

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 595

**PRINTER NO.** 627

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

February 23, 2017

**PRIME SPONSOR**

Representative R. Brown

**DESCRIPTION**

House Bill 595 amends Title 68 providing for alternative dispute resolutions to resolve disputes in condominiums, cooperatives and planned communities and authorizing the Bureau of Consumer Protection (Bureau) in the Office of Attorney General to investigate and mediate complaints regarding certain violations.

This legislation requires condominiums, cooperatives, and planned communities established after the effective date of this legislation to adopt alternative dispute resolution procedures in their bylaws.

It enables condominiums, cooperatives, and planned communities established on or before the effective date of this legislation to adopt alternative dispute resolution procedures in their bylaws.

Alternative dispute resolutions are limited to be utilized only when both parties agree to their use.

The criteria in which a complaint can be brought to the Bureau is expanded to include disputes regarding meetings, quorums, voting and proxies, and association records. If an alternative dispute resolution procedure is available, a complaint cannot be brought to the Bureau unless the dispute has exhausted the alternative dispute resolution procedures without resolution, or at least 100 days have passed since the alternative dispute resolution had been commenced having not reached a resolution.

A complaint is allowed to be filed immediately if no alternative dispute resolution is available under declaration, bylaws, rules or regulations or if the association refuses alternative dispute resolution procedures.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

This legislation expands the types of governance complaints that can be filed with the Bureau. It is the intention of the Office of Attorney General to allow for a one-year review once the changes in the legislation are implemented to evaluate the change in workload and determine if additional staff is necessary.

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If necessary, projected costs for each additional employee needed to execute the changes in the legislation would range from \$120,000 - \$170,000 annually and also include one-time costs of \$6,400 for office equipment and furniture.

Under current law, only complaints regarding financial documents or the refusal to release financial documents may be filed.