As Passed by the Senate

134th General Assembly

Regular Session 2021-2022

Sub. S. B. No. 61

Senators Blessing, Antonio

Cosponsors: Senators Maharath, Cirino, Craig, Fedor, Rulli, Thomas, Yuko

A BILL

То	amend sections 5311.05, 5311.08, 5311.081,	1
	5311.091, 5311.16, 5311.18, 5312.02, 5312.03,	2
	5312.05, 5312.06, 5312.07, and 5312.11 and to	3
	enact sections 5311.192 and 5312.16 of the	4
	Revised Code regarding condominiums and planned	5
	community properties.	6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5311.05, 5311.08, 5311.081,	7
5311.091, 5311.16, 5311.18, 5312.02, 5312.03, 5312.05, 5312.06,	8
5312.07, and 5312.11 be amended and sections 5311.192 and	9
5312.16 of the Revised Code be enacted to read as follows:	10
Sec. 5311.05. (A) A declaration submitting property to the	11
provisions of this chapter shall be signed and acknowledged by	12
the owner before a judge or clerk of a court of record, county	13
auditor, county engineer, notary public, or mayor, who shall	14
certify the acknowledgment and subscribe the certificate of	15
acknowledgment.	16
(B) A declaration shall contain all of the following:	17
(1) A legal description of the land or, for a water slip	18

sections 5311.031 to 5311.033 and 5311.04 of the Revised Code;

(7) A statement that each unit owner is a member of a unit

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option to expand;

(3)(a) The time at which the option to expand the	76
condominium development expires, which shall not exceed seven	77
years from the date the declaration is filed for record;	78
(b) A statement that the declarant may, during the six	79
months prior to the time that the option expires, extend the	80
option for an additional seven years with the consent of the	81
holders of a majority of the voting power of the unit owners	82
other than the declarant;	83
(c) A statement of any circumstances that will terminate	84
the option to expand prior to the time established pursuant to	85
division (C)(3)(a) or (b) of this section.	86
(4) A legal description of all additional property that,	87
through exercise of the option, may be submitted to the	88
provisions of this chapter and added to the condominium	89
property;	90
(5) A statement that specifies all of the following:	91
(a) Whether the addition of all or a particular portion of	92
the additional property is mandatory;	93
(b) If the addition of additional property is not	94
mandatory, whether all or a particular portion of the additional	95
property must be added if any other additional property is	96
added;	97
(c) Whether or not there are any limitations on portions	98
of additional property that may be added.	99
(6) A statement of whether portions of the additional	100
property may be added at different times and a statement that	101
sets forth any limitations on the addition of additional	102
property at different times, including the legal descriptions of	103

the boundaries of portions that may be added and specifications	104
on the order in which those portions may be added to the	105
condominium property or a statement that there are no	106
limitations on the addition of additional property;	107
(7) A statement of any limitations on the location of any	108
improvements that may be made on any portion of the additional	109
property added to the condominium property, or a statement that	110
there are no limitations of that kind;	111
(8) A statement of the maximum number of units that may be	112
created on the additional property. If portions of the	113
additional property may be added to the condominium property and	114
the boundaries of those portions are fixed in accordance with	115
division (C)(6) of this section, the declaration also shall	116
state the maximum number of units that may be created on each	117
portion added to the condominium property. If portions of the	118
additional property may be added to the condominium property and	119
the boundaries of those portions are not fixed in accordance	120
with division (C)(6) of this section, the declaration also shall	121
state the maximum number of units per acre that may be created	122
on any portion added to the condominium property.	123
(9) Except when the original condominium property	124
contained no units restricted to residential use, a statement of	125
the maximum percentage of the aggregate land area and the	126
maximum percentage of aggregate floor area that may be devoted	127
to units not restricted to residential use on any additional	128
property added to the condominium property;	129
(10) A statement of the extent to which any structures	130
erected on any portion of the additional property added to the	131
condominium property will be compatible with structures on the	132

submitted property in terms of quality of construction, the

appropriate in supplementing the requirements of division (C) of	162
this section;	163
(15) A statement that a successor owner of the condominium	164
property or of additional property added to the condominium	165
property who is not an affiliate of the developer and who is a	166
bona fide purchaser of the property for value, or a purchaser	167
who acquires the property at a sheriff's sale or by deed in lieu	168
of a foreclosure, is not liable in damages for harm caused by an	169
action or omission of the developer or a breach of an obligation	170
by the developer.	171
(D) The declaration for a leasehold condominium	172
development shall contain all of the following in addition to	173
the requirements of division (B) of this section:	174
(1) With respect to any ground lease or other leases, the	175
expiration or termination of which could terminate or reduce the	176
amount of condominium property, a statement setting forth the	177
county in which the lease is recorded and the volume and page of	178
the record;	179
(2) A statement setting forth the date upon which each	180
lease referred to in division (D)(1) of this section expires;	181
(3)(a) A statement of whether the unit owners own any land	182
or improvements of the condominium property in fee simple, and	183
if so, a description of the improvements and a legal description	184
of the land;	185
(b) A statement of any rights the unit owners have to	186
remove any improvements within a reasonable time after the	187
expiration or termination of any ninety-nine year lease, or a	188
statement that they have no rights of that nature.	189
(4) A statement of the rights that the unit owners have to	190

redeem the reversion or any of the reversions, or a statement	191
that they have no rights of that nature;	192
(5) A statement that, subsequent to the recording of the	193
declaration, no lessor who executed it and no successor in	194
interest to that lessor has any right or power to terminate any	195
part of the leasehold interest of any unit owner who makes	196
timely payment of the unit owner's share of the rent to the	197
person designated in the declaration for the receipt of that	198
rent and who otherwise complies with all covenants that, if	199
violated, entitle the lessor to terminate the lease.	200
(E)(1) Without a vote of the unit owners, the board of	201
directors may amend the declaration in any manner necessary for	202
any of the following purposes:	203
(a) To meet the requirements of institutional mortgagees,	204
guarantors and insurers of first mortgage loans, the federal	205
national mortgage association, the federal home loan mortgage	206
corporation, the federal housing administration, the veterans	207
administration, and similar institutions;	208
(b) To meet the requirements of insurance underwriters;	209
(c) To bring the declaration into compliance with this	210
chapter;	211
(d) To correct clerical or typographical errors or obvious	212
factual errors in the declaration or an exhibit to the	213
declaration;	214
(e) To designate a successor to the person named to	215
receive service of process for the unit owners association. If	216
the association is incorporated in this state, this may be	217
accomplished by filing with the secretary of state an	218
appropriate change of statutory agent designation;	219

(f) To permit notices to owners, as required by the	220
declaration or bylaws, to be sent by electronic mail and, if	221
returned undeliverable, by regular mail, provided the	222
association has received the prior, written authorization from	223
the owner;	224
(g) To delete as void, any provision within the	225
declaration or bylaws, or in any applicable restriction or	226
covenant, that prohibits or limits the conveyance, encumbrance,	227
rental, occupancy, or use of property subject to this chapter on	228
the basis of race, color, national origin, sex, religion, or	229
familial status.	230
(2) Division (E)(1) of this section applies to condominium	231
properties submitted to this chapter prior to, on, or after—the—	232
effective date of this amendment July 20, 2004.	233
(3) Any unit owner who is aggrieved by an amendment to the	234
declaration that the board of directors makes pursuant to	235
division (E)(1) of this section may commence a declaratory	236
judgment action to have the amendment declared invalid as	237
violative of division (E)(1) of this section. Any action filed	238
pursuant to division (E)(3) of this section shall be filed in	239
the appropriate court of common pleas within one year from the	240
date of the recordation of the amendment.	241
Sec. 5311.08. (A) (1) Every condominium property shall be	242
administered by a unit owners association. All power and	243
authority of the unit owners association shall be exercised by a	244
board of directors, which the unit owners shall elect from among	245
the unit owners or the spouses of unit owners. If a unit owner	246
is not an individual, that unit owner may nominate for the board	247
of directors any principal, member of a limited liability	248
company, partner, director, officer, or employee of that unit	249

owner. The majority of the board shall not consist of unit	250
owners or representatives from the same unit unless authorized	251
by a resolution adopted by the board of directors prior to the	252
board majority being comprised of owners or representatives from	253
the same unit.	254
(2) The board of directors shall elect a president,	255
secretary, treasurer, and other officers that the board may	256
desire.	257
(3) Unless otherwise provided in the declaration or the	258
bylaws, all meetings of the unit owners association are open to	259
the unit owners, and those present in person or by proxy when	260
action is taken during a meeting of the unit owners association	261
constitute a sufficient quorum.	262
(4)(a) A meeting of the board of directors may be held by	263
any method of communication, including electronic or telephonic	264
communication provided that each member of the board can hear,	265
participate, and respond to every other member of the board.	266
(b) In lieu of conducting a meeting, the board of	267
directors may take action with the unanimous written consent of	268
the members of the board. Those written consents shall be filed	269
with the minutes of the meetings of the board.	270
(B) The Except as provided in division (A)(1) of this	271
section, the unit owners association shall be governed by	272
bylaws. No modification of or amendment to the bylaws is valid	273
unless it is set forth in an amendment to the declaration, and	274
the amendment to the declaration is filed for record. Unless	275
otherwise provided by the declaration, the bylaws shall provide	276
for the following:	277
(1)(a) The election of the board of directors of the unit	278

owners association;	279
(b) The number of persons constituting the board;	280
(c) The terms of the directors, with not less than one-	281
fifth to expire annually;	282
(d) The powers and duties of the board;	283
(e) The compensation of the directors;	284
(f) The method of removal of directors from office;	285
(g) The election of officers of the board;	286
(h) Whether or not the services of a manager or managing	287
agent may be engaged.	288
(2) The time and place for holding meetings; the manner of	289
and authority for calling, giving notice of, and conducting	290
meetings; and the requirement, in terms of undivided interests	291
in the common elements, of a quorum for meetings of the unit	292
owners association;	293
(3) By whom and the procedure by which maintenance,	294
repair, and replacement of the common elements may be	295
authorized;	296
(4) The common expenses for which assessments may be made	297
and the manner of collecting from the unit owners their	298
respective shares of the common expenses;	299
(5) The method of distributing the common profits;	300
(6) By whom and the procedure by which administrative	301
rules governing the operation and use of the condominium	302
property or any portion of the property may be adopted and	303
amended. These rules may govern any aspect of the condominium	304
property that is not required to be governed by bylaws and may	305

include standards governing the type and nature of information	306
and documents that are subject to examination and copying by	307
unit owners pursuant to section 5311.091 of the Revised Code,	308
including the times and location at which items may be examined	309
or copied and any required fee for copying the information or	310
documents.	311

- (C) (1) The unit owners association shall be established not later than the date that the deed or other evidence of ownership is filed for record following the first sale of a condominium ownership interest in a condominium development.

 Membership in the unit owners association shall be limited to unit owners, and all unit owners shall be members. Until the unit owners association is established, the developer shall act in all instances in which action of the unit owners association or its officers is authorized or required by law or the declaration.
- (2) (a) Not later than sixty days after the developer has

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 sold and conveyed condominium ownership interests appertaining

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 to twenty-five per cent of the undivided interests in the common

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 elements in a condominium development, the unit owners

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 association shall meet, and the unit owners other than the

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 developer shall elect not less than one-third of the members of

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 the board of directors.

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- (b) When computing undivided interests in expandable condominium properties for purposes of divisions (C) and (D) of this section, the undivided interests in common elements shall be computed by comparing the number of units sold and conveyed to the maximum number of units that may be created, as stated in the declaration pursuant to division (C)(8) of section 5311.05 of the Revised Code.

(D)(1) Except as provided in division(C) of this section,	336
the declaration or bylaws of a condominium development may	337
authorize the developer or persons the developer designates to	338
appoint and remove members of the board of directors of the unit	339
owners association and to exercise the powers and	340
responsibilities otherwise assigned by law, the declaration, or	341
the bylaws to the unit owners association or to the board of	342
directors. The authorization for developer control may extend	343
from the date the unit owners association is established until	344
sixty days after the sale and conveyance to purchasers in good	345
faith for value of condominium ownership interests to which	346
seventy-five per cent of the undivided interests in the common	347
elements appertain, except that in no case may the authorization	348
extend for more than five years after the unit owners	349
association is established if the declaration includes	350
expandable condominium property or more than three years after	351
the unit owners association is established if the declaration	352
does not include expandable condominium property.	353

- (2) If there is a unit owner other than the developer, the declaration of a condominium development shall not be amended to increase the scope or the period of the developer's control.
- (3) Within sixty days after the expiration of the period during which the developer has control pursuant to division (D) (1) of this section, the unit owners association shall meet and elect all members of the board of directors of the association. The persons elected shall take office at the end of the meeting during which they are elected and shall, as soon as reasonably possible, appoint officers.
- (E) The board of directors, or the developer while in 364 control of the association, may take any measures necessary to 365

incorporate the unit owners association as a not-for-profit	366
corporation.	367
Sec. 5311.081. (A) Unless otherwise provided in the	368
declaration or bylaws, the The unit owners association, through	369
the board of directors, shall do both of the following:	370
(1) Adopt Annually, adopt and amend budgets an estimated	371
<pre>budget for revenues₇ and expenditures, and The budget shall</pre>	372
<u>include</u> reserves in an amount adequate to repair and replace	373
major capital items in the normal course of operations without	374
the necessity of special assessments, provided that the amount	375
set aside annually for reserves shall not be less than ten per-	376
cent of the budget for that year unless the reserve requirement	377
is waived annually by the either of the following applies:	378
(a) The declaration or bylaws include language limiting	379
the ability of the board of directors to increase assessments	380
for common expenses without a vote of the unit owners;	381
(b) The unit owners, exercising not less than a majority	382
of the voting power of the unit owners association+, waive the	383
reserve requirement in writing annually.	384
(2) Collect assessments for common expenses from unit	385
owners.	386
(B) Unless otherwise provided in the declaration, the unit	387
owners association, through the board of directors, may exercise	388
all powers of the association, including the power to do the	389
following:	390
(1) Hire and fire managing agents, attorneys, accountants,	391
and other independent contractors and employees that the board	392
determines are necessary or desirable in the management of the	393
condominium property and the association;	394

(2) Commence, defend, intervene in, settle, or compromise	395
any civil, criminal, <u>land use planning</u> , or administrative action	396
or proceeding that is in the name of, or threatened against, the	397
unit owners association, the board of directors, or the	398
condominium property, or that involves two or more unit owners	399
and, impacts zoning, or otherwise relates to matters affecting	400
the condominium property;	401
(3) Enter into contracts and incur liabilities relating to	402
the operation of the condominium property;	403
(4) Regulate the use, maintenance, repair, replacement,	404
modification, and appearance of the condominium property;	405
(5) Adopt rules that regulate the use or occupancy of	406
units, the maintenance, repair, replacement, modification, and	407
appearance of units, common elements, and limited common	408
elements when the actions regulated by those rules affect common	409
elements or other units;	410
(6) Cause additional improvements to be made as part of	411
the common elements;	412
(7) Purchase, encumber, and convey units, and, subject to	413
any restrictions in the declaration or bylaws and with the	414
approvals required by division (H)(2) or (3) of section 5311.04	415
of the Revised Code, acquire an interest in other real property	416
and encumber or convey that interest. All expenses incurred in	417
connection with the acquisition, encumbrance, use, and operation	418
of that interest are common expenses.	419
(8) Acquire, encumber, and convey or otherwise transfer	420
personal property;	421
(9) Hold in the name of the unit owners association the	422

real property and personal property acquired pursuant to

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divisions (B)(7) and (8) of this section;	424
(10) Grant easements, leases, licenses, and concessions	425
through or over the common elements;	426
(11) Impose and collect fees or other charges for <u>all of</u>	427
the following:	428
(a) The use, rental, or operation of the common elements	429
or for services;	430
(b) Services provided to unit owners;	431
(c) To the extent provided in the declaration or bylaws,	432
social activities or charitable contributions on behalf of the	433
<pre>owners association;</pre>	434
(12) Impose interest and late charges for the late payment	435
of assessments; impose returned check charges; and, pursuant to	436
division (C) of this section, impose reasonable enforcement	437
assessments for violations of the declaration, the bylaws, and	438
the rules of the unit owners association, and reasonable charges	439
for damage to the common elements or other property;	440
(13) Adopt and amend rules that regulate the collection of	441
delinquent assessments and the application of payments of	442
delinquent assessments;	443
(14) Subject to applicable laws, adopt and amend rules	444
that regulate the termination of utility or other service to a	445
commercial unit if the unit owner is delinquent in the payment	446
of an assessment that pays, in whole or in part, the cost of	447
that service;	448
(15) Impose reasonable charges for preparing, recording,	449
or copying amendments to the declaration, resale certificates,	450
or statements of unpaid assessments;	451

or statements of unpaid assessments;

(16) Enter a unit for bona fide purposes when conditions	452
exist that involve an imminent risk of damage or harm to common	453
elements, another unit, or to the health or safety of the	454
occupants of that unit or another unit;	455
(17) To the extent provided in the declaration or bylaws,	456
assign the unit owners association's rights to common	457
assessments, or other future income, to a lender as security for	458
a loan to the unit owners association;	459
(18) Suspend the voting privileges and use of recreational	460
facilities of a unit owner who is delinquent in the payment of	461
assessments for more than thirty days;	462
(19) Purchase insurance and fidelity bonds the directors	463
consider appropriate or necessary;	464
(20) Invest excess funds in investments that meet	465
standards for fiduciary investments under Ohio law;	466
(21) Exercise powers that are:	467
(a) Conferred by the declaration or the bylaws of the unit	468
owners association or the board of directors;	469
(b) Necessary to incorporate the unit owners association	470
as a not-for-profit corporation;	471
(c) Permitted to be exercised in this state by a not-for-	472
<pre>profit corporation;</pre>	473
(d) Necessary and proper for the government and operation	474
of the unit owners association.	475
(C)(1) Prior to imposing a charge for damages or an	476
enforcement assessment pursuant to division (B)(12) of this	477
section, the board of directors shall give the unit owner a	478

written notice, which may be in the form of electronic mail to	479
an electronic mail address previously provided by the owner in	480
<pre>writing, that includes all of the following:</pre>	481
(a) A description of the property damage or violation;	482
(b) The amount of the proposed charge or assessment;	483
(c) A statement that the owner has a right to a hearing	484
before the board of directors to contest the proposed charge or	485
assessment;	486
(d) A statement setting forth the procedures to request a	487
hearing pursuant to division (C)(2) of this section;	488
(e) A reasonable date by which the unit owner must cure	489
the violation to avoid the proposed charge or assessment.	490
(2)(a) To request a hearing, the owner shall deliver a	491
written notice to the board of directors not later than the	492
tenth day after receiving the notice required by division (C)(1)	493
of this section. If the owner fails to make a timely request for	494
a hearing, the right to that hearing is waived, and the board	495
may immediately impose a charge for damages or an enforcement	496
assessment pursuant to division (C) of this section.	497
(b) If a unit owner requests a hearing, at least seven	498
days prior to the hearing the board of directors shall provide	499
the unit owner with a written notice that includes the date,	500
time, and location of the hearing.	501
(3) The board of directors shall not levy a charge or	502
assessment before holding any hearing requested pursuant to	503
division (C)(2) of this section.	504
(4) The unit owners, through the board of directors, may	505
allow a reasonable time to cure a violation described in	506

(a) Information that pertains to condominium property-

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related personnel matters;	536
(2) (b) Communications with legal counsel or attorney work	537
product pertaining to pending litigation or other condominium	538
<pre>property-related matters;</pre>	539
$\frac{(3)}{(c)}$ Information that pertains to contracts or	540
transactions currently under negotiation, or information that is	541
contained in a contract or other agreement containing	542
confidentiality requirements and that is subject to those	543
requirements;	544
(4) (d) Information that relates to the enforcement of the	545
declaration, bylaws, or rules of the unit owners association	546
against unit owners;	547
(5) (e) Information the disclosure of which is prohibited	548
by state or federal law.	549
Sec. 5311.16. Unless otherwise provided by the declaration	550
or bylaws, the board of directors shall insure maintain, with	551
the cost to be a common expense, all of the following:	552
(A) Liability insurance for all unit owners, their	553
tenants, and all persons lawfully in possession or control of	554
any part of the condominium property for the in an amount that	555
it determines against liability for personal injury or property	556
damage arising from or relating to the common elements—and shall—	557
obtain for;	558
(B) For the benefit of all unit owners, fire and extended	559
coverage insurance on all buildings and structures of the	560
condominium property in an amount not less than <pre>eighty_ninety_</pre>	561
per cent of the fair market value. The cost of the insurance is	562
a common expense.replacement cost;	563

(C)(1) Blanket fidelity, crime, or dishonesty insurance	564
coverage for any person who controls or disburses association	565
funds. As used in division (C)(1) of this section, "person who	566
controls or disburses association funds" means any individual	567
with authority or access to sign checks, conduct electronic	568
transfers, or otherwise withdraw funds from any association	569
account or deposit, including the following:	570
(a) A management company's principals and employees;	571
(b) A bookkeeper;	572
(c) The president, secretary, treasurer, any other board	573
member, or employee of the unit owners association.	574
(2) All of the following apply to the insurance coverage	575
required under division (C)(1) of this section:	576
(a) Coverage shall be for the maximum amount of funds that	577
will be in the custody of the association or its designated	578
agent at any one time plus three months of operating expenses.	579
(b) The insurance shall be the property of and for the	580
sole benefit of the association and shall protect against theft,	581
embezzlement, misappropriation, or any other unauthorized taking	582
or loss of association funds.	583
(c) The policy shall include in its definition of	584
<pre>"employee" the manager and the managing agent of the</pre>	585
association's funds or provide for this inclusion by an	586
endorsement to the policy.	587
(d) The policy shall name the association as the insured	588
party and shall include a provision requiring the issuer of the	589
policy to provide a ten-day written notice to the association's	590
proceedant or manager in the event of cancellation or substantial	5.01

modification of the policy. The manager or managing agent, if	592
any, of the association shall be the designated agent on the	593
policy.	594
(e) If there is a change in the manager or the managing	595
agent of the association, then within ten days of the effective	596
start date, the new manager or managing agent shall notify the	597
insurer of such change.	598
Sec. 5311.18. (A) (1) Unless otherwise provided by the	599
declaration or the bylaws, the unit owners association has a	600
<pre>continuing lien upon the estate or interest of the owner in any</pre>	601
unit and the appurtenant undivided interest in the common	602
elements for the payment of any of the following expenses that	603
are chargeable against the unit and that remain unpaid for ten	604
days after any portion has become due and payable:	605
(a) The portion of the common expenses chargeable against	606
the unit;	607
(b) Interest, administrative late fees, enforcement	608
assessments, and collection costs, attorney's fees, and	609
paralegal fees the association incurs if authorized by the	610
declaration, the bylaws, or the rules of the unit owners	611
association and if chargeable against the unit.	612
(2) Unless otherwise provided by the declaration, the	613
bylaws, or the rules of the unit owners association, the	614
association shall credit payments made by a unit owner for the	615
expenses described in divisions (A)(1)(a) and (b) of this	616
section in the following order of priority:	617
(a) First, to interest owed to the association;	618
(b) Second, to administrative late fees owed to the	619
association;	620

(c) Third, to collection costs, attorney's fees, and	621
paralegal fees incurred by the association;	622
(d) Fourth, to the principal amounts the unit owner owes	623
to the association for the common expenses or penalty	624
assessments chargeable against the unit.	625
(3) The lien described in division (A)(1) of this section	626
is effective on the date that a certificate of lien in the form	627
described in division (A)(3) of this section is filed for record	628
in the office of the recorder of the county or counties in which	629
the condominium property is situated pursuant to an	630
authorization given by the board of directors of the unit owners	631
association. The certificate shall contain a description of the	632
unit, the name of the record owner of the unit, and the amount	633
of the unpaid portion of the common expenses and, subject to	634
subsequent adjustments, any unpaid interest, administrative late	635
fees, enforcement assessments, collection costs, attorney's	636
fees, and paralegal fees. The certificate shall be subscribed by	637
the president or other designated representative of the	638
association.	639
(4) The lien described in division (A)(1) of this section	640
is valid for a period of five years from the date of filing,	641
unless it is sooner released or satisfied in the same manner	642
provided by law for the release and satisfaction of mortgages on	643
real property or unless it is discharged by the final judgment	644
or order of a court in an action brought to discharge the lien	645
as provided in division (C) of this section.	646
(B)(1) The lien described in division (A)(1) of this	647
section is prior to any lien or encumbrance subsequently arising	648
or created except liens for real estate taxes and assessments of	649

political subdivisions and liens of first mortgages that have

been filed for record and may be foreclosed in the same manner	651
as a mortgage on real property in an action brought on behalf of	652
the unit owners association by the president or other chief	653
officer of the association pursuant to authority given to that	654
individual as authorized by the board of directors.	655

- (2) In a foreclosure action a unit owners association commences pursuant to division (B)(1) of this section or a foreclosure action the holder of a first mortgage or other lien on a unit commences, the owner of the unit, as the defendant in the action, shall be required to pay a reasonable rental for the unit during the pendency of the action. The unit owners association or the holder of the lien is entitled to the appointment of a receiver to collect the rental. Each rental payment a receiver collects during the pendency of the foreclosure action shall be applied first to the payment of the portion of the common expenses chargeable to the unit during the foreclosure action.
- (3) In a foreclosure action the holder of a lien on a unit

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 commences, the holder of that lien shall name the unit owners

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 association as a defendant in the action.
- (4) Unless prohibited by the declaration or the bylaws, following a foreclosure action a unit owners association commences pursuant to division (B)(1) of this section or a foreclosure action the holder of a lien on a unit commences, the association or its agent duly authorized by action of the board of directors, is entitled to become a purchaser at the foreclosure sale.
- (5) A mortgage on a unit may contain a provision that678secures the mortgagee's advances for the payment of the portion679of the common expenses chargeable against the unit upon which680

the mortgagee holds the mortgage.	681
(6) In any foreclosure action, it is not a defense, set	682
off, counterclaim, or crossclaim that the unit owners	683
association has failed to provide the unit owner with any	684
service, goods, work, or material, or failed in any other duty.	685
(C) A unit owner who believes that the portion of the	686
common expenses chargeable to the unit, for which the unit	687
owners association files a certificate of lien pursuant to	688
division (A) of this section, has been improperly charged may	689
commence an action for the discharge of the lien in the court of	690
common pleas of the county in which all or a part of the	691
condominium property is situated. In the action, if it is	692
finally determined that the portion of the common expenses was	693
improperly charged to the unit owner or the unit, the court	694
shall enter an order that it determines to be just, which may	695
provide for a discharge of record of all or a portion of the	696
lien.	697
Sec. 5311.192. (A) Unless specifically prohibited in the	698
declaration, any owner of a solar appropriate unit may install a	699
solar energy collection device on the roof of that unit if	700
either of the following conditions apply:	701
(1) The unit, as defined by the declaration, includes the	702
roof, for which the cost to insure, maintain, repair, and	703
replace is not a common expense and is instead the owner's	704
responsibility.	705
(2) The declaration specifically allows for and regulates	706
the types and installation of solar energy collection devices in	707
the common or limited common elements and establishes	708
responsibility for the cost to insure, maintain, repair, and	709

replace such devices.	710
(B) Notwithstanding division (A) of this section, a unit	711
owners association may establish reasonable restrictions	712
concerning the size, place, and manner of placement of solar	713
energy collection devices.	714
(C) As used in this section:	715
(1) "Solar appropriate unit" means a condominium unit that	716
does not have any other condominium units directly above or	717
below it.	718
(2) "Solar energy collection device" means any device	719
manufactured and sold for the sole purpose of facilitating the	720
collection and beneficial use of solar energy, including passive	721
heating panels or building components and solar photovoltaic	722
apparatus.	723
Sec. 5312.02. (A) Any planned community in this state is	724
subject to this chapter. No person shall establish a planned	725
community unless that person files and records a declaration and	726
bylaws for that planned community in the office of the recorder	727
of the county or counties in which the planned community is	728
located.	729
(B) Any declaration for a planned community shall be	730
accompanied by bylaws that provide for the operation of the	731
planned community. The Except as provided in division (A)(1) of	732
section 5312.03 of the Revised Code, the declaration and bylaws	733
shall provide for all of the following:	734
(1) The election of the board of directors of the owners	735
association;	736
(2) The number of persons constituting the board:	737

(3) The terms of the directors, with not less than one-	738
fifth to expire annually;	739
(4) The powers and duties of the board;	740
(5) The method of removal of directors from office;	741
(6) Whether the services of a manager or managing agent	742
may be engaged;	743
(7) The method of amending the declaration and bylaws;	744
(8) The time and place for holding meetings and the manner	745
of and authority for calling, giving notice of, and meetings,	746
conducting meetings, and giving notice of meetings, which notice	747
may be sent by electronic mail, provided the association has	748
received the prior, written authorization from the owner;	749
(9) The common expenses for which assessments may be made	750
and the manner of collecting from the owners their respective	751
shares of the common expenses;	752
(10) Any other matters the original declarant or the	753
owners association deem necessary and appropriate.	754
(C) Nothing in this chapter invalidates any provision of a	755
document that governs a planned community if that provision was	756
in the document at the time the document was recorded and the	757
document was recorded prior to the original effective date of	758
this chapter, September 10, 2010.	759
(D)(1) The board of directors of the owners association of	760
any planned community that is in existence on the original	761
effective date of this chapter, September 10, 2010, shall file	762
and record the bylaws of that planned community that are in	763
effect on that effective date in the office of the recorder of	764
the county or counties in which the planned community is located	765

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within one hundred eighty days after that effective date.	766
(2) The board of directors of the owners association of	767
any planned community that is in existence on the original	768
effective date of this chapter, September 10, 2010, shall file	769
and record the bylaws that are adopted by the owners association	770
on or after that effective date in the office of the recorder of	771
the county or counties in which the planned community is located	772
within ninety days after the date of adoption of the bylaws.	773
(3) The board of directors of the owners association of	774
any planned community that adopts an amendment to the bylaws of	775
that planned community shall file and record the amendment in	776
the office of the recorder of the county or counties in which	777
the planned community is located within sixty days after the	778
date of adoption of the amendment.	779
(4) Nothing in division (D)(1) or (2) of this section	780
shall require the board of directors or owners association of	781
any planned community that is in existence on the original	782
effective date of this chapter, September 10, 2010, to adopt	783
bylaws of that planned community.	784
(5) No board of directors of the owners association of a	785
planned community that is in existence on the original effective	786
date of this chapter, September 10, 2010, shall pursue any civil	787
action against any person based upon any provision of the bylaws	788
of that planned community or upon any amendments to the bylaws	789
until the bylaws or amendments are filed and recorded under	790
division (D)(1), (2), or (3) of this section.	791
Sec. 5312.03. (A)(1) An owners association shall	792
administer a planned community, and a board of directors the	793
owners elect from among the owners and their spouses shall	794

exercise all power and authority of the owners association. If	795
an owner is not an individual, any principal, member of a	796
limited liability company, partner, director, officer, trustee,	797
or employee of the owner may be elected to the board. <u>The</u>	798
majority of the board shall not consist of owners or	799
representatives from the same lot unless authorized by a	800
resolution adopted by the board of directors prior to the board	801
majority being comprised of owners or representatives from the	802
<pre>same lot.</pre>	803
(2) Unless otherwise provided, a board of directors may	804
carry out any action this chapter requires or allows an owners	805
association to take, subject to any vote required of the owners.	806
(B) A declarant shall establish an owners association not	807
later than the date upon which the first lot in the planned	808
community is conveyed to a bona fide purchaser for value. The	809
owners association shall be organized as a nonprofit corporation	810
pursuant to Chapter 1702. of the Revised Code.	811
(C)(1) If provided in the declaration, a declarant may	812
control the owners association for the period of time the	813
declaration specifies. During the time of declarant control, the	814
declarant or the declarant's designee may appoint and remove the	815
members of the board. The period of declarant control shall	816
terminate not later than the time at which all of the lots have	817
been transferred to owners.	818
(2) Not later than the termination of any period of	819
declarant control, the owners shall elect a board of directors	820
comprised of the number of members the declaration or bylaws	821
specify.	822

Sec. 5312.05. (A) Unless otherwise specified in <u>division</u>

(C) of this section or the declaration or bylaws, the owners may	824
amend the declaration and bylaws by the consent of seventy-five	825
per cent of the owners, either in writing or in a meeting called	826
for that purpose. No amendment to the declaration or bylaws is	827
effective until filed in the office of the county recorder.	828
(B) A vote to terminate the applicability of the	829
declaration and to dissolve the planned community requires the	830
unanimous consent of owners.	831
(C) A vote to delete as void, any provision within the	832
declaration or bylaws, or any applicable restriction or	833
covenant, that limits the occupancy or use of property subject	834
to this chapter on the basis of race, color, national origin,	835
religion, sex, or familial status, requires only a majority vote	836
of the board of directors of the owners association.	837
Sec. 5312.06. (A) Unless otherwise provided in the	838
declaration or bylaws, the <u>The</u> owners association, through its	839
board of directors, shall do both of the following:	840
(1) Annually adopt and amend an estimated budget for	841
revenues and expenditures. Any budget shall include reserves in	842
an amount adequate to repair and replace major capital items in	843
the normal course of operations without the necessity of special	844
assessments, unless the owners, exercising not less than a	845
majority of the voting power of the owners association, waive	846
the reserve requirement <u>in writing</u> annually.	847
(2) Collect assessments for common expenses from owners in	848
accordance with section 5312.10 of the Revised Code.	849
(B) Commencing not later than the time of the first	850
conveyance of a lot to a person other than a declarant, the	851
owners association shall maintain all of the following to the	852

extent reasonably available and applicable:	853
(1) Property insurance on the common elements;	854
(2) Liability insurance pertaining to the common elements;	855
(3) Directors and officers liability insurance;	856
(4)(a) Blanket fidelity, crime, or dishonesty insurance	857
coverage for any person who controls or disburses association	858
funds. As used in division (B)(4)(a) of this section, "person	859
who controls or disburses association funds" means any	860
individual with authority or access to sign checks, conduct	861
electronic transfers, or otherwise withdraw funds from any	862
association account or deposit, including the following:	863
(i) A management company's principals and employees;	864
(ii) A bookkeeper;	865
(iii) The president, secretary, treasurer, any other board	866
member, or employee of the owners association.	867
(b) All of the following apply to the insurance coverage	868
required under division (B)(4)(a) of this section:	869
(i) Coverage shall be for the maximum amount of funds that	870
will be in the custody of the association or its designated	871
agent at any one time plus three months of operating expenses.	872
(ii) The insurance shall be the property of and for the	873
sole benefit of the association and shall protect against theft,	874
embezzlement, misappropriation, or any other unauthorized taking	875
or loss of association funds.	876
(iii) The policy shall include in its definition of	877
"employee" the manager and the managing agent of the	878
association's funds or provide for this inclusion by an	879

endorsement to the policy.	880
(iv) The policy shall name the association as the insured	881
party and shall include a provision requiring the issuer of the	882
policy to provide a ten-day written notice to the association's	883
president or manager in the event of cancellation or substantial	884
modification of the policy. The manager or managing agent, if	885
any, of the association shall be the designated agent on the	886
policy.	887
(v) If there is a change in the manager or the managing	888
agent of the association, then within ten days of the effective	889
start date, the new manager or managing agent shall notify the	890
insurer of such change.	891
(C) The owners association shall keep all of the	892
following:	893
(1) Correct and complete books and records of account that	894
specify the receipts and expenditures relating to the common	895
elements and other common receipts and expenses;	896
(2) Records showing the collection of the common expenses	897
from the owners;	898
(3) Minutes of the meetings of the association and the	899
board of directors;	900
(4) Records of the names and addresses of the owners.	901
(D) An owners association, through its board of directors,	902
may do any of the following:	903
(1) Hire and fire managing agents, attorneys, accountants,	904
and other independent professionals and employees that the board	905
determines are necessary or desirable in the management of the	906
property and the association;	907

(2) Commence, defend, intervene in, settle, or compromise	908
any civil, criminal, <u>land use planning</u> , or administrative action	909
or proceeding that is in the name of, or threatened against, the	910
association, the board of directors, or the property, or that	911
involves two or more owners and, impacts zoning, or otherwise	912
relates to matters affecting the property;	913
(3) Enter into contracts and incur liabilities relating to	914
the operation of the property;	915
(4) Enforce all provisions of the declaration, bylaws,	916
covenants, conditions, restrictions, and articles of	917
incorporation governing the lots, common elements, and limited	918
common elements;	919
(5) Adopt and enforce rules that regulate the maintenance,	920
repair, replacement, modification, and appearance of common	921
elements, and any other rules as the declaration provides;	922
(6) Acquire, encumber, and convey or otherwise transfer	923
real and personal property, subject to section 5312.10 of the	924
Revised Code;	925
(7) Hold in the name of the owners association the real	926
property and personal property;	927
(8) Grant easements, leases, licenses, and concessions	928
through or over the common elements;	929
(9) Levy and collect fees or other charges for the use,	930
rental, or operation of the common elements or for services	931
provided to owners;	932
(10) Pursuant to section 5312.11 of the Revised Code, levy	933
the following charges and assessments:	934
(a) Interest and charges for the late navment of	935

assessments;	936
(b) Returned check charges;	937
(c) Enforcement assessments for violations of the	938
declaration, the bylaws, and the rules of the owners	939
association;	940
(d) Charges for damage to the common elements or other	941
property.	942
(11) Adopt and amend rules that regulate the collection of	943
delinquent assessments and the application of payments of	944
delinquent assessments;	945
(12) Impose reasonable charges for preparing, recording,	946
or copying the declaration, bylaws, amendments to the	947
declaration and bylaws, resale certificates, or statements of	948
unpaid assessments;	949
(13) Authorize entry to any portion of the planned	950
community by designated individuals when conditions exist that	951
involve an imminent risk of damage or harm to common elements,	952
another dwelling unit, or to the health or safety of the	953
occupants of that dwelling unit or another dwelling unit;	954
(14) Subject to division (A)(1) of section 5312.09 of the	955
Revised Code, borrow money and assign the right to common	956
assessments or other future income to a lender as security for a	957
loan to the owners association;	958
(15) Suspend the voting privileges and use of recreational	959
facilities of an owner who is delinquent in the payment of	960
assessments for more than thirty days;	961
(16) Purchase insurance and fidelity bonds the directors	962
consider appropriate and necessary;	963

(1) Date back more than five years prior to the date of

(2) Contain any of the following:

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conditions:

the request;

(a) Information that pertains to property-related	992
personnel matters;	993
(2) (b) Communications with legal counsel or attorney work	994
product pertaining to potential, threatened or pending	995
litigation, or other property-related matters;	996
(3) (c) Information that pertains to contracts or	997
transactions currently under negotiation, or information that is	998
contained in a contract or other agreement containing	999
confidentiality requirements and that is subject to those	1000
requirements;	1001
$\frac{(4)}{(d)}$ Information that relates to the enforcement of the	1002
declaration, bylaws, or rules of the owners association against	1003
other owners;	1004
(5) (e) Information, the disclosure of which is prohibited	1005
by state or federal law.	1006
Sec. 5312.11. (A) An owners association may assess an	1007
individual lot for any of the following:	1008
(1) Enforcement assessments and individual assessments for	1009
utility service that are imposed or levied in accordance with	1010
the declaration, as well as expenses the board incurs in	1011
collecting those assessments;	1012
(2) Costs of maintenance, repair, or replacement incurred	1013
due to the willful or negligent act of an owner or occupant of a	1014
lot or their family, tenants, guests, or invitees, including,	1015
but not limited to, attorney's fees, court costs, and other	1016
expenses;	1017
(3) Costs associated with the enforcement of the	1018
declaration or the rules and regulations of the owners	1019

association, including, but not limited to, attorney's fees,	1020
court costs, and other expenses;	1021
(4) Costs or charges the declaration or bylaws permit.	1022
(B) Unless otherwise provided by the declaration, bylaws,	1023
or rules, the owners association shall credit any amount it	1024
receives from a lot owner pursuant to this section in the	1025
following order:	1026
(1) To interest owed to the owners association;	1027
(2) To administrative late fees or enforcement assessments	1028
owed to the owners association;	1029
(3) To collection costs, attorney's fees, and paralegal	1030
fees the owners association incurred in collecting the	1031
assessment;	1032
(4) To the oldest principal amounts the owner owes to the	1033
owners association for the common expenses chargeable against	1034
the dwelling unit or lot.	1035
(C) Prior to imposing a charge for damages or an	1036
enforcement assessment pursuant to this section, the board of	1037
directors shall give the owner a written notice, which may be in	1038
the form of electronic mail to an electronic mail address	1039
previously provided by the owner in writing, that includes all	1040
of the following:	1041
(1) A description of the property damage or violation;	1042
(2) The amount of the proposed charge or assessment;	1043
(3) A statement that the owner has a right to a hearing	1044
before the board to contest the proposed charge or assessment;	1045
(4) A statement setting forth the procedures to request a	1046

hearing;	1047
(5) A reasonable date by which the owner must cure a	1048
continuing violation to avoid the proposed charge or assessment,	1049
if such an opportunity to cure is applicable.	1050
(D)(1) To request a hearing, the owner shall deliver a	1051
written notice to the board not later than the tenth day after	1052
receiving the notice this division requires. If the owner fails	1053
to make a timely request for a hearing, the right to that	1054
hearing is waived, and the board immediately may impose a charge	1055
for damages or an enforcement assessment pursuant to this	1056
section.	1057
(2) If an owner requests a hearing, at least seven days	1058
prior to the hearing the board shall provide the owner with a	1059
written notice that includes the date, time, and location of the	1060
hearing.	1061
(3) The board shall not levy a charge or assessment before	1062
holding any hearing requested pursuant to this section.	1063
(4) Within thirty days following a hearing at which the	1064
board imposes a charge or assessment, the owners association	1065
shall deliver a written notice of the charge or assessment to	1066
the owner.	1067
(5) Any written notice that this section requires shall be	1068
delivered to the owner or any occupant of the dwelling unit by	1069
personal delivery, by certified mail, return receipt requested,	1070
or by regular mail.	1071
Sec. 5312.16. (A) Unless specifically prohibited in the	1072
declaration, any owner may install a solar energy collection	1073
device on the owner's dwelling unit or other location within the	1074
owner's lot if either of the following conditions apply:	1075

(1) The cost to insure, maintain, repair, and replace the	1076
unit's roof or alternative location within the lot is not a	1077
common expense of the owners association and is instead the	1078
<pre>owner's responsibility.</pre>	1079
(2) The declaration specifically allows for and regulates	1080
the types and installation of solar energy collection devices	1081
within the planned community and establishes responsibility for	1082
the cost to insure, maintain, repair, and replace such devices.	1083
(B) Notwithstanding division (A) of this section, an	1084
owners association may establish reasonable restrictions	1085
concerning the size, place, and manner of placement of solar	1086
energy collection devices.	1087
(C) Prior to imposing a charge for damages or an	1088
enforcement assessment pursuant to this section, the board of	1089
directors shall give the owner a written notice, which may be in	1090
the form of electronic mail to an electronic mail address	1091
previously provided by the owner in writing that includes all of	1092
the following:	1093
(1) A description of the property damage or violation;	1094
(2) The amount of the proposed charge or assessment;	1095
(3) A statement that the owner has a right to a hearing	1096
before the board of directors to contest the proposed charge or	1097
<pre>assessment;</pre>	1098
(4) A statement setting forth the procedures to request a	1099
hearing;	1100
(5) A reasonable date by which the unit owner must cure	1101
the violation to avoid the proposed charge or assessment.	1102
(D) As used in this section "solar energy collection	1103

Sub. S. B. No. 61 As Passed by the Senate	Page 40
device" has the same meaning as in section 5311.192 of the	1104
Revised Code.	1105
Section 2. That existing sections 5311.05, 5311.08,	1106
5311.081, 5311.091, 5311.16, 5311.18, 5312.02, 5312.03, 5312.05,	1107
5312.06, 5312.07, and 5312.11 of the Revised Code are hereby	1108
repealed.	1109