#### SESSION OF 2008

# SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE BILL NO. 2826

## As Recommended by House Committee on Commerce and Labor

### Brief\*

HB 2826 would allow a homeowners' association's governing board to do the following:

- Amend the by-laws of the association upon approval of a majority of homeowners, apartment owners or residents voting in person or by proxy at a noticed meeting;
- Amend by-laws as long as they do not contradict state laws;
- Conduct a secret ballot for elections to be a member on the board of directors;
- Conduct open meetings of the board of directors;
- Prohibit closed meetings unless in confidential consultation with attorneys as part of the attorney client relationship;
- Require at least 15 days written notice before adopting assessments, fees or special charges; and
- Adopt appropriate rules on select matters.

The bill also would require the court to award costs, expenses and attorney fees to the prevailing party in civil action by a homeowner, apartment owner or resident.

<sup>\*</sup>Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org

In addition, the bill would provide for mediation in the case of a dispute.

The Attorney General would be required to develop written educational materials and a website to provide guidance regarding the following:

- Election procedures;
- Executive sessions;
- Advance notice prior to board consideration of certain matters;
- Disclosure of board minutes;
- Access to association records;
- Procedures for the approval of amendments to by-laws;
- Conflict-of-interest rules;
- Legal costs rules;
- Mediation procedures; and
- Other matters deemed to be important.

The effective date would be publisheation in the *Kansas Register*.

### **Background**

Representative Jason Watkins appeared in favor of the bill. Representative Huntington expressed support for the bill. Richard Routman, Prairie Village, spoke in favor of mediation provisions and the Attorney General requirements which were

originally contained in HB 2837. Opposition was expressed by Dan Haugh, West Meadows Condominium Association, Inc.

The fiscal note on the substitute bill was not available when the bill passed out of Committee.