

SECOND REGULAR SESSION

SENATE BILL NO. 1603

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

6746S.02I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 442, RSMo, by adding thereto seven new sections relating to homeowners associations.

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

Section A. Chapter 442, RSMo, is amended by adding thereto seven new sections, to be known as sections 442.621, 442.626, 442.631, 442.636, 442.641, 442.646, and 442.650, to read as follows:

442.621. Sections 442.621 to 442.646 shall be known and may be cited as the "Missouri Declaration and Bylaws Modernization Act".

442.626. 1. Sections 442.621 to 442.650 shall apply to all planned communities and all events and circumstances related to such planned communities occurring on and after January 1, 2027.

5. 2. Sections 442.621 to 442.650 shall not be construed to invalidate existing provisions of the declaration, bylaws, articles of incorporation, or plats of such planned communities.

442.631. As used in sections 442.621 to 442.650, the following terms mean:

3. (1) "Assessment", the sum attributable to each lot and 4. due to the association based upon the lot's common expense

5 liability or other moneys owed to the association under the
6 governing documents of the association.

7 (2) "Association", the lot owners' association;

8 (3) "Board of directors", the governing body,
9 regardless of name, that has the power to act on behalf of
10 the association as designated in the governing documents;

11 (4) "Bylaws", the written instruments, however
12 denominated, that contain the procedures for conduct of the
13 affairs of the association, regardless of the form in which
14 the association is organized, including any amendments to
15 the instrument;

16 (5) "Common ground", any real property, other than a
17 lot, that is within a planned community and that is owned or
18 leased by the association;

19 (6) "Declarant", a person or group of persons acting
20 in concert that:

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

24 (b) Reserves or succeeds to any declarant right;

25 (7) "Declaration", the instrument, however
26 denominated, that creates a planned community, including any
27 amendments to that instrument;

28 (8) "Governing documents", the declaration, articles
29 of incorporation, bylaws, and rules and regulations of the
30 association;

31 (9) "Lot", a physical portion of the planned community
32 designated for separate ownership or occupancy as depicted
33 on the plats of the planned community or as more
34 particularly described in a declaration;

35 (10) "Planned community", real property described in a
36 declaration that sets forth the duties and obligations of

37 the association and lot owners. For the purposes of
38 sections 442.621 to 442.650, no cooperative, timeshare, or
39 condominium is a planned community, except that a
40 cooperative, timeshare, or condominium may be part of a
41 planned community, or a declaration may expressly provide
42 that a cooperative, timeshare, or condominium shall be a
43 planned community subject to sections 442.621 to 442.650.

442.636. 1. The declaration and bylaws of an
2 association may be amended, provided that there is a simple
3 majority vote in favor of such amendment. Within ninety
4 days of distribution of a proposed amendment to a
5 declaration or bylaw, if an insufficient number of votes are
6 obtained to decide the question, the declaration or bylaw
7 may be amended if the association provides a notice to all
8 members containing a statement that the proposed amendment
9 would be deemed approved by the members unless one-quarter
10 of the votes of members in the association submit a vote to
11 reject the proposed amendment within sixty days of the date
12 of the notice with a copy of the proposed amendment.

13 2. The board of directors is authorized to amend the
14 declaration or bylaws without a vote of the members to
15 correct drafting, grammatical, cross reference mistakes, or
16 other technical errors.

17 3. No action to challenge the validity of an amendment
18 to the declaration may be brought more than one year after
19 the amendment to the declaration is recorded. No action to
20 challenge the validity of the amendment to the bylaws may be
21 brought more than six months after adoption of an amendment
22 to the bylaws.

23 4. If an association does not have separate adopted
24 bylaws, but such provisions are contained in a declaration,
25 the amendment process of the declaration shall govern, and

26 all provisions of the declaration shall remain valid and
27 enforceable.

442.641. 1. The board of directors shall adopt an
2 annual budget proposed for the consideration by the
3 members. No later than thirty days after the adoption of a
4 proposed budget, the board of directors shall provide to all
5 members a copy of the proposed budget including, but not
6 limited to, any reserves and a statement of the basis upon
7 which any reserves are calculated and funded.

2. At the same time as the copy of the proposed budget
9 is provided under this section, the board of directors shall
10 set a date at least fourteen days after but no later than
11 thirty days after providing the ratification of the budget.
12 Unless at such meeting a majority of all lot owners or any
13 larger number specified in the declaration reject the
14 budget, the budget shall be deemed ratified regardless of
15 whether a quorum is present. If a proposed budget is
16 rejected, the current budget shall continue until lot owners
17 ratify a subsequent budget.

442.646. No action to challenge an election or
2 appointment of a member to fill a vacancy to the board shall
3 be brought more than thirty days from the date of the
4 election or appointment.

442.650. In the absence of a board of directors, at
2 least ten percent of the members can call a special meeting
3 consistent with chapter 355 to conduct an election, and any
4 quorum requirement shall be suspended. The newly elected
5 board of directors shall be deemed to be the board of
6 directors of the association unless suit is filed within
7 sixty days of the election. In such event, a court of
8 competent supervision shall appoint a receiver with

9 **experience in management of an association during the**
10 **pendency of the case.**

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