ATTACHMENT 1, H 361, MARCH 18, 2025

March 17, 2025

Chairman and Members
Senate Commerce and Human Resources Committee
Idaho Legislature
Boise, Idaho
CC: Scom@senate.idaho.gov

Dear Senate Commerce and Human Resources Committee-

I strongly oppose House Bill 361 as drafted. This proposed bill was not written with homeowner's rights in mind, but clearly by developers for developers. We need State oversight and support to advocate for homeowners living in HOAs as the balance of power is extremely out of proportion. Matters that should be considered before advancing any HOA legislation:

- Developers are FOR profit companies. HOAs are NON profit associations. There is a clear conflict of interest in allowing developers to control the financial assessments and operations beyond a commercially reasonable time. The funds used to operate the HOAs are paid by homeowners, not developers (as developers rarely pay assessments).
- Transitional control of the HOA should occur at 75% of completion, not the proposed 95%. This is standard protocol and law in 13 other states, so Idaho can fully operate in this manner as well. Developer's lobbyist admitted on record that the Builders are whole and mitigate their risk around 75-85%, so there is no reason for them to hold control thereafter.
- There are no enforcement levers in this bill, and penalties/financial damages should be spelled out for HOA boards that abuse their power and do not follow the law. Currently, Boards can flat out ignore homeowner rights, requests for transparency, and demand to review financials or operative documents. This is wrong. Many homeowners in this state are left with years of frustration or the only remedy is bringing expensive lawsuits to court. I cannot stress enough how huge of a problem this is throughout Idaho.
- There is no language in this bill that states a developer is in breach if using homeowner HOA funds or reserves for their own cost of doing business (construction costs, legal fees, insurance, permits, clean up, utilities on vacant lots, marketing, etc). Builders should carry the costs of their own overhead period; and funds should never be commingled.
- Proxy voting needs to be defined more clearly for establishing a quorum only, and not for Board elections or financial votes. The way it is written allows for basic "ballot harvesting" and permits too much room for bad actors.
- **The Idaho Builder's Association Lobbyist, Mr. Ken Burgess, testified in front of the House Business Committee last week that his main focus was protecting builders and their ability to sell the lots in their Subdivisions; not for the homeowners' rights in buying those lots.** The proposed bill needs much more work and therefore should fail.

Thank you for your consideration-

Stephanie Mathis, Idaho HOA Neighbors for Change