

SECOND REGULAR SESSION

HOUSE BILL NO. 2727

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MORGAN.

6732H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 448.200, 448.3-103, and 448.3-108, RSMo, and to enact in lieu thereof three new sections relating to condominium property, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 448.200, 448.3-103, and 448.3-108, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 448.200, 448.3-103, and 448.3-108,
3 to read as follows:

448.200. The manager or board of managers, as the case may be, shall keep detailed,
2 accurate records in chronological order of the receipts and expenditures affecting the common
3 elements, specifying and itemizing the maintenance and repair expenses of the common elements
4 and any other expenses incurred. Such records and the vouchers authorizing the payments shall
5 be available for examination by the unit owners at convenient hours of week days **or**
6 **electronically, if requested by the unit owner. Any manager or board of managers who**
7 **violates any provision of this section shall be guilty of an infraction.**

448.3-103. 1. Except as provided in the declaration, the bylaws, subsection 2 of this
2 section, or other provisions of sections 448.1-101 to 448.4-120, the executive board may act in
3 all instances on behalf of the association. In the performance of their duties, the officers and
4 members of the executive board are required to exercise (1) if appointed by the declarant, the
5 care required of fiduciaries of the unit owners, and (2) if elected by the unit owners, ordinary and
6 reasonable care.

7 2. The executive board may not act on behalf of the association to amend the declaration,
8 to terminate the condominium, or to elect members of the executive board or determine the

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

9 qualifications, powers and duties, or terms of office of executive board members, but the
10 executive board may fill vacancies in its membership for the unexpired portion of any term.

11 3. Within thirty days after adoption of any proposed budget for the condominium, the
12 executive board shall provide a summary of the budget, **including any reserves**, to all the unit
13 owners, and shall set a date for a meeting of the unit owners to consider ratification of the
14 budget, which date shall be not less than fourteen nor more than thirty days after mailing of the
15 summary. Unless at that meeting a majority of all the unit owners, or any larger vote specified
16 in the declaration, reject the budget, the budget is ratified, whether or not a quorum is present.
17 In the event the proposed budget is rejected, the periodic budget last ratified by the unit owners
18 shall be continued until such time as the unit owners ratify a subsequent budget proposed by the
19 executive board. **Any manager or board of managers who violates any provision of this**
20 **section shall be guilty of an infraction.**

21 4. Subject to subsection 5, the declaration may provide for a period of declarant control
22 of the association, during which period a declarant, or person designated by him, may appoint
23 and remove the officers and members of the executive board. Regardless of the period provided
24 in the declaration, a period of declarant control terminates no later than the earlier of (1) sixty
25 days after conveyance of seventy-five percent of the units which may be created to unit owners
26 other than a declarant; (2) two years after all declarants have ceased to offer units for sale in the
27 ordinary course of business; or (3) two years after any development right to add new units was
28 last exercised. A declarant may voluntarily surrender the right to appoint and remove officers
29 and members of the executive board before termination of that period, but in that event he may
30 require, for the duration of the period of declarant control, that specified actions of the
31 association or executive board, as described in a recorded instrument executed by the declarant,
32 be approved by the declarant before they become effective.

33 5. Not later than sixty days after conveyance of twenty-five percent of the units which
34 may be created to unit owners other than a declarant, at least one member and not less than
35 twenty-five percent of the members of the executive board shall be elected by unit owners other
36 than the declarant. Not later than sixty days after conveyance of fifty percent of the units which
37 may be created to unit owners other than a declarant, not less than thirty-three and one-third
38 percent of the members of the executive board shall be elected by unit owners other than the
39 declarant.

40 6. Not later than the termination of any period of declarant control, the unit owners shall
41 elect an executive board of at least three members, at least a majority of whom shall be unit
42 owners. The executive board shall elect the officers. The executive board members and officers
43 shall take office upon election.

44 7. Notwithstanding any provision of the declaration or bylaws to the contrary, the unit
45 owners, by a two-thirds majority vote of all persons present and entitled to vote at any meeting
46 of the unit owners at which a quorum is present, may remove any member of the executive
47 board.

 448.3-108. **1.** A meeting of the association shall be held at least once each year. Special
2 meetings of the association may be called by the president or by twenty percent, or any lower
3 percentage specified in the bylaws, of either the executive board or the unit owners. Not less
4 than ten nor more than sixty days in advance of any meeting, the secretary or other officer
5 specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by United States
6 mail to the mailing address of each unit or to any other mailing address designated in writing by
7 the unit owner. The notice of any meeting shall state the time and place of the meeting and the
8 items on the agenda, including the general nature of any proposed amendment to the declaration
9 or bylaws, any budget changes, and any proposal to remove a director or officer.

10 **2.** Unit owners shall be given a reasonable opportunity at any meeting to comment
11 regarding any matter affecting the common interest community or the association. Except
12 as otherwise provided in the bylaws, meetings of the association shall be conducted in
13 accordance with the most recent edition of Robert's Rules of Order Newly Revised.

14 **3.** Meetings of the executive board and committees of the association authorized to
15 act for the association shall be open to the unit owners except during executive sessions.
16 At each executive board meeting, the executive board shall provide a reasonable
17 opportunity for unit owners to comment regarding any matter affecting the common
18 interest community and the association.

19 **4.** The executive board shall meet at least four times a year at a time and place
20 convenient to the unit owners.

21 **5.** Unless the meeting is included in a schedule given to the unit owners or the
22 meeting is called to deal with an emergency, the secretary or other officer specified in the
23 bylaws shall give notice of each executive board meeting to each board member and to the
24 unit owners. The notice shall be given at least ten days before the meeting and shall state
25 the time, date, place, and agenda of the meeting.

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