

## Idaho 2022 End of Legislative Session Report

The Idaho Legislature was busy this year; 391 bills were introduced in the House, and 203 in the Senate. Notably, during this 2022 Session, the Idaho Legislature made its first steps to remedying a long-standing problem with piecemeal and inconsistent HOA-related statutes. During this session, House Bill 703 was approved by the House and Senate, with very little opposition, and signed into law by the Governor on March 31, 2022. The new law will take effect on July 1, 2022.

**HB 703-** HB 703 accomplishes a number of things. First, the existing HOA-related statutes that have historically been scattered across several different sections of the code have been consolidated into one new location in the code and retitled as the “Homeowner’s Association Act.” Many of the inconsistencies and contradictions in the existing language have been removed, so that the new language is easier to find and easier to understand and comply with. The new “Homeowner’s Association Act” does include a host of new provisions as well, which aim to improve transparency in community associations, through provisions related to financial disclosures, record keeping, open meetings, and removal of Board members. Much of the new language refers to the Idaho Non-Profit Corporation Act, and there is adequate deference to any given association’s governing documents to make the LAC comfortable supporting the new language. The new language also allows for Boards to enter executive session to discuss certain matters that are not appropriate for open session. Lastly, HB 703 removes a bit of problematic language from the existing Idaho HOA lien law, which seemed to limit a lien’s effectiveness to one year’s time, with a single 12-month renewal period. That limit has now been removed, and a lien can be recorded one time, with perpetual duration and continuing accrual, as authorized in the governing documents of a particular association.

Overall, the passage of the bill is a win for the CAI, its members, and community associations across the state of Idaho. The original version of this bill was very problematic for a number of reasons, and the LAC was able to work with their lobbyist and number of influential partners to have the language redrafted to the current version, which sets a good floor for operations and management of community associations, but does not hinder an association from operating well and in accordance with its own particular needs and governing documents. The LAC appreciates all of the work done by the sponsoring legislators and the partners that we worked with, and is looking forward to the new law becoming effective. Overall, the LAC feels positive about the progress made in building lasting partnerships with legislators. Additionally, the LAC has been assured in conversations with legislators that future changes to the law will be considered as issues arise, and that HB 703 is simply a starting point for comprehensive HOA legislation in Idaho.

**Status: Signed by Governor Little on March 31, 2022, Effective July 1, 2022**

**SB 1263-** Senate Bill 1263 was introduced in its original form as an amendment to the Idaho Code Section 55-115, which is commonly known as the “HOA Fine Law.” The bill would have allowed for Idaho associations to forego the requirements of 30-days’ advance notice and a hearing before imposing a monetary penalty for violations that related to emergencies, disturbances of the peace, or damage to common areas or private property. The Chair and Vice-Chair of the LAC testified in support of the bill at the original committee meeting and provided amendments to the

sponsor as requested by the committee, which required associations to make good faith efforts to reach the homeowner prior to the fine and send notice of the fine within a few days of its imposition. The amended language was introduced directly on the Senate floor, but the bill was voted down, unfortunately, on a 3-32 basis. The LAC is optimistic that a modified version of the language might be introduced next year with different sponsorship.

**Status: Died on Senate Floor**

**HB 636-** House Bill 636 was introduced early in the session, for the purpose of addressing the problem of affordable housing. The bill, as drafted, would have prohibited any association from enforcing its covenants in a way that would restrict or prohibit the construction or operation of an accessory dwelling unit. The language was very broad and had no concession for voluntary consent or taking subject to the restrictions in the way that the Idaho rental-restriction law does. The Chair and Vice-Chair of the LAC reached out to the sponsor, and were able to relay the LAC's concerns and explain why the law would be problematic in application. The LAC provided amended language, and the sponsor agreed to simply allow the bill to die without a second committee hearing, as well as to meet with the LAC over the summer to discuss better language. The LAC is very pleased by the outcome and look forward to working with the sponsor to improve the language in the proposal.

**Status: Died in Committee**

### **Your Assistance is Needed**

To help fund CAI advocacy activities in 2022 and beyond, donations are vital to our continued successes. We encourage donations from Idaho community associations and individuals. Please [donate](#) to CAI's Idaho Legislative Action Committee to support our continued efforts.

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