

**SUBSTITUTE FOR  
HOUSE BILL NO. 4355**

A bill to amend 1978 PA 59, entitled  
"Condominium act,"  
by amending section 57 (MCL 559.157).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 57. (1) The books, records, ~~and contracts,~~ **AND FINANCIAL**  
2 **STATEMENTS** concerning the administration and operation of the  
3 condominium project shall be available for examination by any of  
4 the co-owners and their mortgagees at convenient times. ~~and all~~  
5 ~~books and records shall be audited or reviewed by independent~~  
6 ~~accountants annually. Such audits need not be certified.~~  
7           (2) **EXCEPT AS PROVIDED IN SUBSECTION (3), AN ASSOCIATION OF**  
8 **CO-OWNERS WITH ANNUAL REVENUES GREATER THAN \$20,000.00 SHALL ON AN**  
9 **ANNUAL BASIS HAVE ITS BOOKS, RECORDS, AND FINANCIAL STATEMENTS**  
10 **INDEPENDENTLY AUDITED OR REVIEWED BY A CERTIFIED PUBLIC ACCOUNTANT,**

House Bill No. 4355 (H-3) as amended June 4, 2013

1 AS DEFINED IN SECTION 720 OF THE OCCUPATIONAL CODE, 1980 PA 299,  
2 MCL 339.720. THE AUDIT OR REVIEW SHALL BE PERFORMED IN ACCORDANCE  
3 WITH THE STATEMENTS ON AUDITING STANDARDS OR THE STATEMENTS ON  
4 STANDARDS FOR ACCOUNTING AND REVIEW SERVICES, RESPECTIVELY, OF THE  
5 AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

6 (3) AN ASSOCIATION OF CO-OWNERS MAY OPT OUT OF THE  
7 REQUIREMENTS OF SUBSECTION (2) ON AN ANNUAL BASIS BY AN AFFIRMATIVE  
8 VOTE [OF A MAJORITY OF ITS MEMBERS BY ANY MEANS PERMITTED UNDER] THE  
ASSOCIATION'S BYLAWS.

9 Enacting section 1. This amendatory act takes effect on the  
10 expiration of 90 days after the date it is enacted into law.