## 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	<u>§1123.103. Annual accounting; audit</u>
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

## Page 1 of 4

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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	<u>§1123.109</u> . 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	<u>§1141.10. Annual accounting; audit</u>
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.

1	B. Every homeowners association with annual dues exceeding five hundred
2	thousand dollars shall have an accounting of the books and accounts conducted and
3	reported annually and an audit of the books and accounts conducted and reported
4	every three years by a third-party auditor.
5	C. The reports provided for in Subsections A and B of this Section are
6	available upon request or a copy of the reports shall be provided to all members of
7	the association within ninety days after the end of the previous fiscal year, or
8	annually on the date provided in the bylaws. In no event shall the report be provided
9	later than one hundred and twenty days after the end of the fiscal year.
10	D. If the homeowner association fails to comply with the provisions of this
11	Section, any member of the association may petition for declaratory judgment.
12	* * *
13	§3198. Duties of the seller; delivery of property disclosure document; termination
14	of real estate contract; information contained in document and inaccuracies;
15	required disclosure of information relative to homeowners' associations and
16	restrictive covenants; liability of seller
17	* * *
18	(3) The statement shall inform the purchaser that the information included
19	in the disclosure statement relative to of any homeowners' association, property
20	owners' association, or condominium association, is summary in nature and that
21	restrictive covenants and building restrictions are a matter of public record all
22	recorded association documents shall be provided to the purchaser no later than at
23	the time of closing. The statement shall also include notification to the purchaser
24	that homeowners' association governing documents may be requested from the seller
25	and how to obtain documents regarding any restrictive covenants and building
26	restrictions governing the property to be purchased.

Page 3 of 4

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

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

<u>Proposed law</u> (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.

<u>Proposed law</u> (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.

<u>Proposed law</u> (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.

<u>Proposed law</u> (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.

<u>Proposed law</u> 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.

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

<u>Proposed law</u> (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.

<u>Proposed law</u> 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.

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

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