

SUBJECT: Open meetings requirements for condominium boards

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 7 ayes — Brimer, Rhodes, Elkins, Giddings, Janek, Solomons, Woolley
0 nays
2 absent — Corte, Dukes

WITNESSES: For — Linda Frey, Greater Houston Chapter of Community Associations; Marjorie Jean Meyer, Texas Chapter of Community Associations Institute; Larry Niemann, Community Associations Institute & Texas Apartment Association; Welda A. Smith, Nancy Strauss, Karen A. Vaught
Against — None

BACKGROUND : The Uniform Condominium Act of 1993 applies to condominiums created after January 1, 1994. Certain portions of the act also apply to condominiums created before that date. These provisions deal with various topics, from applicability of local ordinances to owners' associations, records, assessments, and rights of actions.

DIGEST: CSHB 1285 would amend the Uniform Condominium Act to apply its provisions on meetings to condominiums created before January 1, 1994.

The bill would also amend the meetings provisions. Condominium association boards could hold meetings by any means so long as notice had been given, unless the meeting involved voting on a fine, damage assessment, appeal from a denial of architectural control approval, or certain suspensions of the right of a particular member. The board could act by consent without a meeting if these issues were not involved and a record of the action was filed with the minutes.

Notice of an association meeting would have to be given to each unit owner. If the association bylaws did not have rules for notice, the association would have to use the procedures prescribed for notice to members of a nonprofit corporation. Notice of board meetings would have to be similarly provided

to board members. Board members or the managing agent of the condominium association would have to inform any unit owners of the time and place of the next regular or special meeting of the board upon request. Board members would have to find out and promptly pass on the information if they did not know the time or place.

Board members could be fined or made liable to pay for reasonable attorneys' fees incurred by affected association members if they participated in a board meeting or took board action for which notice was not given or given in a legally insufficient manner.

The bill would take effect on September 1, 1997, and would apply to meetings held or requests for information made on or after that date.

**SUPPORTERS
SAY:**

CSHB 1285 would apply open meetings requirements to all condominium associations and their governing boards. Current law already brings grandfathered associations under provisions involving assessments, records, and rights of action, but much of this is meaningless if association members do not know what is going on in their association. Condominium boards exercise great authority with respect to a family's most valuable asset — its home — and act as a quasi-governmental body with power over use and disposition of valuable property. The condo owner should have guaranteed rights to monitor the official acts and decisions of those boards through the use of open meetings requirements.

CSHB 1285 would ensure that condominium owners stay fully informed of the problems and conditions of their communities and are treated fairly and equitably by their condominium boards. It would bring more uniform laws and standards to the operation of condominium boards and guarantee the residents of such communities access to the decision-making process within these entities.

**OPPONENTS
SAY:**

No apparent opposition.

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NOTES: The committee substitute provided for specific notice of meetings to be given to board members and for reimbursement of attorney fees for legal actions resulting from improperly posted meeting.