

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 977 Session of  
2007

INTRODUCED BY SCHRODER, CALTAGIRONE, CARROLL, CREIGHTON,  
MANDERINO, RAPP, RAYMOND, RUBLEY, STEIL AND THOMAS,  
APRIL 2, 2007

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 2, 2007

AN ACT

1 Amending Title 68 (Real and Personal Property) of the  
2 Pennsylvania Consolidated Statutes, further providing, in  
3 management of condominiums, cooperatives and planned  
4 communities, for quorums; and providing for management of  
5 substantial condominiums, substantial cooperatives and  
6 substantial planned communities.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 3309 of Title 68 of the Pennsylvania  
10 Consolidated Statutes is amended by adding a subsection to read:  
11 § 3309. Quorums.

12 \* \* \*

13 (c) Committees and commissions.--Unless the bylaws specify a  
14 different percentage, a quorum is deemed present throughout a  
15 meeting of a committee, commission or entity that is a  
16 subdivision of the executive board if at least 50% of the  
17 designated members of the committee, commission or entity are  
18 present at the beginning of the meeting.

19 Section 2. Section 3315(b)(2)(i) of Title 68 is amended to

1 read:

2 § 3315. Lien for assessments.

3 \* \* \*

4 (b) Priority of lien.--

5 \* \* \*

6 (2) Limited nondivestiture.--The association's lien for  
7 assessments shall be divested by a judicial sale of the unit:

8 (i) As to unpaid common expense assessments made  
9 under section 3314(b) (relating to assessments for common  
10 expenses) that come due during the six months immediately  
11 preceding the date of a judicial sale of a unit in an  
12 action to enforce collection of a lien against a unit[.]  
13 by a judicial sale, only to the extent that the six  
14 months' unpaid assessments are paid out of the proceeds  
15 of the sale.

16 \* \* \*

17 Section 3. Title 68 is amended by adding a section to read:

18 § 3321. Management of substantial condominiums.

19 (a) Scope.--

20 (1) A substantial condominium established after the  
21 effective date of this section shall adopt bylaws in  
22 compliance with the provisions of this section.

23 (2) A substantial condominium established on or before  
24 the effective date of this section may adopt bylaws in  
25 compliance with the provisions of this section.

26 (b) Unfair trade practice.--Notwithstanding the provisions  
27 of section 3113 (relating to remedies to be liberally  
28 administered), a violation of this subpart involving a  
29 substantial condominium that has not adopted bylaws in  
30 compliance with the provisions of this section shall constitute

an unfair trade practice, shall be deemed unlawful and may be enforced by the Attorney General.

(c) Mediation and arbitration.--

(1) The bylaws shall establish procedures for mediation and arbitration of disputes between:

(i) two or more unit owners; or

(ii) a unit owner and the association.

Mediation or arbitration shall be limited to disputes where all parties agree to either mediation or arbitration.

(2) Costs and fees associated with mediation, excluding attorney fees, shall be assessed equally against all parties to a dispute.

(3) Costs and fees associated with arbitration shall be assessed against all parties to a dispute at the discretion of the arbitrator.

(d) Meetings.--The bylaws shall, in addition to the provisions of section 3308 (relating to meetings), provide that:

(1) A meeting of the association, executive board or any committee, commission or entity that is a subdivision of the executive board, except an executive session under paragraph (4), shall be open to all unit owners and that an appropriate officer of the association shall provide notice as follows:

(i) Notice of an association meeting shall be provided pursuant to section 3308.

(ii) Notice of any other meeting, except an executive session under paragraph (4) or emergency meeting under paragraph (5), shall be provided as specified in the bylaws and shall, at a minimum, include the time and place of the meeting and the items on the agenda.

1 All official action shall be taken at a meeting under this  
2 paragraph or an emergency meeting under paragraph (5).

3 (2) (i) Except during an executive session under  
4 paragraph (4), written minutes shall be kept of any  
5 association or executive board meeting, including the  
6 time and date of the meeting, the number of unit owners  
7 in attendance, the substance of all official actions  
8 taken at the meeting and a record of votes on official  
9 action by individual executive board members or officers.

10 (ii) Approved minutes of any association or  
11 executive board meeting, except executive sessions under  
12 paragraph (4), shall be made reasonably available for  
13 examination by any unit owner and authorized agents no  
14 later than 45 days after the meeting or 15 days after a  
15 subsequent association or board meeting, whichever is  
16 greater.

17 (3) All unit owners shall be provided at any meeting,  
18 except an executive session under paragraph (4), with a  
19 reasonable opportunity to comment on matters of concern,  
20 deliberation or official action which are or may be under  
21 consideration at that meeting.

22 (4) (i) The executive board may exclude unit owners  
23 from an executive session. An executive session shall  
24 only be convened during an open meeting under paragraph  
25 (1) or (5) upon an affirmative vote of a majority of the  
26 members of the executive board in attendance at the open  
27 meeting.

28 (ii) An executive session may be held for any of the  
29 following reasons, which reason shall be announced at the  
30 open meeting prior to the executive session:

1           (A) To discuss any matter involving the  
2           employment, termination of employment, terms and  
3           conditions of employment, evaluation of performance,  
4           promotion or disciplining of any specific prospective  
5           employee or current employee employed by the  
6           association, or former employee, provided, however,  
7           that the individual employees whose rights could be  
8           adversely affected may request in writing that the  
9           matter or matters be discussed at an open meeting.

10           (B) To consider the purchase or lease of real  
11           property up to the time an option to purchase or  
12           lease the real property is obtained or up to the time  
13           an agreement to purchase or lease such property is  
14           obtained if the agreement is obtained directly  
15           without an option.

16           (C) To consult with its attorney or other  
17           professional advisor regarding any information or  
18           strategy in connection with litigation or with an  
19           issue on which an identifiable complaint is expected  
20           to be filed.

21           (D) To review and discuss business which, if  
22           conducted in public, would violate a lawful privilege  
23           or lead to the disclosure of information or  
24           confidentiality protected by law.

25           (iii) Official action on discussion held at an  
26           executive session shall be taken at an open meeting, and  
27           no executive session shall be used as a subterfuge to  
28           defeat the purposes of paragraph (1) or (5).

29           (iv) The provisions of this paragraph shall not  
30           apply to any meeting involving the appointment or

1       selection of any person to fill a vacancy in the  
2       executive board.

3       (5) (i) The executive board may call an emergency  
4       meeting for the purpose of dealing with a real or  
5       potential emergency.

6           (ii) An emergency meeting shall be open to unit  
7       owners and shall be subject to the requirements of  
8       paragraphs (2) and (3).

9           (iii) The bylaws shall specify which member of the  
10       association's executive board shall provide notice of any  
11       emergency meeting and shall further specify the means and  
12       methods of providing such notice.

13       (6) The bylaws shall provide for rules of order to  
14       govern meetings under paragraphs (1) and (5). The rules may  
15       not be made to violate the intent of this section.

16       (e) Executive board proxies.--The bylaws shall, in addition  
17       to the provisions of section 3310 (relating to voting; proxies),  
18       provide that no vote may be cast pursuant to a proxy during a  
19       vote of the executive board.

20       (f) Records.--The bylaws shall, in addition to the  
21       provisions of section 3316 (relating to association records),  
22       provide that:

23           (1) The association shall keep detailed records of its  
24       operation and administration, including financial records as  
25       provided in section 3316.

26           (2) (i) Books and records kept by or on behalf of an  
27       association shall be available for examination and  
28       copying by any unit owner or the unit owner's authorized  
29       agent. This right of examination may be exercised only  
30       during reasonable business hours or at a time and

1 location mutually convenient to the association and the  
2 unit owner and may not be exercised in bad faith or for  
3 any improper purpose, such as to harass another.

4 (ii) Books and records kept by or on behalf of an  
5 association may be withheld from inspection to the extent  
6 they concern any of the following:

7 (A) Personnel records.

8 (B) An individual's medical records.

9 (C) Records relating to business transactions  
10 that are currently in negotiation.

11 (D) Privileged communications with legal  
12 counsel.

13 (E) Complaints against a unit owner.

14 (F) Records of executive sessions under  
15 subsection (d)(4).

16 (G) Information which, if disclosed, would  
17 constitute an unwarranted invasion of privacy under  
18 Federal or State law.

19 (iii) The association may impose and collect a  
20 charge reflecting the actual costs of materials and labor  
21 prior to providing copies of any books and records under  
22 this paragraph.

23 (g) Election of executive board members.--

24 (1) The bylaws shall, in addition to the provisions of  
25 sections 3303 (relating to executive board members and  
26 officers) and 3306(a)(3) (relating to bylaws), provide that  
27 candidates for election to the executive board may be  
28 nominated from the floor of membership meetings by any unit  
29 owner.

30 (2) Bylaws adopted in compliance with the provisions of

this subsection shall not apply to the appointment of members of the executive board by the declarant or persons designated by the declarant.

(h) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Executive session." A meeting of the executive board from which unit owners may be excluded under subsection (d)(4).

"Meeting." A prearranged gathering held for the purpose of deliberating association business or taking official action of:

(1) an association, which is attended or participated in by a quorum of unit owners;

(2) an executive board, which is attended or participated in by a quorum of the executive board; or

(3) any committee, commission or entity that is a subdivision of the executive board of the association, which is attended or participated in by a quorum of the committee, commission or entity.

"Official action." Any of the following:

(1) The establishment of policy by an association.

(2) A decision on association business made by an association.

(3) A vote taken by an association, executive board or any committee, commission or entity that is a subdivision of the executive board of an association on any proposal, resolution, rule, regulation or report.

"Substantial condominium." A condominium consisting of more than 12 units created before, on or after the effective date of this section. The term shall not include a condominium in which all units are restricted exclusively to nonresidential use.



Section 4. Section 4309 of Title 68 is amended by adding a subsection to read:

§ 4309. Quorums.

\* \* \*

(c) Committees and commissions.--Unless the bylaws specify a different percentage, a quorum is deemed present throughout a meeting of a committee, commission or entity that is a subdivision of the executive board if at least 50% of the designated members of the committee, commission or entity are present at the beginning of the meeting.

Section 5. Title 68 is amended by adding a section to read:

§ 4322. Management of substantial cooperatives.

(a) Scope.--

(1) A substantial cooperative established after the effective date of this section shall adopt bylaws in compliance with the provisions of this section.

(2) A substantial cooperative established on or before the effective date of this section may adopt bylaws in compliance with the provisions of this section.

(b) Unfair trade practice.--Notwithstanding the provisions of section 4113 (relating to remedies to be liberally administered), a violation of this subpart involving a substantial cooperative that has not adopted bylaws in compliance with the provisions of this section shall constitute an unfair trade practice, shall be deemed unlawful and may be enforced by the Attorney General.

(c) Mediation and arbitration.--

(1) The bylaws shall establish procedures for mediation and arbitration of disputes between:

(i) two or more proprietary lessees; or

1           (ii) a proprietary lessee and the association.

2       Mediation or arbitration shall be limited to disputes where  
3       all parties agree to either mediation or arbitration.

4           (2) Costs and fees associated with mediation, excluding  
5       attorney fees, shall be assessed equally against all parties  
6       to a dispute.

7           (3) Costs and fees associated with arbitration shall be  
8       assessed against all parties to a dispute at the discretion  
9       of the arbitrator.

10       (d) Meetings.--The bylaws shall, in addition to the  
11       provisions of section 4308 (relating to meetings), provide that:

12           (1) A meeting of the association, executive board or any  
13       committee, commission or entity that is a subdivision of the  
14       executive board, except an executive session under paragraph  
15       (4), shall be open to all proprietary lessees and that an  
16       appropriate officer of the association shall provide notice  
17       as follows:

18           (i) Notice of an association meeting shall be  
19       provided pursuant to section 4308.

20           (ii) Notice of any other meeting, except an  
21       executive session under paragraph (4) or emergency  
22       meeting under paragraph (5), shall be provided as  
23       specified in the bylaws and shall, at a minimum, include  
24       the time and place of the meeting and the items on the  
25       agenda.

26       All official action shall be taken at a meeting under this  
27       paragraph or an emergency meeting under paragraph (5).

28           (2) (i) Except during an executive session under  
29       paragraph (4), written minutes shall be kept of any  
30       association or executive board meeting, including the

1 time and date of the meeting, the number of proprietary  
2 lessees in attendance, the substance of all official  
3 actions taken at the meeting and a record of votes on  
4 official action by individual executive board members or  
5 officers.

6 (ii) Approved minutes of any association or  
7 executive board meeting, except executive sessions under  
8 paragraph (4), shall be made reasonably available for  
9 examination by any proprietary lessees and authorized  
10 agents no later than 45 days after the meeting or 15 days  
11 after a subsequent association or board meeting,  
12 whichever is greater.

13 (3) All proprietary lessees shall be provided at any  
14 meeting, except an executive session under paragraph (4),  
15 with a reasonable opportunity to comment on matters of  
16 concern, deliberation or official action which are or may be  
17 under consideration at that meeting.

18 (4) (i) The executive board may exclude proprietary  
19 lessees from an executive session. An executive session  
20 shall only be convened during an open meeting under  
21 paragraph (1) or (5) upon an affirmative vote of a  
22 majority of the members of the executive board in  
23 attendance at the open meeting.

24 (ii) An executive session may be held for any of the  
25 following reasons, which reason shall be announced at the  
26 open meeting prior to the executive session:

27 (A) To discuss any matter involving the  
28 employment, termination of employment, terms and  
29 conditions of employment, evaluation of performance,  
30 promotion or disciplining of any specific prospective

1           employee or current employee employed by the  
2           association, or former employee, provided, however,  
3           that the individual employees whose rights could be  
4           adversely affected may request in writing that the  
5           matter or matters be discussed at an open meeting.

6           (B) To consider the purchase or lease of real  
7           property up to the time an option to purchase or  
8           lease the real property is obtained or up to the time  
9           an agreement to purchase or lease such property is  
10          obtained if the agreement is obtained directly  
11          without an option.

12          (C) To consult with its attorney or other  
13          professional advisor regarding any information or  
14          strategy in connection with litigation or with an  
15          issue on which an identifiable complaint is expected  
16          to be filed.

17          (D) To review and discuss business which, if  
18          conducted in public, would violate a lawful privilege  
19          or lead to the disclosure of information or  
20          confidentiality protected by law.

21          (iii) Official action on discussion held at an  
22          executive session shall be taken at an open meeting, and  
23          no executive session shall be used as a subterfuge to  
24          defeat the purposes of paragraph (1) or (5).

25          (iv) The provisions of this paragraph shall not  
26          apply to any meeting involving the appointment or  
27          selection of any person to fill a vacancy in the  
28          executive board.

29          (5) (i) The executive board may call an emergency  
30          meeting for the purpose of dealing with a real or

1       potential emergency.

2           (ii) An emergency meeting shall be open to  
3       proprietary lessees and shall be subject to the  
4       requirements of paragraphs (2) and (3).

5           (iii) The bylaws shall specify which member of the  
6       association's executive board shall provide notice of any  
7       emergency meeting and shall further specify the means and  
8       methods of providing such notice.

9       (6) The bylaws shall provide for rules of order to  
10      govern meetings under paragraphs (1) and (5). The rules may  
11      not be made to violate the intent of this section.

12      (e) Executive board proxies.--The bylaws shall, in addition  
13      to the provisions of section 4310 (relating to voting; proxies),  
14      provide that no vote may be cast pursuant to a proxy during a  
15      vote of the executive board.

16      (f) Records.--The bylaws shall, in addition to the  
17      provisions of section 4317 (relating to association records),  
18      provide that:

19           (1) The association shall keep detailed records of its  
20      operation and administration, including financial records as  
21      provided in section 4317.

22           (2) (i) Books and records kept by or on behalf of an  
23      association shall be available for examination and  
24      copying by any proprietary lessee or the proprietary  
25      lessee's authorized agent. This right of examination may  
26      be exercised only during reasonable business hours or at  
27      a time and location mutually convenient to the  
28      association and the proprietary lessee and may not be  
29      exercised in bad faith or for any improper purpose such  
30      as to harass another.

1           (ii) Books and records kept by or on behalf of an  
2           association may be withheld from inspection to the extent  
3           they concern any of the following:

4                   (A) Personnel records.

5                   (B) An individual's medical records.

6                   (C) Records relating to business transactions  
7                   that are currently in negotiation.

8                   (D) Privileged communications with legal  
9                   counsel.

10                   (E) Complaints against a proprietary lessee.

11                   (F) Records of executive sessions under  
12                   subsection (d)(4).

13                   (G) Information which, if disclosed, would  
14                   constitute an unwarranted invasion of privacy under  
15                   Federal or State law.

16           (iii) The association may impose and collect a  
17           charge reflecting the actual costs of materials and labor  
18           prior to providing copies of any books and records under  
19           this paragraph.

20   (g) Election of executive board members.--

21           (1) The bylaws shall, in addition to the provisions of  
22           sections 4303 (relating to executive board members and  
23           officers) and 4306(a)(3) (relating to bylaws), provide that  
24           candidates for election to the executive board may be  
25           nominated from the floor of membership meetings by any  
26           proprietary lessee.

27           (2) Bylaws adopted in compliance with the provisions of  
28           this subsection shall not apply to the appointment of members  
29           of the executive board by the declarant or persons designated  
30           by the declarant.

1     (h) Definitions.--As used in this section, the following  
2     words and phrases shall have the meanings given to them in this  
3     subsection:

4     "Executive session." A meeting of the executive board from  
5     which proprietary lessees may be excluded under subsection  
6     (d)(4).

7     "Meeting." A prearranged gathering held for the purpose of  
8     deliberating association business or taking official action of:

9         (1) an association, which is attended or participated in  
10        by a quorum of proprietary lessees;

11        (2) an executive board, which is attended or  
12        participated in by a quorum of the executive board; or

13        (3) any committee, commission or entity that is a  
14        subdivision of the executive board of the association, which  
15        is attended or participated in by a quorum of the committee,  
16        commission or entity.

17     "Official action." Any of the following:

18         (1) The establishment of policy by an association.

19         (2) A decision on association business made by an  
20         association.

21         (3) A vote taken by an association, executive board or  
22         any committee, commission or entity that is a subdivision of  
23         the executive board of an association on any proposal,  
24         resolution, rule, regulation or report.

25     "Substantial cooperative." A cooperative consisting of more  
26     than 12 units created before, on or after the effective date of  
27     this section. The term shall not include a cooperative in which  
28     all units are restricted exclusively to nonresidential use.

29     Section 6. Section 5309 of Title 68 is amended by adding a  
30     subsection to read:

1 § 5309. Quorums.

2 \* \* \*

3 (c) Committees and commissions.--Unless the bylaws specify a  
4 different percentage, a quorum is deemed present throughout a  
5 meeting of a committee, commission or entity that is a  
6 subdivision of the executive board if at least 50% of the  
7 designated members of the committee, commission or entity are  
8 present at the beginning of the meeting.

9 Section 7. Title 68 is amended by adding a section to read:

10 § 5321. Management of substantial planned communities.

11 (a) Scope.--

12 (1) A substantial planned community established after  
13 the effective date of this section shall adopt bylaws in  
14 compliance with the provisions of this section.

15 (2) A substantial planned community established on or  
16 before the effective date of this section may adopt bylaws in  
17 compliance with the provisions of this section.

18 (b) Unfair trade practice.--Notwithstanding the provisions  
19 of section 5114 (relating to remedies to be liberally  
20 administered), a violation of this subpart involving a  
21 substantial planned community that has not adopted bylaws in  
22 compliance with the provisions of this section shall constitute  
23 an unfair trade practice, shall be deemed unlawful and may be  
24 enforced by the Attorney General.

25 (c) Mediation and arbitration.--

26 (1) The bylaws shall establish procedures for mediation  
27 and arbitration of disputes between:

28 (i) two or more unit owners; or

29 (ii) a unit owner and the association.

30 Mediation or arbitration shall be limited to disputes where



1 all parties agree to either mediation or arbitration.

2 (2) Costs and fees associated with mediation, excluding  
3 attorney fees, shall be assessed equally against all parties  
4 to a dispute.

5 (3) Costs and fees associated with arbitration shall be  
6 assessed against all parties to a dispute at the discretion  
7 of the arbitrator.

8 (d) Meetings.--The bylaws shall, in addition to the  
9 provisions of section 5308 (relating to meetings), provide that:

10 (1) A meeting of the association, executive board or any  
11 committee, commission or entity that is a subdivision of the  
12 executive board, except an executive session under paragraph  
13 (4), shall be open to all unit owners and that an appropriate  
14 officer of the association shall provide notice as follows:

15 (i) Notice of an association meeting shall be  
16 provided pursuant to section 5308.

17 (ii) Notice of any other meeting, except an  
18 executive session under paragraph (4) or emergency  
19 meeting under paragraph (5), shall be provided as  
20 specified in the bylaws and shall, at a minimum, include  
21 the time and place of the meeting and the items on the  
22 agenda.

23 All official action shall be taken at a meeting under this  
24 paragraph or an emergency meeting under paragraph (5).

25 (2) (i) Except during an executive session under  
26 paragraph (4), written minutes shall be kept of any  
27 association or executive board meeting, including the  
28 time and date of the meeting, the number of unit owners  
29 in attendance, the substance of all official actions  
30 taken at the meeting and a record of votes on official

1 action by individual executive board members or officers.

2 (ii) Approved minutes of any association or  
3 executive board meeting, except executive sessions under  
4 paragraph (4), shall be made reasonably available for  
5 examination by any unit owner and authorized agents no  
6 later than 45 days after the meeting or 15 days after a  
7 subsequent association or board meeting, whichever is  
8 greater.

9 (3) All unit owners shall be provided at any meeting,  
10 except an executive session under paragraph (4), with a  
11 reasonable opportunity to comment on matters of concern,  
12 deliberation or official action which are or may be under  
13 consideration at that meeting.

14 (4) (i) The executive board may exclude unit owners  
15 from an executive session. An executive session shall  
16 only be convened during an open meeting under paragraph  
17 (1) or (5) upon an affirmative vote of a majority of the  
18 members of the executive board in attendance at the open  
19 meeting.

20 (ii) An executive session may be held for any of the  
21 following reasons, which reason shall be announced at the  
22 open meeting prior to the executive session:

23 (A) To discuss any matter involving the  
24 employment, termination of employment, terms and  
25 conditions of employment, evaluation of performance,  
26 promotion or disciplining of any specific prospective  
27 employee or current employee employed by the  
28 association, or former employee, provided, however,  
29 that the individual employees whose rights could be  
30 adversely affected may request in writing that the

1           matter or matters be discussed at an open meeting.

2           (B) To consider the purchase or lease of real  
3           property up to the time an option to purchase or  
4           lease the real property is obtained or up to the time  
5           an agreement to purchase or lease such property is  
6           obtained if the agreement is obtained directly  
7           without an option.

8           (C) To consult with its attorney or other  
9           professional advisor regarding any information or  
10          strategy in connection with litigation or with an  
11          issue on which an identifiable complaint is expected  
12          to be filed.

13          (D) To review and discuss business which, if  
14          conducted in public, would violate a lawful privilege  
15          or lead to the disclosure of information or  
16          confidentiality protected by law.

17          (iii) Official action on discussion held at an  
18          executive session shall be taken at an open meeting and  
19          no executive session shall be used as a subterfuge to  
20          defeat the purposes of paragraph (1) or (5).

21          (iv) The provisions of this paragraph shall not  
22          apply to any meeting involving the appointment or  
23          selection of any person to fill a vacancy in the  
24          executive board.

25          (5) (i) The executive board may call an emergency  
26          meeting for the purpose of dealing with a real or  
27          potential emergency.

28          (ii) An emergency meeting shall be open to unit  
29          owners and shall be subject to the requirements of  
30          paragraphs (2) and (3).

1           (iii) The bylaws shall specify which member of the  
2           association's executive board shall provide notice of any  
3           emergency meeting and shall further specify the means and  
4           methods of providing such notice.

5           (6) The bylaws shall provide for rules of order to  
6           govern meetings under paragraphs (1) and (5). The rules may  
7           not be made to violate the intent of this section.

8           (e) Executive board proxies.--The bylaws shall, in addition  
9           to the provisions of section 5310 (relating to voting; proxies),  
10          provide that no vote may be cast pursuant to a proxy during a  
11          vote of the executive board.

12          (f) Records.--The bylaws shall, in addition to the  
13          provisions of section 5316 (relating to association records),  
14          provide that:

15           (1) The association shall keep detailed records of its  
16           operation and administration, including financial records as  
17           provided in section 5316(a).

18           (2) (i) Books and records kept by or on behalf of an  
19           association shall be available for examination and  
20           copying by any unit owner or the unit owner's authorized  
21           agent. This right of examination may be exercised only  
22           during reasonable business hours or at a time and  
23           location mutually convenient to the association and the  
24           unit owner and may not be exercised in bad faith or for  
25           any improper purpose, such as to harass another.

26           (ii) Books and records kept by or on behalf of an  
27           association may be withheld from inspection to the extent  
28           they concern any of the following:

29                   (A) Personnel records.

30                   (B) An individual's medical records.

1                   (C) Records relating to business transactions  
2                   that are currently in negotiation.

3                   (D) Privileged communications with legal  
4                   counsel.

5                   (E) Complaints against a unit owner.

6                   (F) Records of executive sessions under  
7                   subsection (d)(4).

8                   (G) Information which, if disclosed, would  
9                   constitute an unwarranted invasion of privacy under  
10                  Federal or State law.

11                  (iii) The association may impose and collect a  
12                  charge reflecting the actual costs of materials and labor  
13                  prior to providing copies of any books and records under  
14                  this paragraph.

15                  (g) Election of executive board members.--

16                  (1) The bylaws shall, in addition to the provisions of  
17                  sections 5303 (relating to executive board members and  
18                  officers) and 5306(a)(3) (relating to bylaws), provide that  
19                  candidates for election to the executive board may be  
20                  nominated from the floor of membership meetings by any unit  
21                  owner.

22                  (2) Bylaws adopted in compliance with the provisions of  
23                  this subsection shall not apply to the appointment of members  
24                  of the executive board by the declarant or persons designated  
25                  by the declarant.

26                  (h) Definitions.--As used in this section, the following  
27                  words and phrases shall have the meanings given to them in this  
28                  subsection:

29                  "Executive session." A meeting of the executive board from  
30                  which unit owners may be excluded under subsection (d)(4).

1     "Meeting." A prearranged gathering held for the purpose of  
2 deliberating association business or taking official action of:

3         (1) an association, which is attended or participated in  
4 by a quorum of unit owners;

5         (2) an executive board, which is attended or  
6 participated in by a quorum of the executive board; or

7         (3) any committee, commission or entity that is a  
8 subdivision of the executive board of the association, which  
9 is attended or participated in by a quorum of the committee,  
10 commission or entity.

11     "Official action." Any of the following:

12         (1) The establishment of policy by an association.

13         (2) A decision on association business made by an  
14 association.

15         (3) A vote taken by an association, executive board or  
16 any committee, commission or entity that is a subdivision of  
17 the executive board of an association on any proposal,  
18 resolution, rule, regulation or report.

19     "Substantial planned community." A planned community  
20 consisting of more than 12 units created before, on or after the  
21 effective date of this section. The term shall not include a  
22 planned community in which all units are restricted exclusively  
23 to nonresidential use.

24     Section 8. This act shall take effect in one year.