Amend Senate File 493, as amended, passed, and reprinted by the Senate, as follows:

1. By striking everything after the enacting clause and inserting:

   <Section 1. NEW SECTION. 499A.1A Applicability.
   This chapter shall apply to cooperatives established under this chapter unless otherwise provided in chapter 499C.

Sec. 2. NEW SECTION. 499B.1A Applicability.
This chapter shall apply to horizontal property regimes established under this chapter unless otherwise provided in chapter 499C.

Sec. 3. Section 499B.15, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 4. NEW SECTION. 499B.21 Board of administration — meetings and records.
1. For horizontal property regimes with eight or more apartments, if the form of administration is a board of administration, the board of administration shall comply with the requirements of chapter 499C.

2. For horizontal property regimes with seven or less apartments, if the form of administration is a board of administration, the board of administration shall comply with the requirements of section 499C.401, subsection 2, and sections 499C.402 and 499C.403.

Sec. 5. NEW SECTION. 499C.101 Title.
This chapter shall be known and cited as the “Iowa Common Interest Ownership Act”.

Sec. 6. NEW SECTION. 499C.102 Public policy.
The general assembly declares that it is the public policy of the state that the management and affairs of common interest communities be conducted openly, and this chapter shall be construed to provide open access to the management of the common interest community to the unit owners.

Sec. 7. NEW SECTION. 499C.103 Definitions.
As used in this chapter, unless the context otherwise requires:
1. “Bylaws” means the instruments, however denominated, that contain the procedures for conducting the affairs of the unit owners association or the executive board regardless of the form in which the association is organized, including any amendments to such instruments.

2. “Common element” means:
   a. For a cooperative under chapter 499A or a horizontal property regime under chapter 499B, all portions of the common interest community other than the units.

b. For a planned community, any real estate within
the planned community which is owned or leased by the
unit owners association, other than a unit.

3. For all common interest communities, any other
interests in real estate for the benefit of unit owners
which are subject to the declaration.

3. a. “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,
or other units, or other real estate described in the
declaration. “Common interest community” includes
a cooperative under chapter 499A and a horizontal
property regime under chapter 499B.

b. Common interest community does not include:

(1) A covenant that requires the owners of separate
parcels of real estate to share costs or other
obligations related to a wall, driveway, well, or other
similar structure, unless all such owners consent in
writing to the creation of a common interest community.

(2) Real estate described in paragraph “a” if all
units are owned by a single unit owner.

4. “Declarant” means any person or group of persons
who, as the record title owner of real estate, by
a declaration, initially creates a common interest
community.

5. “Declaration” means the instrument, however
denominated, that creates a common interest community,
including any amendments to the instrument.

6. “Executive board” means the body, regardless of
name, designated in the declaration or bylaws to act on
behalf of the unit owners association.

7. “Planned community” means a common interest
community that is not a cooperative under chapter 499A
or a horizontal property regime under chapter 499B,
and includes property owner or homeowner associations.
However, a cooperative under chapter 499A or a
horizontal property regime under chapter 499B may be
part of a planned community.

8. “Rule” means a policy, guideline, restriction,
procedure, or regulation, however denominated, which is
not set forth in the declaration or bylaws.

9. “Unit” means a physical portion of the common
interest community designated for separate ownership or
occupancy or as otherwise defined in the statute under
which the common interest community is organized.

10. “Unit owner” means a declarant or other person
that owns a unit, but does not include a person
having an interest in a unit solely as security for
an obligation. In a horizontal property regime under
chapter 499B or a planned community, the declarant is
the owner of any unit created by the declaration. In
a cooperative under chapter 499A, the declarant is
the owner of any unit to which an interest has been
allocated until that unit has been conveyed to another
person.
11. "Unit owners association" means an association,
regardless of name, organized as a for-profit or
nonprofit corporation, trust, limited liability
company, partnership, unincorporated association,
or any other form of organization authorized by the
laws of this state, the membership of which consists
solely of unit owners except following termination
of the common interest community, at which time the
association shall consist of all former unit owners
entitled to distributions of proceeds or their heirs,
successors, or assigns.

Sec. 8. NEW SECTION. 499C.104 Variation by
agreement.
Except as expressly provided in this chapter,
the provisions of this chapter may not be varied
by agreement, and rights conferred by it may not be
waived.

Sec. 9. NEW SECTION. 499C.105 Applicability.
Unless otherwise provided by law:
1. This chapter applies to common interest
communities within this state having eight or more
units.
2. Any portion of a declaration, bylaws, covenant,
or other contractual provision existing prior to
July 1, 2012, that violates or is inconsistent with
this chapter is not enforceable. However, nothing in
this chapter shall be construed to invalidate other
provisions of the declaration, bylaws, plats, or plans
of those common interest communities established before
July 1, 2012.
3. The provisions of this chapter shall prevail
over any conflicting provision of law under which a
common interest community or unit owners association
is organized.

Sec. 10. NEW SECTION. 499C.201 Unit owners
association — executive board.
1. A unit owners association shall have an
executive board.
2. Except as otherwise provided in the declaration,
the bylaws, subsection 3 of this section, or provisions
of the statute under which the common interest
community is organized, an executive board acts on
behalf of the unit owners association.
3. An executive board shall not act on behalf of the unit owners association to amend the declaration, to terminate the common interest community, to elect members of the executive board, or determine the qualifications, powers and duties, or terms of office of executive board members. An executive board may fill vacancies in its membership for the unexpired portion of any term.

4. A declaration may provide for a period of declarant control of the unit owners association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and members of the executive board. For declarations filed on or after July 1, 2012, a period of declarant control shall be clearly defined in the declaration.

Sec. 11. NEW SECTION. 499C.401 Meetings.

1. Meetings of a unit owners association, whether such association is incorporated or unincorporated, shall comply with all of the following:

a. A unit owners association shall hold a meeting of unit owners annually at a time, date, and place stated in or determined in accordance with the declaration or bylaws.

b. A unit owners association shall hold a special meeting of unit owners to address any matter affecting the unit owners association if the association’s president, a majority of the executive board, or an amount of unit owners comprising at least forty percent of all votes in the association, unless a different percentage is specified in the bylaws, request that the secretary call the meeting. If the unit owners association does not notify unit owners of a special meeting within thirty days after the required number of unit owners has requested the secretary to call a special meeting, the requesting members may directly notify all unit owners of the meeting. Only matters described in the meeting notice may be considered at a special meeting.

c. A unit owners association shall notify each unit owner of the time, date, and place of each annual and special unit owners meeting not less than ten days and not more than sixty days before the meeting date. Notice may be by any means described in section 499C.403. Each meeting notice shall state the time, date, and place of the meeting and the items on the agenda in a manner reasonably calculated to apprise the unit owners of that information, including but not limited to:

(1) A statement of the general nature of any proposed amendment to the declaration or bylaws.
(2) A statement describing any budget changes.
(3) Any proposal to remove an officer or member of
the executive board.

d. The requirements relating to the timing of
meeting notices under paragraph "c" may be reduced or
waived for a meeting called to address an emergency. A
meeting called to address an emergency shall be limited
to matters arising out of the emergency.
e. Each unit owner shall be given a reasonable
opportunity at any meeting to comment on any matter
affecting the common interest community or the unit
owners association.
f. The declaration or bylaws may allow for meetings
of unit owners to be conducted by telephonic, video, or
other conferencing method, if such method is consistent
with subsection 2, paragraph "g".

2. Meetings of the executive board and committees
of the unit owners association, authorized to act for
the unit owners association, shall comply with all of
the following:

a. Meetings shall be open to the unit owners except
during executive sessions. The executive board and
committees of the unit owners association may hold an
executive session only during a regular or special
meeting of the board or the committee. No final
vote or final action may be taken during an executive
session. An executive session may only be held for the
following reasons:

(1) To consult with the unit owners association’s
attorney concerning legal matters governed by
attorney-client privilege.
(2) To discuss existing or potential litigation or
mediation, arbitration, or governmental administrative
proceedings.
(3) To discuss matters relating to the job
performance, compensation, or health records of an
individual employee or specific complaints against an
individual employee of the unit owners association or
against an independent contractor employed by the unit
owners association.
(4) To discuss contracts, leases, and other
commercial transactions for goods or services that are
under negotiation, including the review of bids or
proposals, if public disclosure of such matters would
place the unit owners association at a disadvantage.
(5) To discuss personal, health, or financial
information relating to a unit owner, a specific
employee of the unit owners association, or a specific
employee of an independent contractor retained by the
unit owners association, including any records of the
1 unit owners association relating to such information.

2 b. For purposes of this section, a gathering of
3 board members at which the board members do not conduct
4 unit owners association business is not a meeting of
5 the executive board. Executive board members shall not
6 use incidental or social gatherings of board members
7 or any other method to evade the meeting and notice
8 requirements of this section.
9 c. During a period of declarant control, the
10 executive board shall meet at least one time each
11 year. At least one of the meetings shall be held at
12 the common interest community or at a place convenient
13 to the unit owners of the common interest community.
14 After termination of the period of declarant control,
15 all executive board meetings shall be at the common
16 interest community or at a place convenient to the unit
17 owners of the common interest community unless the unit
18 owners amend the bylaws to vary the location of such
19 meetings.
20 d. At each executive board meeting, the executive
21 board shall provide a reasonable opportunity for unit
22 owners to comment on any matter affecting the common
23 interest community and the unit owners association.
24 e. Unless the meeting is included in a schedule
25 given to the unit owners or the meeting is called to
26 address an emergency, the secretary or other officer
27 specified in the bylaws shall give notice of each
28 executive board meeting to each executive board member
29 and to each unit owner. Such notice shall be given at
30 least ten days before the meeting and shall state the
31 time, date, place, and agenda of the meeting.
32 f. If any materials are distributed to the
33 executive board before a meeting, the executive board,
34 upon receipt of the materials, shall make copies
35 reasonably available to unit owners, except that the
36 executive board is not required to make available
37 copies of unapproved minutes or materials that are to
38 be considered during an executive session.
39 g. Unless otherwise provided in the declaration or
40 bylaws, the executive board may conduct a meeting by
41 telephonic, video, or other conferencing method if all
42 of the following conditions are met:
43 (1) The meeting notice states the conferencing
44 method to be used and provides information explaining
45 how unit owners may participate in the conference
46 directly or by meeting at a central location or
47 conference connection.
48 (2) The process provides all unit owners the
49 opportunity to hear or perceive the discussion and to
50 comment on matters before the executive board.
h. Following termination of the period of declarant control, unit owners may amend the bylaws to vary the procedures for meetings described in paragraph "g".

i. In lieu of a meeting, the executive board may act by unanimous consent if such action is documented in a record authenticated by all executive board members. The secretary shall give prompt notice to all unit owners of any action taken by unanimous consent.

After termination of the period of declarant control, an executive board may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a meeting of the executive board.

j. Unless otherwise restricted by this chapter or the common interest community’s bylaws, an executive board may determine rules of procedure for the executive board.

k. An executive board may remove any person from a meeting of the executive board upon a finding by a majority of the board members that the person is being disruptive to the meeting. An executive board may bar any person from meetings of the executive board or other meetings of the common interest community for a period of up to one year if the person has been twice removed from a meeting within the preceding twelve months.

I. An action by an executive board that is not in compliance with this section is valid unless invalidated by a court. A challenge to the validity of an action of the executive board for failure to comply with this section shall not be brought more than sixty days after the minutes of the executive board 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.

Sec. 12. NEW SECTION. 499C.402 Association records.

1. A unit owners association shall retain all of the following:

a. Detailed records of receipts and expenditures relating to the operation and administration of the unit owners association and other appropriate accounting records.

b. Minutes of all unit owners meetings and executive board meetings, a record of all actions taken by the unit owners or the executive board without a meeting, and a record of all actions taken by a committee in place of the executive board on behalf of the unit owners association. The minutes retained by the unit owners association shall indicate the date, time, and place of the meeting, the names of all
persons present at the meeting, and each action taken
at the meeting. The minutes shall also include the
results of each vote taken at the meeting, including
information indicating the vote of each executive
board member present at the meeting. The vote of each
executive board member present shall be made public at
the open session.

c. The names of all unit owners in a form that
permits preparation of a list of the names of all
owners and the regular mail or electronic mail address
at which the unit owners association communicates
with them, and the number of votes each unit owner is
titled to cast.
d. The unit owner's association's original and
amended organizational documents, bylaws, including all
amendments to the bylaws, and all rules of the common
interest community currently in effect.
e. All financial statements and tax returns of the
unit owner's association for the past three years.
f. A list of the names and addresses of the current
executive board members and officers.
g. The unit association's most recent annual report
delivered to the secretary of state, if applicable.
h. Copies of each contract to which the unit owner's
association is currently a party.
i. Records of executive board or committee actions
relating to requests for design or architectural
approval from unit owners.
j. Ballots, proxies, and other records related to
voting by unit owners for one year after the election,
action, or vote.

2. Except as provided under subsections 3 and
4, all records retained by a unit owners association
must be available for examination and copying by a
unit owner or the unit owner's authorized agent during
reasonable business hours or at a mutually convenient
time and location upon providing a five days' notice
that reasonably identifies the specific records that
are being requested.

3. Records retained by a unit owners association
may be withheld from inspection and copying to the
extent that they concern:
a. Personally identifiable information, salary, and
medical records relating to specific individuals.
b. Information relating to contracts, leases, and
other commercial transactions to purchase or provide
goods or services, currently under negotiation.
c. Information relating to existing or potential
litigation, mediation, arbitration, or governmental
administrative proceedings.
d. Information relating to existing or potential matters involving governmental administrative proceedings or other proceedings before a government tribunal for enforcement of the declaration, bylaws, or rules.

e. Communications with the unit owners association attorney which are otherwise protected by the attorney-client privilege or the attorney work-product doctrine.

f. Information that if disclosed would violate another provision of law.

g. Records of an executive session of the executive board. However, upon the completion of a matter that is the subject of an executive session held under section 499C.401, subsection 2, paragraph "a", subparagraphs (1) through (4), such records of the executive session shall be available for inspection as provided in this section.

h. Records directly related to the personal, health, or financial information of a unit owner, if the person requesting the records is not the unit owner that is the subject of the records.

4. A unit owners association may charge a reasonable fee for providing copies of any records under this section and for supervising the inspection of such records.

5. The right to inspect records under this section includes the right to copy records by photocopying or other means including copies through an electronic transmission, if available, upon request of the requester.

6. A unit owners association is not obligated to compile or synthesize information or records under this section.

7. Information or records obtained under this section shall not be used for commercial purposes.

Sec. 13. NEW SECTION. 499C.403 Notice to unit owners.

1. A unit owners association or an executive board, as applicable, shall deliver each notice required to be given by the association or board under this chapter to the regular mail address or electronic mail address provided by each unit owner. If a regular mail address or electronic mail address is not provided by the unit owner, the notice may be delivered using any of the following methods:

a. Hand delivery to the unit owner.

b. Mailing by regular mail or certified mail, as defined in section 618.15, to the address of the unit.

c. Any other method reasonably calculated to
provide notice to the unit owner.

2. The ineffectiveness of a good-faith effort to deliver notice under subsection 1 does not invalidate an action taken at a meeting or an action taken by other means.

Sec. 14. NEW SECTION. 499C.501 Cause of action — attorney fees.

A declarant, unit owners association, unit owner, or any other person subject to this chapter may bring an action to enforce a right granted or obligation imposed by this chapter, the declaration, or the bylaws. In any action brought under this chapter, the court may award reasonable attorney fees to the prevailing party.>

COMMITTEE ON JUDICIARY
ANDERSON of Page, Chairperson