

SENATE BILL 1079

By Harris

AN ACT to amend Tennessee Code Annotated, Title 66,  
relative to homeowners associations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 27, is amended by adding the following new part:

**66-27-601.** As used in this part:

(1) "Assessment" means the sum attributable to each unit and due to the association;

(2) "Association" means an organization composed of all unit owners that is structured pursuant to and has the powers and duties set out in its bylaws;

(3) "Bylaws" means the instruments that contain the procedures for conduct of the affairs of the association, including any amendments to the instruments;

(4) "Common area" means property owned by the association for the use of all unit owners;

(5) "Common expense" means an expenditure made by, or financial liabilities of, the association, together with any allocations to reserves;

(6) "Declaration" means the instrument that creates a common area, including any amendments to the instrument;

(7) "Executive board" means the body designated in the declaration or bylaws that has power to act on behalf of the association;

(8) "Person" means:

(A) An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation,

government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity; and

(B) In the case of a land trust, the beneficiary of the trust rather than the trust or the trustee;

(9) "Record," used as a noun, means information that is inscribed on a tangible medium, or that is stored in an electronic or other medium, and is retrievable in perceivable form;

(10) "Rule" means a policy, guideline, restriction, procedure, or regulation of an association that is not set forth in the declaration or bylaws and that governs the conduct of persons or the use or appearance of property subject to the association;

(11) "Unit":

(A) Means a physical portion of the property subject to the association designated for separate ownership or occupancy, and all improvements to the physical portion; and

(B) Includes an unimproved lot; and

(12) "Unit owner" means a person that owns a unit.

**66-27-602.**

(a) The association, upon written request from a unit owner or the unit owner's authorized agent, shall provide the information specified in subsection (b) within fifteen (15) business days following the date of the association's receipt of the request. The association shall advise unit owners of the manner in which to make a request under this subsection (a) and shall not charge a fee for providing the information.

(b) The information provided pursuant to this section shall include the following:

(1) The name and principal address of the association;

(2) A copy of any declaration, bylaws, charter, or articles of association of the association, and all amendments of and exhibits to each;

(3) A copy of the current rules of the association;

(4) The most recent balance sheet, income statement, and approved budget for the association, or, if there has never been an approved budget, then the projected budget. The budget shall include:

(A) A statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacements;

(B) A statement of any other reserves;

(C) The projected aggregate annual common expense assessments by category of expenditures for the association;

(D) The projected monthly common expense assessments, or the method of calculating each unit's share of the common expense assessments;

(E) A description of any indebtedness secured by the common areas or other amenities owned by the association or available for the use of the unit owners; and

(F) A description of any lease affecting the common areas or amenities owned by the association or available for the use of the unit owners;

(5) Minutes of all meetings of the members and the executive board of the association for the twenty-four-month period ending on the date of the request;

(6) The current monthly assessments and any special assessments applicable to the unit in question, and the amount of any delinquencies in any assessments applicable to the unit;

(7) Any fees or assessments due as a result of a transfer of the applicable unit;

(8) The amount and nature of any additional fees currently imposed for use by members of the common areas or other amenities;

(9) A statement of any insurance coverage maintained by the association that includes the types of coverage, limits, and deductibles of the insurance;

(10) A statement of any unsatisfied judgments and a description of any pending suits against the association;

(11) A description of any pending suits filed by the association, other than for the collection of delinquent assessments; and

(12) The total amount of current monthly, annual, or special assessments for all units.

(c)

(1) If the association fails to provide the information required by this section within the required time period, then the association shall be liable for and shall pay a fine of:

(A) Two hundred fifty dollars (\$250) to the unit owner, following the first request; and

(B) Five hundred dollars (\$500) if the association does not supply the information within fifteen (15) business days following a second request.

(2) If the association fails to provide the information required by this section within fifteen (15) business days following a second request, then the association will have an additional one (1) week to comply. Upon expiration of the week, the unit owner may bring a cause of action against the association for

recovery of any fines described in subdivision (c)(1) and all costs, including reasonable attorney's fees and court costs, incurred in requesting the information or enforcing the fines.

(3) The remedies in this subsection (c) shall not be the exclusive remedies of an aggrieved unit owner, but shall be in addition to all other remedies to which the unit owner shall be entitled at law or in equity.

SECTION 2. This act shall take effect July 1, 2015, the public welfare requiring it, and shall apply to unit owners' requests for information made to associations on or after that date.