

2024 Regular Session

HOUSE BILL NO. 440

BY REPRESENTATIVES BERAULT, DICKERSON, EDMONSTON, EGAN, AND
WYBLE

PROPERTY/IMMOVABLE: Provides relative to homeowners associations

1 AN ACT

2 To amend and reenact R.S. 9:1141.2(5) and 3198(3) and to enact R.S. 9:1123.103, 1123.109,
3 1141.8(D) and 1141.10, relative to homeowners and condominiums associations; to
4 provide for definitions; to provide for the disclosure of association documents; to
5 provide for an annual accounting for condominium associations; to provide for an
6 annual accounting for homeowners associations; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 9:1141.2(5) and 3198(3) are hereby amended and reenacted and R.S.
9 9:1123.103, 1123.109, 1141.8(D) and 1141.10 are hereby enacted to read as follows:

10 §1123.103. Annual accounting; audit

11 A. Every condominium association shall have an accounting of the books
12 and accounts conducted and reported annually. The accounting shall outline the fees
13 and expenses for the previous fiscal year.

14 B. Every condominium association with annual dues exceeding five hundred
15 thousand dollars shall have an accounting of the books and accounts conducted and
16 reported annually and an audit of the books and accounts conducted and reported
17 every three years by a third-party auditor.

18 C. The reports provided for in Subsections A and B of this Section shall be
19 made available upon request or a copy of the reports shall be provided to all
20 members of the association within ninety days after the end of the previous fiscal

1 year or annually on the date provided in the bylaws. In no event shall the report be
2 provided later than one hundred and twenty days after the end of the fiscal year.

3 D. If the condominium association fails to comply with the provisions of this
4 Section, any member of the association may petition for declaratory judgment.

5 * * *

6 §1123.109. Association documents; availability

7 The association shall provide copies of all association documents not publicly
8 recorded. The documents shall be provided to any owner or purchaser within 15 days
9 of the request at no cost of the owner or purchaser.

10 * * *

11 §1141.2. Definitions

12 * * *

13 (5) "Homeowners association" or "association" means a nonprofit
14 corporation, unincorporated association, ~~or~~ other legal entity, or other similar
15 association such as a property owners association which is created pursuant to a
16 declaration, whose members consist primarily of lot owners, and which is created to
17 manage or regulate, or both, the residential planned community.

18 * * *

19 §1141.8. Community documents; force of law

20 * * *

21 D. The association shall provide copies of all association documents not
22 publicly recorded. The documents shall be provided to any owner or purchaser
23 within 15 days of the request at no cost of the owner or purchaser.

24 * * *

25 §1141.10. Annual accounting; audit

26 A. Every homeowners association shall have an accounting of the books and
27 accounts conducted and reported annually. The accounting shall outline the fees and
28 expenses for the previous fiscal year.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 440 Original

2024 Regular Session

Berault

Abstract: Provides relative to homeowner, condominium, and property owner associations and their accounting requirements.

Proposed law (R.S. 1141.2) expands the definition of "homeowners association" to include "property owners associations".

Proposed law (R.S. 9:3198) requires in the property disclosure act for the purchaser to be made aware of any homeowners, property, or condominium association and requires that all association documents be provided to the purchaser no later than at the time of closing.

Proposed law (R.S. 9:1123.109) provides that a condominium association shall provide copies of all association documents not publicly recorded to any purchaser or owner within 15 days of the request at no cost.

Proposed law (R.S. 9:1141.8(D)) provides that a homeowners association shall provide copies of all association documents not publicly recorded to any purchaser or owner within 15 days of the request at no cost.

Proposed law (R.S. 9:1123.103) requires every condominium association to have an annual accounting of the books conducted and reported outlining the fees and expenses for the previous fiscal year.

Proposed law provides that every condominium association with annual dues exceeding \$500,000 shall have an audit conducted of the books and reported every three years by a third-party auditor in addition to the annual accounting.

Proposed law provides that a member of the association may petition for declaratory judgment if the condominium association fails to comply with the provisions of proposed law.

Proposed law (R.S. 1141.10) requires every homeowners association to have an annual accounting of the books conducted and reported outlining the fees and expenses for the previous fiscal year.

Proposed law provides that every homeowners association with annual dues exceeding \$500,000 shall have an audit conducted of the books and reported every three years by a third-party auditor in addition to the annual accounting.

Proposed law provides that a member of the association may petition for declaratory judgment if the homeowners association fails to comply with the provisions of proposed law.

(Amends R.S. 9:1141.2(5) and 3198(3); Adds R.S. 9:1123.103, 1123.109, 1141.8(D) and 1141.10)