

2024 Regular Session

HOUSE BILL NO. 440

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

PROPERTY/IMMOVABLE: Provides relative to association documents of planned communities

1 AN ACT

2 To amend and reenact R.S. 9:3198(A)(3), relative to homeowners associations, property  
3 owners associations, condominium owners associations and other planned  
4 communities; to provide for the disclosure of association documents; and to provide  
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:3198(A)(3) is hereby amended and reenacted to read as follows:

8 §3198. Duties of the seller; delivery of property disclosure document; termination  
9 of real estate contract; information contained in document and inaccuracies;  
10 required disclosure of information relative to homeowners' associations and  
11 restrictive covenants; liability of seller

12 A.

13 \* \* \*

14 (3) The statement shall inform the purchaser ~~that the information included~~  
15 ~~in the disclosure statement relative to~~ of any homeowners' association, property  
16 owners' association, condominium association, or any other planned community is  
17 ~~summary in nature and that restrictive covenants and building restrictions are a~~  
18 ~~matter of public record~~ all recorded association documents shall be provided to the  
19 purchaser no later than at the time of closing. The statement shall also include  
20 notification to the purchaser that homeowners' association governing documents may

1 be requested from the seller and how to obtain documents regarding any restrictive  
2 covenants and building restrictions governing the property to be purchased.

3 \* \* \*

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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)]

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HB 440 Reengrossed

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**Abstract:** Provides relative to the community documents of homeowner, condominium, and property owner associations and other planned community associations.

Present law (R.S. 9:3198(A)(3)) requires in the property disclosure statement that the purchaser is informed of any homeowners association and how to obtain the association documents.

Proposed law (R.S. 9:3198(A)(3)) requires in the property disclosure statement that the purchaser 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.

(Amends R.S. 9:3198(A)(3))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the original bill:

1. Make technical changes.
2. Remove the requirement that homeowners associations, property owners associations, and condominium associations conduct an annual accounting of the books and provide a report outlining the fees and expenses for the previous fiscal year.
3. Remove the requirement that every homeowners association, property owners association, and condominium association with dues exceeding \$500,000 annually shall have an audit of the books conducts every three years by a third-party auditor in addition to the annual accounting.
4. Add "planned community" to the list of associations that the purchaser of a home is made aware of in the property disclosure statement in order to provide the purchaser the association documents prior to closing.

The House Floor Amendments to the engrossed bill:

1. Remove all provisions of proposed law other than the requirement that the property disclosure statement inform the purchaser of any planned community and provide the association documents to the purchaser no later than at the time of closing.