

HOUSE BILL No. 2472

AN ACT concerning housing; amending K.S.A. 19-26,103, 19-26,104, 58-3119 and 58-3120 and K.S.A. 2009 Supp. 12-1750, 12-1756a and 12-1756g and repealing the existing sections; also repealing K.S.A. 2009 Supp. 58-3830.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) Sections 1 through 22, and amendments thereto, shall be known as the Kansas uniform common interest owners bill of rights act.

(b) The legislature finds as a matter of public policy:

(1) That a significant and increasing number of Kansans live in common interest communities;

(2) that effective operation of these common interest communities is in the interest of their owners, residents, and the state; and

(3) that the adoption of uniform rules to govern the rights and duties of unit owners, associations, and developers will help to ensure that common interest communities operate effectively and fairly.

(c) The public purposes of this act are to establish uniform rules of law to clarify the rights and duties of unit owners and associations in all forms of common interest communities, to provide for the effective operation of common interest communities in the interest of their owners and their residents and to address current and potential areas of conflict and tension between unit owners and associations, boards and managers in a comprehensive and balanced manner.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 2. As used in this act:

(a) "Assessment" means the sum attributable to each unit and due to the association pursuant to the budget adopted under section 19, and amendments thereto.

(b) "Association" means the unit owners association.

(c) "Board of directors" means the body, regardless of name, designated in the declaration or bylaws which has power to act on behalf of the association.

(d) "Bylaws" means the instruments, however denominated, that contain the procedures for conduct of the affairs of the association, regardless of the form in which the association is organized, including any amendments to the instruments.

(e) "Common elements" means those portions of the property not owned individually by unit owners, but in which an indivisible interest is held by all unit owners, generally including the grounds, parking areas and recreational facilities.

(f) "Common interest community" means real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements, other units, or other real estate described in that declaration. The term does not include an arrangement described in section 7, and amendments thereto. For purposes of this paragraph, ownership of a unit does not include holding a leasehold interest.

(g) "Declarant" means a person or group of persons acting in concert that:

(1) As part of a common promotional plan, offers to dispose of the interest of the person or group of persons in a unit not previously disposed of; or

(2) reserves or succeeds to any declarant right.

(h) "Declaration" means the instrument, however denominated, that creates a common interest community, including any amendments to that instrument.

(i) "Limited common element" means a portion of the common elements allocated for the exclusive use of one or more but fewer than all of the units.

(j) "Person" means an individual, corporation, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity. In the case of a land trust, the term means the settlor of the trust rather than the trust or the trustee.

(k) "Record", used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(l) “Residential purposes” means use for dwelling or recreational purposes, or both.

(m) “Rule” means a policy, guideline, restriction, procedure, or regulation of an association, however denominated, which is not set forth in the declaration or bylaws and which governs the conduct of persons or the use or appearance of property.

(n) “Unit” means a physical portion of the common interest community designated for separate ownership or occupancy.

(o) “Unit owner” means a person that owns a unit.

(p) This section shall take effect on and after January 1, 2011.

New Sec. 3. (a) Except as expressly provided in this act, the provisions of this act shall be mandatory and apply notwithstanding contrary provisions in the declaration or bylaws of a common interest community and shall not be varied or waived by agreement.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 4. (a) Every contract or duty governed by this act imposes an obligation of good faith in its performance or enforcement.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 5. (a) This act, and amendments thereto, apply to all common interest communities that contain 12 or more units that may be used for residential purposes and are created within this state after the effective date of this act.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 6. (a) This act, and amendments thereto, apply to all common interest communities that contain 12 or more units that may be used for residential purposes created in this state before the effective date of this act; but this act, and amendments thereto, do not apply with respect to actions or decisions of an association or its board of directors concerning events and circumstances occurring before the effective date of this act.

(b) This act, and amendments thereto, do not invalidate existing provisions of the declaration, bylaws, plats or plans of those common interest communities; provided, however, the provisions of the declaration or bylaws of a common interest community that are contrary to the mandatory provisions of this act, and amendments thereto, may not be enforced with respect to events and circumstances occurring after the effective date of the act.

(c) The declaration, bylaws, plats or plans of any common interest community created before the effective date of this act may be amended to achieve any result permitted by this act, regardless of what applicable law provided before the effective date of this act.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 7. (a) An arrangement between the associations for two or more common interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in their arrangement or declarations does not create a separate common interest community.

(b) An arrangement between an association and the owner of real estate that is not part of a common interest community to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in their arrangement does not create a separate common interest community. However, assessments against the units in the common interest community required by the arrangement must be included in the periodic budget for the common interest community, and the arrangement must be disclosed in all public offering statements and resale certificates required by this act.

(c) A covenant that requires the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, driveway, well, or other similar use does not create a common interest community unless the owners otherwise agree.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 8. (a) The association shall:

(1) Adopt and may amend bylaws and may adopt and amend rules;

(2) adopt and may amend budgets;

(3) have the power to require that disputes between the association and unit owners or between two or more unit owners regarding the com-

mon interest community be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding;

(4) promptly provide notice to the unit owners of any legal proceedings in which the association is a party other than proceedings involving enforcement of rules, covenants or declarations of restrictions, or to recover unpaid assessments or other sums due the association;

(5) establish a reasonable method for unit owners to communicate among themselves and with the board of directors concerning the association;

(6) have the power to suspend any right or privilege of a unit owner that fails to pay an assessment, but may not:

(A) Deny a unit owner or other occupant access to the owner's unit;

(B) suspend a unit owner's right to vote except involving issues of assessments and fees; or

(C) withhold services provided to a unit or a unit owner by the association if the effect of withholding the service would be to endanger the health, safety, or property of any person; and

(7) have all other powers that may be exercised in this state by organizations of the same type as the association.

(b) The board of directors may determine whether to take enforcement action by exercising the association's power to impose sanctions or commencing an action for a violation of the declaration, bylaws, and rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The board of directors does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(1) The association's legal position does not justify taking any or further enforcement action;

(2) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;

(3) although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or

(4) it is not in the association's best interests to pursue an enforcement action.

(c) The board of directors' decision under subsection (b) not to pursue enforcement under one set of circumstances does not prevent the board of directors from taking enforcement action under another set of circumstances, but the board of directors may not be arbitrary or capricious in taking enforcement action.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 9. (a) In the performance of their duties, officers and members of the board of directors appointed by the declarant shall exercise the degree of care and loyalty to the association required of a trustee. Officers and members of the board of directors not appointed by the declarant shall exercise the degree of care and loyalty to the association required of an officer or director of a corporation organized, and are subject to the conflict of interest rules governing directors and officers, under existing law. The standards of care and loyalty described in this section apply regardless of the form in which the association is organized.

(b) An association shall have a board of directors created in accordance with its declaration or bylaws. Except as otherwise provided in the declaration, the bylaws, subsection (c), or other provisions of this act, the board of directors acts on behalf of the association.

(c) The board of directors may not:

(1) Amend the declaration except as provided by law other than this act;

(2) amend the bylaws;

(3) terminate the common interest community;

(4) elect members of the board of directors, but may fill vacancies in its membership for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of board of directors' members; or

(5) determine the qualifications, powers, duties, or terms of office of board of directors' members.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 10. (a) The bylaws of the association must:

- (1) Provide the number of members of the board of directors and the titles of the officers of the association;
- (2) provide for election by the board of directors or, if the declaration requires, by the unit owners, of a president, treasurer, secretary, and any other officers of the association the bylaws specify;
- (3) specify the qualifications, powers and duties, terms of office, and manner of electing and removing board of directors' members and officers and filling vacancies;
- (4) specify the powers the board of directors or officers may delegate to other persons or to a managing agent;
- (5) specify the officers who may prepare, execute, certify, and record amendments to the declaration on behalf of the association;
- (6) specify a method for the unit owners to amend the bylaws;
- (7) contain any provision necessary to satisfy requirements in this act or the declaration concerning meetings, voting, quorums, and other activities of the association; and
- (8) provide for any matter required by law of this state other than this act to appear in the bylaws of organizations of the same type as the association.

(b) Subject to the declaration and this act, the bylaws may provide for any other necessary or appropriate matters, including, but not limited to, an election oversight committee and other matters that could be adopted as rules.

(c) This section shall take effect on and after January 1, 2011.

New Sec. 11. (a) An association shall hold a meeting of unit owners annually at a time, date, and place stated in or fixed in accordance with the bylaws.

(b) An association shall hold a special meeting of unit owners to address any matter affecting the common interest community or the association if its president, a majority of the board of directors or unit owners having at least 10%, or any lower percentage specified in the bylaws, of the votes in the association request that the secretary call the meeting. If the association does not notify unit owners of a special meeting within 30 days after the requisite number or percentage of unit owners request the secretary to do so, the requesting members may directly notify all the unit owners of the meeting. Only matters described in the meeting notice required by subsection (c) may be considered at a special meeting.

(c) An association shall notify unit owners of the time, date, and place of each annual and special unit owners meeting not less than 10 days or more than 60 days before the meeting date. Notice may be by any method reasonably calculated to provide notice to the person. The notice for any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

- (1) A statement of the general nature of any proposed amendment to the declaration or bylaws;
- (2) any budget proposals or changes; and
- (3) any proposal to remove an officer or member of the board of directors.

(d) The minimum time to give notice required by subsection (c) may be reduced or waived for a meeting called to deal with an emergency.

(e) Unit owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the common interest community or the association.

(f) The declaration or bylaws may allow for meetings of unit owners to be conducted by telephonic, video, or other conferencing process, if the alternative process is consistent with subsection (g) of section 12, and amendments thereto.

(g) This section shall take effect on and after January 1, 2011.

New Sec. 12. (a) Meetings of the board of directors and committees of the association authorized to act for the association must be open to the unit owners except during executive sessions. The board of directors and those committees may hold an executive session only during a regular or special meeting of the board or a committee. No final vote or action may be taken during an executive session. An executive session may be held only to:

- (1) consult with the association's attorney concerning legal matters;

(2) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;

(3) discuss labor or personnel matters;

(4) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or

(5) prevent public knowledge of the matter to be discussed if the board of directors or committee determines that public knowledge would violate the privacy of any person.

(b) For purposes of this section, a gathering of board of directors at which the board members do not conduct association business is not a meeting of the board of directors. The board of directors and its members may not use incidental or social gatherings of board members or any other method to evade the open meeting requirements of this section.

(c) Except as provided in subsection (i), during the period of declarant control, the board of directors shall meet at least two times a year. At least one of those meetings must be held at the common interest community or at a place convenient to the community. After termination of the period of declarant control, the board of directors shall meet at least once a year and such meetings must be at the common interest community or at a place convenient to the community unless the unit owners amend the bylaws to vary the location of those meetings.

(d) At each board of director's meeting, the board shall provide a reasonable opportunity for unit owners to comment regarding any matter affecting the common interest community and the association.

(e) Unless the meeting is included in a schedule given to the unit owners or the meeting is called to deal with an emergency, the secretary or other officer specified in the bylaws shall give notice of each board of directors meeting to each board member and to the unit owners. The notice must state the time, date, place, and agenda of the meeting and, except as provided in subsection (c) of sections 11 and 19, and amendments thereto, be given at least five days prior to the meeting date.

(f) If any materials are distributed to the board of directors before the meeting, the board at the same time shall make copies of those materials reasonably available to unit owners, except that the board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

(g) Unless the declaration or bylaws otherwise provide, the board of directors may meet by telephonic, video, or other conferencing process if:

(1) The meeting notice states the conferencing process to be used and provides information explaining how unit owners may participate in the conference directly or by meeting at a central location or conference connection; and

(2) the process provides all unit owners the opportunity to hear or perceive the discussion and to comment as provided in subsection (d).

(h) After termination of any period when the declarant controls the association, unit owners may amend the bylaws to vary the procedures for meetings described in subsection (g).

(i) During the period of declarant control, instead of meeting, the board of directors may act by unanimous consent as documented in a record authenticated by all its members. The secretary promptly shall give notice to all unit owners of any action taken by unanimous consent. After termination of the period of declarant control, the board of directors may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the board.

(j) Even if an action by the board of directors is not in compliance with this section, it is valid unless set aside by a court. A challenge to the validity of an action of the board of directors for failure to comply with this section may not be brought more than 60 days after the minutes of the board of directors of the meeting at which the action was taken are approved or the record of that action is distributed to unit owners, whichever is later.

(k) This section shall take effect on and after January 1, 2011.

New Sec. 13. (a) Unless the bylaws otherwise provide, a quorum is present throughout any meeting of the unit owners if persons entitled to cast 20% of the votes in the association:

(1) Are present in person or by proxy at the beginning of the meeting;

(2) have cast absentee ballots solicited in accordance with the association's procedures which have been delivered to the secretary in a timely manner; or

(3) are present by any combination of paragraphs (1) and (2).

(b) Unless the bylaws specify a larger number, a quorum of the board of directors is present for purposes of determining the validity of any action taken at a meeting of the board of directors only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the board members present is the act of the board of directors unless a greater vote is required by the declaration or bylaws.

(c) Except as otherwise provided in the bylaws, meetings of the association must be conducted in accordance with the most recent edition of *Roberts' Rules of Order Newly Revised*.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 14. (a) Unless prohibited or limited by the declaration or bylaws, unit owners may vote at a meeting in person, by secret ballot, by absentee ballot pursuant to subsection (b)(4), by a proxy pursuant to subsection (c), or, when a vote is conducted without a meeting, by electronic or paper ballot pursuant to subsection (d).

(b) Unless contrary provisions of the declaration or bylaws so provide, at a meeting of unit owners the following requirements apply:

(1) Unit owners who are present in person may vote by voice vote, show of hands, standing, or any other method for determining the votes of unit owners, as designated by the person presiding at the meeting.

(2) If only one of several owners of a unit is present, that owner is entitled to cast all the votes allocated to that unit. If more than one of the owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. There is majority agreement if any one of the owners casts the votes allocated to the unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

(3) Unless a greater number or fraction of the votes in the association is required by this act or the declaration, a majority of the votes cast determines the outcome of any action of the association.

(4) Subject to subsection (a), a unit owner may vote by absentee ballot without being present at the meeting. The association promptly shall deliver an absentee ballot to an owner that requests it if the request is made at least three days before the scheduled meeting. Votes cast by absentee ballot must be included in the tally of a vote taken at that meeting.

(5) When a unit owner votes by absentee ballot, the association must be able to verify that the ballot is cast by the unit owner having the right to do so.

(c) Except as otherwise provided in the declaration or bylaws, the following requirements apply with respect to proxy voting:

(1) Votes allocated to a unit may be cast pursuant to a directed or undirected proxy duly executed by a unit owner.

(2) If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy.

(3) A unit owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the association.

(4) A proxy is void if it is not dated or purports to be revocable without notice.

(5) A proxy is valid only for the meeting at which it is cast and any recessed session of that meeting.

(6) A person, other than a member of the board of directors may not cast undirected proxies representing more than 15% of the votes in the association.

(d) Unless prohibited or limited by the declaration or bylaws, an as-

sociation may conduct a vote without a meeting. If a vote without a meeting is permitted and used, the following requirements apply:

(1) The association shall notify the unit owners that the vote will be taken by ballot.

(2) The association shall deliver a paper or electronic ballot to every unit owner entitled to vote on the matter.

(3) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

(4) When the association delivers the ballots, it shall also:

(A) Indicate the number of responses needed to meet the quorum requirements;

(B) state the percent of votes necessary to approve each matter other than election of directors;

(C) specify the time and date by which a ballot must be delivered to the association to be counted, which time and date may not be fewer than three days after the date the association delivers the ballot; and

(D) describe the time, date, and manner by which unit owners wishing to deliver information to all unit owners regarding the subject of the vote may do so.

(5) Except as otherwise provided in the declaration or bylaws, a ballot is not revoked after delivery to the association by death or disability or attempted revocation by the person that cast that vote.

(6) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

(e) If the declaration requires that votes on specified matters affecting the common interest community be cast by lessees rather than unit owners of leased units:

(1) This section applies to lessees as if they were unit owners;

(2) unit owners that have leased their units to other persons may not cast votes on those specified matters; and

(3) lessees are entitled to notice of meetings, access to records, and other rights respecting those matters as if they were unit owners.

(f) Unit owners must also be given notice of all meetings at which lessees are entitled to vote.

(g) Votes allocated to a unit owned by the association must be cast in any vote of the unit owners in the same proportion as the votes cast on the matter by unit owners other than the association.

(h) This section shall take effect on and after January 1, 2011.

New Sec. 15. (a) The association, or its agents, must retain the following for five years unless otherwise provided:

(1) Detailed records of receipts and expenditures affecting the operation and administration of the association and other appropriate accounting records;

(2) minutes of all meetings of its unit owners and board of directors other than executive sessions, a record of all actions taken by the unit owners or board of directors without a meeting, and a record of all actions taken by a committee in place of the board of directors on behalf of the association;

(3) the names of unit owners in a form that permits preparation of a list of the names of all unit owners and the addresses at which the association communicates with them, in alphabetical order showing the number of votes each owner is entitled to cast;

(4) its original or restated organizational documents, if required by law other than this act, bylaws and all amendments to them, and all rules currently in effect;

(5) all financial statements and tax returns of the association for the past three years;

(6) a list of the names and addresses of its current board of directors' members and officers;

(7) its most recent annual report, if any, delivered to the secretary of state;

(8) financial and other records sufficiently detailed to enable the association to comply with other requirements of law;

(9) copies of current contracts to which it is a party;

(10) records of board of directors or committee actions to approve

or deny any requests for design or architectural approval from unit owners; and

(11) ballots, proxies, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate.

(b) Subject to subsections (c) through (g), all records retained by an association must be available for examination and copying by a unit owner or the owner's authorized agent:

(1) During reasonable business hours or at a mutually convenient time and location; and

(2) upon 10 days' written notice reasonably identifying the specific records of the association requested.

(c) Records retained by an association may be withheld from inspection and copying to the extent that they concern:

(1) Personnel, salary, and medical records relating to specific individuals;

(2) contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(3) existing or potential litigation or mediation, arbitration, or administrative proceedings;

(4) existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the declaration, bylaws, or rules;

(5) communications with the association's attorney which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine;

(6) information the disclosure of which would violate law other than this act;

(7) records of an executive session of the board of directors; or

(8) individual unit files other than those of the requesting owner.

(d) An association may charge a reasonable fee for providing copies of any records under this section and for supervising the unit owner's inspection.

(e) A right to copy records under this section includes the right to receive copies by photocopying or other means, including copies through an electronic transmission if available upon request by the unit owner. Copied records may be used for any reasonable purposes other than for commercial purposes.

(f) An association is not obligated to compile or synthesize information.

(g) This section shall take effect on and after January 1, 2011.

New Sec. 16. (a) Before adopting, amending, or repealing any rule, the board of directors shall give all unit owners notice of:

(1) Its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and

(2) a date on which the board of directors will act on the proposed rule or amendment after considering comments from unit owners.

(b) Following adoption, amendment, or repeal of a rule, the association shall notify the unit owners of its action and provide a copy of any new or revised rule.

(c) An association may adopt rules to establish and enforce construction and design criteria and aesthetic standards if the declaration so provides. If the declaration so provides, the association shall adopt procedures for enforcement of those standards and for approval of construction applications, including a reasonable time within which the association must act after an application is submitted and the consequences of its failure to act.

(d) A rule regulating display of the flag of the United States must be consistent with federal law. In addition, the association may not prohibit display on a unit or on a limited common element adjoining a unit of the flag of this state, or signs regarding candidates for public or association office or ballot questions. The association may adopt rules governing the time, place, size, number, and manner of those displays that are not inconsistent with K.S.A. 58-3820, and amendments thereto.

(e) Unit owners may peacefully assemble on the common elements to consider matters related to the common interest community, but the association may adopt rules governing the time, place, and manner of those assemblies.

(f) Association rules that affect the use of or behavior in units that may be used for residential purposes, shall be adopted only to:

(1) Implement a provision of the declaration; or
(2) regulate any behavior in or occupancy of a unit which violates the declaration or adversely affects the use and enjoyment of other units or the common elements by other unit owners.

(g) An association's internal business operating procedures need not be adopted as rules.

(h) Every rule must be reasonable.

(i) This section shall take effect on and after January 1, 2011.

New Sec. 17. (a) An association shall deliver any notice required to be given by the association under this act to any mailing or electronic mail address a unit owner designates. Otherwise, the association may deliver notices by:

(1) Hand delivery to each unit owner;

(2) hand delivery, United States mail postage paid, or commercially reasonable delivery service to the mailing address of each unit;

(3) electronic means, if the unit owner has given the association an electronic address; or

(4) any other method reasonably calculated to provide notice to the unit owner.

(b) The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

New Sec. 18. (a) Unit owners present in person, by proxy, or by absentee ballot at any meeting of the unit owners at which a quorum is present, may remove any member of the board of directors and any officer elected by the unit owners, with or without cause, if the number of votes cast in favor of removal exceeds the number of votes cast in opposition to removal, but:

(1) A member appointed by the declarant may not be removed by a unit owner vote during the period of declarant control;

(2) if a member may be elected or appointed pursuant to the declaration by persons other than the declarant or the unit owners, that member may be removed only by the person that elected or appointed that member; and

(3) the unit owners may not consider whether to remove a member of the board of directors or an officer elected by the unit owners at a meeting of the unit owners unless that subject was listed in the notice of the meeting.

(b) At any meeting at which a vote to remove a member of the board of directors or an officer is to be taken, the member or officer being considered for removal must have a reasonable opportunity to speak before the vote.

(c) This section shall take effect on and after January 1, 2011.

New Sec. 19. (a) The board of directors shall propose and adopt a budget for the common interest community at least annually. Notice of any meeting at which a budget will be considered must be given to unit owners at least 10 days prior to the meeting date and, in accordance with subsection (g) of section 12, and amendments thereto, a copy of the proposal must be made available to any unit owner who requests it. At any meeting at which a budget or budget amendment is considered, in accordance with subsection (d) of section 12, and amendments thereto, unit owners must be given a reasonable opportunity to comment on the proposal prior to the board taking action.

(b) The board of directors, at any time, may propose a special assessment. Except as otherwise provided in subsection (c), notice and consideration of any proposed special assessment shall follow the procedures set out in subsection (a).

(c) If the board of directors determines by a $\frac{2}{3}$ vote of the membership of the board that a special assessment is necessary to respond to an emergency:

(1) The special assessment shall become effective immediately in accordance with the terms of the vote;

(2) notice of the emergency assessment must be provided promptly to all unit owners; and

(3) the board of directors may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 20. (a) A declarant, association, unit owner, or any other person subject to this act may bring an action to enforce a right granted or obligation imposed by this act, the declaration, or the bylaws. The court may award reasonable attorney's fees and costs.

(b) Parties to a dispute arising under this act, the declaration, or the bylaws may agree to resolve the dispute by any form of binding or non-binding alternative dispute resolution, but:

(1) A declarant may agree with the association to do so only after the period of declarant control has expired; and

(2) an agreement to submit to any form of binding alternative dispute resolution must be in a record authenticated by the parties.

(c) The remedies provided by this act shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed.

(d) This section shall take effect on and after January 1, 2011.

New Sec. 21. (a) The principles of law and equity, including the law of corporations and any other form of organization authorized by the law of this state, the law of real estate, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this act except to the extent inconsistent with this act. If there is a conflict between this act and other law of this state, this act prevails.

(b) This section shall take effect on and after January 1, 2011.

New Sec. 22. (a) This act modifies, limits, and supersedes the federal electronic signatures in global and national commerce act, 15 U.S.C. section 7001, et seq., but does not modify, limit, or supersede section 101(c) of that act, 15 U.S.C. section 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that act, 15 U.S.C. section 7003(b).

(b) This section shall take effect on and after January 1, 2011.

Sec. 23. On and after January 1, 2011, K.S.A. 58-3119 is hereby amended to read as follows: 58-3119. The bylaws, *subject to the provisions of sections 1 through 22, and amendments thereto*, may provide for the following:

(a) The election ~~from among the apartment owners~~ of a board of directors, the number of persons constituting the same, and ~~that the terms of at least one-third (1/3) of the directors shall expire annually~~; the powers and duties of the board; the compensation, if any, of the directors; the method of removal from office of directors; and whether or not the board may engage the services of a manager or managing agent.

(b) Method of calling meetings of the apartment owners; what percentage, ~~if other than a majority of apartment owners~~, shall constitute a quorum.

(c) Election of a president from among the board of directors who shall preside over the meetings of the board of directors and of the association of apartment owners.

(d) Election of a secretary who shall keep the minute book wherein resolutions shall be recorded.

(e) Election of a treasurer who shall keep the financial records and books of account.

(f) Maintenance, repair and replacement of the common areas and facilities and payments therefor, including the method of approving payment vouchers.

(g) Manner of collecting from the apartment owners their share of the common expenses.

(h) Designation and removal of personnel necessary for the maintenance, repair and replacement of the common areas and facilities.

(i) Method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the common areas and facilities.

(j) Such restrictions on and requirements respecting the use and maintenance of the apartments and the use of the common areas and facilities, not set forth in the declaration, as are designed to prevent unreasonable interference with the use of their respective apartments and of the common areas and facilities by the several apartment owners.

(k) The percentage of votes required to amend the bylaws.

(l) Other provisions as may be deemed necessary for the administration of the property consistent with this act.

Sec. 24. On and after January 1, 2011, K.S.A. 58-3120 is hereby amended to read as follows: 58-3120. The manager or board of directors, as the case may be, shall keep detailed, accurate records in chronological order, of receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the apartment owners at convenient hours of week days, *pursuant to the rights and limitations of section 15, and amendments thereto.*

New Sec. 25. (a) As used in this section:

(1) “Municipality” means any city or county.

(2) “Residential structure” means any improvement to real property to be used or occupied as a single-family dwelling or multi-family dwelling of two attached living units or less or any manufactured home.

(b) On and after July 1, 2010, no municipality shall adopt or enforce any ordinance, order, code, standard or rule requiring the installation of a multi-purpose residential fire protection sprinkler system or any other fire sprinkler protection system in any residential structure. Nothing in this section shall prohibit any person from voluntarily installing a multi-purpose residential fire protection sprinkler system or any other fire sprinkler protection system in a residential structure.

(c) The provisions of this section shall expire on July 1, 2011.

Sec. 26. K.S.A. 2009 Supp. 12-1750 is hereby amended to read as follows: 12-1750. As used in this act:

(a) “Structure” means any building, wall or other structure.

(b) “Enforcing officer” means the building inspector or other officer designated by ordinance and charged with the administration of the provisions of this act.

(c) “Abandoned property” means any residential real estate for which taxes are delinquent for the preceding two years and which has been unoccupied continuously by persons legally in possession for the preceding ~~180~~ 90 days.

(d) “Organization” means any nonprofit corporation organized under the laws of this state and which has among its purposes the improvement of housing.

(e) “Rehabilitation” means the process of improving the property into compliance with applicable fire, housing and building codes.

(f) “Parties in interest” means any owner or owners of record, judgment creditor, tax purchaser or other party having any legal or equitable title or interest in the property.

(g) “Last known address” includes the address where the property is located, or the address as listed in the tax records.

Sec. 27. K.S.A. 2009 Supp. 12-1756a is hereby amended to read as follows: 12-1756a. (a) An organization may file a petition with the district court for an order for temporary possession of property if:

(1) The property meets the definition of abandoned as set forth in K.S.A. 12-1750, and amendments thereto;

(2) the organization intends to rehabilitate the property and use the property as housing; and

(3) the organization has sent notice to the enforcing officer and the parties in interest of the property, by certified or registered mail, mailed to their last known address and posted on the property at least 20 days but not more than 60 days before the date the petition is filed, of the organization’s intent to file a petition for possession under K.S.A. 12-1750 through 12-1756e, and amendments thereto.

(b) The proceeding shall be commenced by filing a verified petition in the district court in the county in which the property is located. The petition shall state that the conditions specified in subsection (a) exist. All parties in interest of the property shall be named as defendants in the petition. Summons shall be issued and service shall be made pursuant to K.S.A. 60-303, and amendments thereto. Service may be made by publication if the organization with due diligence is unable to make service

of summons upon a defendant pursuant to subsection (a)(3) of K.S.A. 60-307, and amendments thereto.

(c) Any defendant may file as part of such defendant's answer, as an affirmative defense, a plan for the rehabilitation of the property and evidence of capacity and resources necessary to complete rehabilitation of the property. The court shall grant the defendant 90 days to bring the property into compliance with applicable fire, housing and building codes and to pay all delinquent ad valorem property tax. For good cause shown, the court may extend the ninety-day compliance period *for an additional 90 days*. If the property is brought into such compliance within the ninety-day period or extension of time thereof, the petition shall be dismissed. If the defendant fails to bring the property into such compliance within the ninety-day period or extension of time thereof, or if the defendant's plan is otherwise insufficient, the defendant's affirmative defense shall be stricken.

(d) At the hearing on the organization's petition, the organization shall submit to the court a plan for the rehabilitation of the property and present evidence that the organization has adequate resources to rehabilitate and thereafter manage the property. For the purpose of developing such a plan, representatives of the organization may be permitted entry onto the property by the court at such times and on such terms as the court may deem appropriate.

(e) The court shall make its own determination as to whether the property is in fact abandoned consistent with the terms of K.S.A. 12-1750 through 12-1756e, and amendments thereto.

(f) If the court approves the petition, the court shall enter an order approving the rehabilitation plan and granting temporary possession of the property to the organization. The organization, subject to court approval, may enter into leases or other agreements in relation to the property. Whether the court approves or denies the petition, the organization shall provide the governing body a copy of the order within 30 days of the organization's receipt or knowledge of such order.

Sec. 28. K.S.A. 2009 Supp. 12-1756g is hereby amended to read as follows: 12-1756g. Any person who purchases a house from an organization which has rehabilitated such house pursuant to K.S.A. 12-1750 et seq., and amendments thereto, shall agree to occupy such house for at least ~~three years~~ *two years* following the date of taking title to such property.

Sec. 29. K.S.A. 19-26,103 is hereby amended to read as follows: As used in K.S.A. 19-26,103 through 19-26,113:

(a) "County" means ~~Wyandotte~~ *any* county, ~~Kansas~~.

(b) "Board" means the board of trustees of the ~~Wyandotte~~ county land bank.

(c) "Bank" means the ~~Wyandotte~~ county land bank established pursuant to this act.

Sec. 30. K.S.A. 19-26,104 is hereby amended to read as follows: (a) The board of county commissioners ~~of Wyandotte county~~ may establish a county land bank by adoption of a resolution.

(b) The bank shall be governed by a board of trustees. The board of county commissioners ~~of Wyandotte county~~ may appoint the board. Commissioners may serve on or as the board of trustees. Vacancies on the board shall be filled by appointment for the unexpired term.

(c) The board of county commissioners may advance operating funds to the bank to pay expenses of the board of trustees and the bank. Members of the board of trustees shall receive no compensation, but shall be paid their actual and necessary expenses in attending meetings and in carrying out their duties as members of the board.

(d) The bank may be dissolved by resolution of the board of county commissioners. In such case, all property of the bank shall be transferred to and held by the board of county commissioners of the county and may be disposed of as otherwise provided by law.

Sec. 31. K.S.A. 19-26,103 and 19-26,104 and K.S.A. 2009 Supp. 12-1750, 12-1756a and 12-1756g are hereby repealed.

Sec. 32. On January 1, 2011, K.S.A. 58-3119 and 58-3120 and K.S.A. 2009 Supp. 58-3830 are hereby repealed.

Sec. 33. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.