

HB 1063 -- HOMEOWNER ASSOCIATIONS

SPONSOR: Grier

This bill changes the laws regarding homeowner associations. In its main provisions, the bill:

(1) Applies to any homeowner association regardless of whether it was formed before or after August 28, 2017 (Section 448.351, RSMo);

(2) Authorizes, after the expiration of declarant control, the amendment of the association's governing documents upon the affirmative vote of a nine-thirteenths' majority of all the unit owners (Section 448.352);

(3) Requires any homeowner association formed after August 28, 2017, to be incorporated as a nonprofit corporation (Section 448.353.1);

(4) Authorizes any homeowner association formed prior to August 28, 2017, to be incorporated as a nonprofit corporation if a majority of the unit owners given written approval for the conversion (Section 448.353.2);

(5) Requires the executive board of an association to adopt and provide a copy to unit owners of a proposed budget that includes a listing of association expenditures for the prior three years, and to set the date for a meeting regarding the proposed budget (Section 448.354.1);

(6) Authorizes the executive board to propose a special assessment and describes the regular voting process and the process for when a special assessment is needed to respond to an emergency (Section 448.354.2);

(7) Requires that all records of an association be available for examination and copying, and detailing when the records may be withheld from inspection and copying (Section 448.355);

(8) Requires an association that annually receives at least \$50,000 in dues, fees, and assessments to have an independent audit at least once every five years, with the association paying the costs of the audit (Section 448.356.1);

(9) Requires an association that annually receives less than \$50,000 in dues, fees, and assessments to have an independent audit upon petition to the board of at least two-thirds of the unit owners (Section 448.356.2);

(10) Requires the association annually to provide the unit owners the contact information of the executive board members or a managing agent (Section 448.357);

(11) Requires sellers of a unit to provide the buyers with a copy of all indentures associated with the unit within 48 hours before the closure of the sale (Section 448.358);

(12) Requires the association to hold an annual meeting and to provide sufficient notice to the unit owners of the meeting time, date, and location (Section 448.359);

(13) Requires a quorum of the board to be present at any board meeting at which the annual fee will be increased by more than 6% of the current fee (Section 448.360);

(14) Provides for a phase-out of declarant control of the board as units are sold (Section 448.361);

(15) Establishes an appeals process for unit owners adversely affected by a board decision (Section 448.362); and

(16) Prohibits a developer, if at least 90% of the tracts in a subdivision are developed, from allowing the remaining tracts to be undeveloped for more than three years (Section 448.363).