

**SUBSTITUTE FOR
HOUSE BILL NO. 4919**

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending sections 60, 107, and 115 (MCL 559.160, 559.207, and
559.215), section 107 as amended by 2000 PA 379 and section 115 as
amended by 1982 PA 538.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 60. **(1)** Actions on behalf of and against the co-owners
2 shall be brought in the name of the association of co-owners. The
3 association of co-owners may assert, defend, or settle claims on
4 behalf of all co-owners in connection with the common elements **OR**
5 **THE ENFORCEMENT** of the condominium ~~project~~.**DOCUMENTS.**

6 **(2) THE BOARD OF DIRECTORS OF AN ASSOCIATION OF CO-OWNERS MAY**
7 **ASSERT, DEFEND, OR SETTLE CLAIMS ON BEHALF OF ALL CO-OWNERS IN**

1 CONNECTION WITH THE COMMON ELEMENTS OR THE ENFORCEMENT OF THE
2 CONDOMINIUM DOCUMENTS.

3 (3) SUBJECT TO SUBSECTION (4), THE ARTICLES OF INCORPORATION
4 FOR AN ASSOCIATION OF CO-OWNERS AND THE CONDOMINIUM DOCUMENTS SHALL
5 NOT RESTRICT THE POWER OF THE BOARD OF DIRECTORS GRANTED UNDER
6 SUBSECTION (2). ANY PROVISION IN THE ARTICLES OF INCORPORATION OR
7 THE CONDOMINIUM DOCUMENTS THAT REQUIRES A VOTE OF THE CO-OWNERS TO
8 AUTHORIZE THE BOARD OF DIRECTORS OF AN ASSOCIATION OF CO-OWNERS TO
9 INCUR LEGAL FEES AND COSTS IN THE EXERCISE OF THE POWER GRANTED
10 UNDER SUBSECTION (2) OR THAT OTHERWISE RESTRICTS THAT POWER IS
11 VOID.

12 (4) NOTWITHSTANDING SUBSECTIONS (2) AND (3), THE CONDOMINIUM
13 DOCUMENTS MAY REQUIRE THE BOARD OF DIRECTORS TO OBTAIN APPROVAL BY
14 A VOTE OF THE CO-OWNERS TO INITIATE LITIGATION AGAINST A DEVELOPER
15 OR SUCCESSOR DEVELOPER FOR MONEY DAMAGES. HOWEVER, THE CONDOMINIUM
16 DOCUMENTS SHALL NOT REQUIRE APPROVAL BY MORE THAN 2/3 OF ALL CO-
17 OWNERS THAT ARE ENTITLED TO VOTE FOR THE INITIATION OF SUCH
18 LITIGATION.

19 (5) ANY PROVISION IN THE CONDOMINIUM DOCUMENTS OR ARTICLES OF
20 INCORPORATION FOR AN ASSOCIATION OF CO-OWNERS THAT CONTRADICTS
21 SUBSECTION (3) OR (4) IS VOID UNLESS ALL OF THE FOLLOWING APPLY:

22 (A) THE PROVISION EXISTED BEFORE THE EFFECTIVE DATE OF THE
23 2016 AMENDATORY ACT THAT ADDED THIS SUBSECTION.

24 (B) WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE OF THE 2016
25 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE CONTINUATION OF THE
26 PROVISION IS APPROVED BY A VOTE OF 2/3 OF THE CO-OWNERS ENTITLED TO
27 VOTE.

1 **(C) A DECLARATION EVIDENCING THE RESULTS OF THE VOTE UNDER**
2 **SUBDIVISION (B) IS RECORDED.**

3 Sec. 107. A ~~SUBJECT TO SECTION 60, A~~ co-owner may maintain an
4 action against the association of co-owners ~~and its officers and~~
5 ~~directors to compel these persons to enforce~~ **THE ENFORCEMENT OF** the
6 terms and provisions of the condominium documents. In such a
7 proceeding, the association of co-owners or the co-owner, if
8 successful, shall recover the costs of the proceeding and
9 reasonable attorney fees, as determined by the court, to the extent
10 that the condominium documents expressly so provide. A co-owner may
11 maintain an action against any other co-owner for injunctive relief
12 or for damages or any combination thereof for noncompliance with
13 the terms and provisions of the condominium documents or this act.

14 Sec. 115. (1) A person or, **SUBJECT TO SECTION 60**, association
15 of co-owners adversely affected by a violation of or failure to
16 comply with this act, rules promulgated under this act, or any
17 provision of an agreement or a master deed may bring an action for
18 relief in a court of competent jurisdiction. The court may award
19 costs to the prevailing party.

20 (2) A developer who offers or sells a condominium unit in
21 violation of section 21 or 84a is liable to the person purchasing
22 the condominium unit for damages.

23 Enacting section 1. This amendatory act takes effect 90 days
24 after the date it is enacted into law.