

GREEN SHEET REDIGEST

HB 440

2024 Regular Session

Berault

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

DIGEST

Proposed law provides that upon a seller's acceptance of an offer to purchase residential property, a buyer may request a homeowner's association, property owner's association, condominium association, or any other planned community association with copies of documents governing the property to be purchased, including but not limited to the following:

- (1) Building restrictions or restrictive covenants and all amendments.
- (2) Acts creating or establishing a condominium regime or other planned community and all amendments.
- (3) Articles of incorporation, articles of organization, bylaws, operating agreements and all amendments governing the homeowner's association, property owner's association, condominium association or other planned community association.
- (4) Rules established by any association that affect the property.

Proposed law provides that a buyer may request a copy of any of the documents described in proposed law which are recorded in the conveyance or mortgage records from the person providing title closing or title settlement services.

Proposed law provides that any person providing a document pursuant to proposed law shall not be liable under present law for any error, inaccuracy, or omission in a document provided.

Proposed law provides that prior to, or concurrent with the delivery of the requested documents, the buyer making the request pursuant to proposed law shall pay all costs incurred by the person obtaining and providing the requested copies and a reasonable service fee.

Proposed law provides that failure to request or receive these documents shall not be cause to extend or terminate the purchase agreement.

(Adds R.S. 9:3200.1)

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 conducted 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.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the reengrossed bill

1. Remove the requirement that 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.
2. Adds provisions for a buyer to request a homeowners, property, or condominium association with copies of certain documents listed in proposed law.
3. Adds that a buyer may request a copy of the documents listed in proposed law which are recorded in the conveyance or mortgage records from the person providing title closing or title settlement services.
4. Adds that any person providing a document pursuant to proposed law shall not be liable for error, inaccuracy, or omission in a document provided.
5. Adds that prior to or concurrent with delivery of the documents, the buyer making the request shall pay all costs incurred for obtaining and providing the requested copies, and a reasonable service fee.
6. Adds that failure to request or receive the documents shall not be cause to extend or terminate the purchase agreement.
7. Makes technical changes.