



COMMUNITY BUILDER

August 12, 2022, Special Bulletin

Idaho 2022 Legislative Update

The 2022 Idaho legislative session was busy. The session results include a more streamlined statute for Idaho homeowners' associations (HOAs). In addition to the primary purpose of creating a more condensed law relating to HOAs, there were some significant changes and new additions to the regulations. Changes included a 'clean-up' of existing laws and specific verbiage used, especially relating to the use of definitions. Two new additions to HOAs laws affect financial disclosure and the governance and administration of HOAs.



Financial Disclosures

Under the new law, members who request an up-to-date financial disclosure must receive such information within ten days of their request. Further, the association must deliver a copy of the year-end financial disclosure within 60 days of the end of the fiscal year.

Governance and Administrative Requirements

The new law instills requirements pertinent to the operations of the associations. The requirements are as follows:

- **Open Meetings** - meetings must be open to owners/members unless the meeting is considered an executive session (specific scenarios exist where an executive session may be allowed).
- **Executive Session** - may only be held for specific purposes and by being called by a majority vote of the board of directors. The purposes include personnel matters, consulting with legal counsel, discussing ongoing or potential litigation, issues not subject to financial disclosure, and concerns

that may affect the privacy of individual members, such as assessments and violations.

- **Annual Meetings** - may be held in person, electronically, or both and must comply with the requirements of the Idaho Nonprofit Corporations Act.
- **Minutes of Annual Meetings** - must be recorded and retained in the official records for at least ten years.
- **Determination of Assessment Amounts** - the board must establish assessments in accordance with the association's governing documents; in the absence of a provision in the documents, the board shall seek approval of the majority of members.
- **Expansion of Restrictive Covenants** - the board may not use its authority to expand restrictive covenants as they relate to members' property.
- **Unincorporated HOAs** - must have bylaws that govern certain requirements, including annual meetings, notices to members, recording and preservation of meeting minutes, the process for adopting fees, and restrictions for fee increases with the majority approval of the HOAs members.

As always, we recommend each association consult with their legal counsel to ensure the association can and will comply with the new regulations. Boards may need to consider drafting or updating various policies around meeting conduct, assessment management, etc.



The Community Builder is a newsletter prepared exclusively for Board Members of associations managed by Sentry Management. If someone on your Board is not receiving this newsletter, they can be added by entering or updating their address in the CommunityPro® PORTAL or forwarding them a copy.

