purpose for a special meeting. The board would notify each co-owner within 20 days after receipt of a petition of the date of the special meeting. The meeting would be held 10-60 days after notice was given.

The bill would also establish an election procedure for board members by requiring at least two members of a condominium association board of directors to be elected for terms that weren't concurrent with the terms of other directors, and requiring that the election for board members be held at the association's annual meeting.

The bill would require existing condominium association bylaws to be amended to include the bill's provisions.

MCL 559.154

FISCAL IMPLICATIONS:

According to the Department of Commerce, the bill would have no fiscal implications for the state. (7-17-90)

ARGUMENTS:

Mich. State Law Library

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 could impose excessive and unnecessary costs upon association boards of directors. 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. In addition, it may not be feasible for a board to send out notices if an emergency situation arises, and the board needs to meet quickly.

Against:

The bill requires condominiums to amend their bylaws to reflect the bill's provisions. However, most condominium bylaws are amended by a vote of the condominium co-owners. If a vote is taken and the amendments are not adopted, or if a vote is not taken on some or all of the amendments, the bill's provisions will not be in effect for all of the condominiums in the state. Thus, there will probably be a lack of uniformity in state condo bylaws.

POSITIONS:

The United Condominium Owners of Michigan (representing condominium associations) opposes the bill. (7-18-90)

H.B. 4666 (7-18-90)