

SENATE BILL No. 797

October 13, 1999, Introduced by Senator BULLARD and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1978 PA 59, entitled "Condominium act", by amending section 54 (MCL 559.154), as amended by 1982 PA 538.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SENATE BILL No. 797

1 Sec. 54. (1) The bylaws shall contain provisions for the
2 designation of ~~persons~~ A PERSON to administer the affairs of
3 the condominium project and shall require that ~~those persons~~
4 THE PERSON keep books and records with a detailed account of the
5 expenditures and receipts affecting the condominium project and
6 its administration, and ~~which~~ THAT specify the operating
7 expenses of the project.

8 (2) The bylaws shall provide that the person designated to
9 administer the affairs of the project shall be assessed as the
10 person in possession for ~~any~~ tangible personal property of the
11 project owned or possessed in common by the co-owners. Personal

1 property taxes based on that tangible personal property shall be
2 treated as expenses of administration.

3 (3) The bylaws shall contain specific provisions directing
4 the ~~courses~~ COURSE of action to be taken in the event of par-
5 tial or complete destruction of the building or buildings in the
6 project.

7 (4) The bylaws shall provide that expenditures affecting the
8 administration of the project shall include costs incurred in the
9 satisfaction of ~~any~~ liability arising within, caused by, or
10 connected with ~~,~~ the common elements or the administration of
11 the condominium project. ~~, and that receipts affecting the~~
12 ~~administration of the condominium project shall include all sums~~
13 ~~received as the proceeds of, or pursuant to, a policy of insur-~~
14 ~~ance securing the interest of the co-owners against liabilities~~
15 ~~or losses arising within, caused by, or connected with the common~~
16 ~~elements or the administration of the condominium project.~~

17 (5) THE BYLAWS SHALL PROVIDE THAT RECEIPTS AFFECTING THE
18 ADMINISTRATION OF THE CONDOMINIUM PROJECT SHALL INCLUDE ALL SUMS
19 RECEIVED AS THE PROCEEDS OF, OR PURSUANT TO, A POLICY OF INSUR-
20 ANCE SECURING THE INTEREST OF THE CO-OWNERS AGAINST LIABILITIES
21 OR LOSSES ARISING WITHIN, CAUSED BY, OR CONNECTED WITH THE COMMON
22 ELEMENTS, OR THE ADMINISTRATION OF THE CONDOMINIUM PROJECT.

23 (6) ~~(5)~~ The bylaws shall provide that the association of
24 co-owners shall prepare and distribute to each ~~owner~~ CO-OWNER
25 at least once each year a financial statement, the contents of
26 which shall be defined by the association of co-owners.

1 (7) ~~(6)~~ The bylaws shall provide an indemnification clause
2 for the board of directors of the association of co-owners. The
3 indemnification clause shall require that 10 days' notice ~~—~~
4 ~~before payment under the clause,~~ be given to the co-owners,
5 BEFORE PAYMENT UNDER THE CLAUSE. The indemnification clause
6 shall exclude indemnification for ~~wilful~~ WILLFUL and wanton
7 misconduct, and for gross negligence.

8 (8) ~~(7)~~ The bylaws may allocate to each condominium unit a
9 number of votes in the association of co-owners proportionate to
10 the percentage of value appertaining to each condominium unit, or
11 an equal number of votes. ~~in the association of co-owners.~~

12 (9) THE BYLAWS SHALL PROVIDE THAT CO-OWNERS MAY ATTEND ALL
13 MEETINGS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF
14 CO-OWNERS EXCEPT AS PROVIDED IN SUBSECTION (12). THE CO-OWNERS'
15 RIGHT TO ATTEND THE MEETINGS INCLUDES THE RIGHT TO SPEAK ON A
16 DESIGNATED AGENDA ITEM.

17 (10) THE BYLAWS SHALL PROVIDE THAT, EXCEPT IN THE CASE OF AN
18 EMERGENCY, WRITTEN NOTICE OF A MEETING OF THE BOARD OF DIRECTORS
19 OF THE ASSOCIATION OF CO-OWNERS SHALL BE POSTED IN A CONSPICUOUS
20 PLACE ON THE CONDOMINIUM PROPERTY NOT LESS THAN 14 DAYS BEFORE
21 THE MEETING. THE NOTICE SHALL INCLUDE ALL AGENDA ITEMS FOR THE
22 MEETING. THE NOTICE OF A MEETING AT WHICH REGULAR ASSESSMENTS
23 AGAINST CO-OWNERS WILL BE CONSIDERED SHALL CONTAIN A SPECIFIC
24 STATEMENT THAT ASSESSMENTS WILL BE CONSIDERED AND DESCRIBE THE
25 NATURE OF THE ASSESSMENTS.

26 (11) THE BYLAWS SHALL PROVIDE THAT IN THE EVENT OF AN
27 EMERGENCY REQUIRING A MEETING OF THE BOARD OF DIRECTORS OF THE

1 ASSOCIATION OF CO-OWNERS WITHOUT NOTICE AS REQUIRED IN THIS
2 SECTION, THE BOARD OF DIRECTORS OF THE ASSOCIATION OF CO-OWNERS
3 SHALL PROVIDE THE DETAILS OF THAT EMERGENCY TO THE CO-OWNERS
4 PRESENT AT THE NEXT REGULAR MEETING OF THE BOARD OF DIRECTORS OF
5 THE ASSOCIATION OF CO-OWNERS.

6 (12) THE BOARD OF DIRECTORS OF THE ASSOCIATION OF CO-OWNERS
7 MAY MEET IN A CLOSED SESSION ONLY FOR 1 OR MORE OF THE FOLLOWING
8 PURPOSES:

9 (A) TO CONSIDER THE DISMISSAL, SUSPENSION, OR DISCIPLINING
10 OF; TO HEAR COMPLAINTS OR CHARGES BROUGHT AGAINST; OR TO CONSIDER
11 A PERIODIC PERSONNEL EVALUATION OF AN OFFICER, EMPLOYEE, STAFF
12 MEMBER, OR INDIVIDUAL AGENT, IF THE NAMED PERSON REQUESTS A
13 CLOSED HEARING. A PERSON REQUESTING A CLOSED HEARING MAY RESCIND
14 THE REQUEST AT ANY TIME, IN WHICH CASE THE MATTER AT ISSUE SHALL
15 BE CONSIDERED ONLY IN OPEN SESSIONS.

16 (B) FOR STRATEGY AND NEGOTIATION SESSIONS CONNECTED WITH THE
17 NEGOTIATION OF A COLLECTIVE BARGAINING AGREEMENT IF EITHER NEGO-
18 TIATING PARTY REQUESTS A CLOSED HEARING.

19 (C) TO CONSULT WITH ITS ATTORNEY REGARDING TRIAL OR SETTLE-
20 MENT STRATEGY IN CONNECTION WITH SPECIFIC PENDING LITIGATION, BUT
21 ONLY IF AN OPEN MEETING WOULD HAVE A DETRIMENTAL FINANCIAL EFFECT
22 ON THE LITIGATING OR SETTLEMENT POSITION OF THE ASSOCIATION OF
23 CO-OWNERS.

24 (D) TO REVIEW THE SPECIFIC CONTENTS OF AN APPLICATION FOR
25 EMPLOYMENT IF THE CANDIDATE REQUESTS THAT THE APPLICATION REMAIN
26 CONFIDENTIAL. HOWEVER, ALL INTERVIEWS FOR EMPLOYMENT SHALL BE
27 HELD IN OPEN SESSIONS.