HOUSE FILE 594 BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 350)

A BILL FOR

- 1 An Act relating to the rights of members of a residential
- 2 cooperative, owners of a condominium, or owners of certain
- 3 other residential property.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. <u>NEW SECTION</u>. 335.26 Display of American flag
2 or campaign signs.

A regulation or restriction pertaining to the use of residential property that prohibits the display of the American flag or the display of a political sign within six weeks of the day of an election, is void as against the public policy of this state and shall not be given legal or equitable effect. Sec. 2. Section 499A.2A, Code 2011, is amended to read as follows:

10 499A.2A Bylaws.

11 <u>1.</u> The initial bylaws of the cooperative shall be adopted by 12 the cooperative's board of directors. Prior to the admission 13 of members to the cooperative, the power to alter, amend, or 14 repeal the bylaws or adopt new bylaws is vested in the board 15 of directors. Following the admission of members to the 16 cooperative, the power to alter, amend, or repeal the bylaws or 17 adopt new bylaws is vested in the members in accordance with 18 the method set forth in the bylaws.

19 <u>2.</u> The bylaws may contain any provisions for the 20 regulation and management of the affairs of the cooperative 21 not inconsistent with law or the articles of incorporation. 22 However, the bylaws must provide for:

23 1. <u>a.</u> The number of members of the board of directors and 24 the term of the members.

25 2. b. The election of a president, vice president,
26 treasurer, and secretary by the board of directors.

27 3. c. The qualifications, powers and duties, terms of
28 office, and manner of electing and removing board members and
29 officers and filling vacancies of such members.

30 4. d. The method of amending the bylaws.

31 <u>3. The bylaws shall not prohibit or restrict a member from:</u> 32 <u>a. Displaying the flag of the United States on residential</u> 33 <u>property in which the member has a separate ownership interest</u> 34 or a right to exclusive possession or use.

35 b. Displaying political signs for six weeks prior to the day

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1 of an election.

2 Sec. 3. Section 499B.15, Code 2011, is amended to read as 3 follows:

4 499B.15 Contents of bylaws.

5 <u>1.</u> The bylaws must provide for at least the following:
6 <u>1.</u> <u>a.</u> The form of administration, indicating whether
7 this shall be in charge of an administrator or of a board of
8 administration, or otherwise, and specifying the powers, manner
9 of removal, and, where proper, the compensation thereof.

2. b. If the form of administration is a board of 10 11 administration, board meetings must be open to all apartment 12 owners except for meetings between the board and its attorney 13 with respect to proposed or pending litigation where the 14 contents of the discussion would otherwise be governed by 15 the attorney-client privilege. Notice of each board meeting 16 must be mailed or delivered to each apartment owner at least 17 seven days before the meeting. Minutes of meetings of the 18 board of administration must be maintained in written form 19 or in another form that can be converted into written form 20 within a reasonable time. The official records of the board 21 of administration must be open to inspection and available for 22 photocopying at reasonable times and places. Any action taken 23 by a board of administration at a meeting that is in violation 24 of any of the provisions of this subsection is not valid or 25 enforceable.

26 3. <u>c.</u> Method of calling or summoning the co-owners 27 to assemble; what percentage, if other than a majority of 28 apartment owners, shall constitute a quorum; who is to preside 29 over the meeting and who will keep the minute book wherein the 30 resolutions shall be recorded.

31 <u>4.</u> <u>d.</u> Maintenance, repair, and replacement of the common 32 areas and facilities and payments therefor including the method 33 of approving payment vouchers.

34 5. <u>e.</u> Manner of collecting from the apartment owners their 35 share of the common expenses.

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6. <u>f.</u> Designation and removal of personnel necessary for
 2 the maintenance, repair, and replacement of the common areas
 3 and facilities.

4 7. g. The percentage of votes required to amend the bylaws.
5 2. The bylaws shall not prohibit or restrict an owner from:
6 a. Displaying the flag of the United States on residential
7 property in which the owner has a separate ownership interest
8 or a right to exclusive possession or use.

9 <u>b.</u> Displaying political signs for six weeks prior to the day 10 of an election.

11 Sec. 4. <u>NEW SECTION</u>. **558B.1** Display of American flag or 12 campaign signs.

13 A restriction, reservation, condition, exception, or 14 covenant in a subdivision plan, warranty deed, or other 15 instrument of or pertaining to the transfer, sale, lease, or 16 use of residential property that prohibits the display of the 17 American flag or the display of a political sign within six 18 weeks of the day of an election, is void as against the public 19 policy of this state and shall not be given legal or equitable 20 effect.

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EXPLANATION

This bill provides that a person whose residence is part of a cooperative or condominium, or whose residence is governed by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may by a restrictive covenant or other restrictive conditions may conditions may for six control. The person may also display political signs for six weeks prior to the day of an election.

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