



## 2016 End of Session Report

**Board requirements** - [House Bill 4861](#) would have required all directors of a condominium association be residents and sign a certification that they are “familiar” with the condominium documents. The LAC opposed this bill as it would have created vague standards for directors in residential condominiums. Rep. McCready agreed to not move forward with this bill after meeting with the LAC.

**Anti-lawsuit provisions** - [House Bill 4919](#) was introduced by Rep. Kesto after being drafted by a member of the LAC. HB 4919 would ban anti-lawsuit provisions in condominium documents. CAI opposes anti-lawsuit provisions as they may prevent condominium associations from collecting assessments, enforcing restrictions or even defending lawsuits. The LAC is optimistic that this bill will move forward soon after reaching a compromise regarding its application to developers. The bill is set to be re-introduced in 2017.

**Indemnification provisions, snow plow contractors** - [House Bill 5230](#) was introduced by Rep. Yonker. The LAC had concerns that the original draft of the bill would have made it illegal for community associations to include indemnification provisions in their contracts with snowplow operators. As a result of the LAC’s input, the bill was revised so that community associations can still obtain indemnification from snowplow contractors, with the exception of any acts that are attributable to the community association’s negligence. The bill did not make it out of committee.

**Miscellaneous changes to Condominium Act** - [House Bill 5655](#) would have made three dramatic changes to the Michigan Condominium Act. First, HB 5655 would require co-owners to approve a condominium association’s budget at a meeting with quorum by a majority vote to pay for essential services and voting by proxy would have been disallowed. Condominium associations would not be allowed to increase the annual budget unless co-owner approval was obtained at a meeting with quorum or multiple meetings were called and quorum could not be obtained. Second, HB 5655 would allow co-owners to withhold assessments if they were dissatisfied with services. Third, HB 5655 would revive the authority a governmental administrator, which has not had enforcement authority since 1983, to monitor co-owner complaints. HB 5655 would allow the administrator to refer complaints to the prosecuting attorney or attorney general to file lawsuits against condominium associations and their directors. The LAC had several meetings with Rep. Lucido and because of those meetings, Rep. Lucido will not be moving forward with HB 5655. HB 5655 will likely be completely re-written to indicate that community associations may include alternative dispute resolution provisions in their condominium documents. However, given that this requirement would not be mandatory, and condominium associations are free to do this, the LAC does not intend to oppose the revised bill. The bill was reintroduced as HB 4015 in 2017.

**Control of undeveloped land** - [Senate Bill 610](#) was introduced by Sen. Margaret O'Brien. The bill amended Section 67 of the Michigan Condominium Act that previously indicated that all "need not be built" units automatically remained in the condominium as common elements 10 years after the commencement of construction of the condominium. SB 610 eliminated the automatic elimination of "need not be built" condominium units and indicated that this would only occur upon 2/3 co-owner vote and a developer having another 60 days to either withdraw the land or amend the Master Deed. CAI opposed the bill, but only a few minor comments of CAI were included in the bill. The change to MCL 559.167 became effective on September 21, 2016.