

HOUSE BILL No. 4666

April 18, 1989, Introduced by Reps. DeLange, Bankes, Krause, Miller, London, Middaugh, Stacey, Saunders, Hoekman, Fitzgerald and Jaye and referred to the Committee on Urban Affairs.

A bill to amend section 54 of Act No. 59 of the Public Acts of 1978, entitled as amended

"Condominium act,"

as amended by Act No. 538 of the Public Acts of 1982, being section 559.154 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 54 of Act No. 59 of the Public Acts of
2 1978, as amended by Act No. 538 of the Public Acts of 1982, being
3 section 559.154 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 54. (1) The bylaws shall contain provisions for the
6 designation of persons to administer the affairs of the condomin-
7 ium project and shall require that those persons keep books and
8 records with a detailed account of the expenditures and receipts

1 affecting the condominium project and its administration, and
2 which specify the operating expenses of the project.

3 (2) The bylaws shall provide that the person designated to
4 administer the affairs of the project shall be assessed as the
5 person in possession for any tangible personal property of the
6 project owned or possessed in common by the ~~co-owners~~
7 CO-OWNERS. Personal property taxes based on that tangible per-
8 sonal property shall be treated as expenses of administration.

9 (3) The bylaws shall contain specific provisions directing
10 the courses of action to be taken in the event of partial or com-
11 plete destruction of the building or buildings in the project.

12 (4) The bylaws shall provide that expenditures affecting the
13 administration of the project shall include costs incurred in the
14 satisfaction of any liability arising within, caused by, or con-
15 nected with ~~the~~ the common elements or the administration of the
16 condominium project, and that receipts affecting the administra-
17 tion of the condominium project shall include all sums received
18 as the proceeds of, or pursuant to, a policy of insurance secur-
19 ing the interest of the co-owners against liabilities or losses
20 arising within, caused by, or connected with the common elements
21 or the administration of the condominium project.

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

26 (6) The bylaws shall provide an indemnification clause for
27 the board of directors of the association of co-owners. The

1 indemnification clause shall require that 10 days' notice, before
2 payment under the clause, be given to the co-owners. The indem-
3 nification clause shall exclude indemnification for ~~wilful~~
4 WILLFUL and wanton misconduct and for gross negligence.

5 (7) THE BYLAWS SHALL PROVIDE THAT ALL MEETINGS OF THE BOARD
6 OF DIRECTORS ARE OPEN TO ALL CO-OWNERS. AT LEAST 7 DAYS BEFORE
7 EACH MEETING, THE BOARD OF DIRECTORS SHALL GIVE NOTICE OF THE
8 MEETING TO ALL CO-OWNERS AND SHALL POST A NOTICE IN THE PLACE
9 WHERE CONDOMINIUM DOCUMENTS ARE KEPT PURSUANT TO SECTION 68.

10 (8) THE BYLAWS SHALL PROVIDE THAT MEMBERS OF THE BOARD OF
11 DIRECTORS SHALL BE ELECTED ANNUALLY AT THE ANNUAL MEETING OR AT
12 ANY OTHER TIME THAT THE CO-OWNERS REQUEST AN ELECTION FOR MEMBER-
13 SHIP ON THE BOARD OF DIRECTORS BY SUBMITTING TO THE BOARD OF
14 DIRECTORS A PETITION SIGNED BY A MAJORITY OF THE CO-OWNERS.

15 (9) THE BYLAWS SHALL PROVIDE THAT THE CO-OWNERS MAY CALL A
16 SPECIAL MEETING OF THE ASSOCIATION OF CO-OWNERS AT ANY TIME BY
17 SUBMITTING TO THE BOARD OF DIRECTORS A PETITION SIGNED BY A
18 MAJORITY OF THE CO-OWNERS.

19 (10) ~~(7)~~ The bylaws may allocate to each condominium unit
20 a number of votes in the association of co-owners proportionate
21 to the percentage of value appertaining to each condominium unit,
22 or an equal number of votes in the association of co-owners.