

## 2016 End of Session Report

**Governance** – The General Court enacted a sweeping overall of states condominium statute. The LAC worked with legislators to maximize the benefits and minimize the negatives of [HB 353](#). The primary impetus for the legislation came from a legislator who had a “terrible experience” in the condominium in which he lived, where members of one family owned several units and exercised almost dictatorial control over the board for many years. The LAC focused on its most onerous provisions, securing changes in three key areas:

- **Affirmative votes** - As originally proposed, the law required all New Hampshire condominiums to act within two years to amend their documents to adopt all the statutory changes. The LAC identified two major problems with that requirement: The administrative burden imposed by the amendment process and the difficulty of securing the super-majority vote required to amend an association’s governing documents. “What happens,” LAC members asked legislators, “if the board proposes the amendment but the community doesn’t approve it?” Persuaded by that argument, legislators eliminated this requirement, substituting language indicating that if the statutory requirements conflict with association bylaws, the statute will prevail.
- **Budget** - Responding to another LAC concern, legislators amended a provision that required a vote of unit owners to approve the annual budget. The revised language still requires owners to vote on the budget, but it now specifies that the budget will stand as proposed by the board unless two-thirds of the owners reject it.
- **Proxies** - The bill initially set a 10 percent cap on the number of proxies that could be cast in an association election. Noting the problems this could create in communities where large numbers of owners vote via proxies, and especially in small communities where, the LAC proposed a compromise that lawmakers accepted: The 10 percent limit applies only to “undirected” proxies, which allow proxy holders to vote however they like; there is no cap on “directed” proxies, specifying how they must be cast.

The LAC is committed to helping managers and board members understand the law and do what they must do to comply with it.