



February 19, 2014

ENGROSSED HOUSE BILL No. 1107

DIGEST OF HB 1107 (Updated February 17, 2014 3:07 pm - DI 106)

Citations Affected: IC 32-21.

Synopsis: Recording of homeowners association covenants. Lowers the number of different sections of lots of a land development, from 12 to two, that are required to record certain homeowners association covenants.

Effective: July 1, 2014.

Leonard

(SENATE SPONSORS — BANKS, KRUSE)

January 9, 2014, read first time and referred to Committee on Local Government.
January 27, 2014, reported — Do Pass.
January 29, 2014, read second time, ordered engrossed. Engrossed.
January 30, 2014, read third time, passed. Yeas 93, nays 1.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Civil Law.
February 18, 2014, amended, reported favorably — Do Pass.

EH 1107—LS 6704/DI 107



February 19, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1107

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-21-2-3.5, AS ADDED BY P.L.43-2013,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 3.5. (a) This section applies only to land
4 developments that include:
5 (1) at least two hundred fifty (250) single family homes; and
6 (2) at least ~~twelve (12)~~ **two (2)** different sections of lots:
7 (A) whose titles have all been conveyed from the land
8 developer;
9 (B) whose first plat and covenants have been recorded in the
10 office of the county recorder for at least fifteen (15) years;
11 (C) that are all governed by one (1) homeowners association;
12 and
13 (D) that are not all subject to the same homeowners
14 association covenants.
15 (b) Except as provided in subsection (c), if the lots included as part
16 of one (1) homeowners association are not all subject to the same

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1 homeowners association covenants, new replacement covenants may
 2 be recorded by the homeowners association using one (1) of the
 3 following methods:

4 (1) The homeowners association covenants may be recorded in
 5 accordance with section 3 of this chapter.

6 (2) Notwithstanding any covenant provisions or bylaws of the
 7 homeowners association concerning amendments or revisions to
 8 homeowners association covenants, the homeowners association
 9 may:

10 (A) distribute to the owner of each lot included as part of the
 11 homeowners association:

12 (i) a proposed set of homeowners association covenants that
 13 would apply to all lots included as part of the homeowners
 14 association; and

15 (ii) a petition to be signed by each lot owner on which the
 16 owner indicates whether the owner approves or disapproves
 17 of applying the proposed covenants to all lots included as
 18 part of the homeowners association; and

19 (B) submit the petitions and covenants to the county recorder
 20 if:

21 (i) the lesser of a percentage of lot owners specified in the
 22 covenants or two-thirds (2/3) of all lot owners approve of
 23 applying the covenants to all lots included as part of the
 24 homeowners association, as indicated by the petitions signed
 25 by the lot owners; and

26 (ii) notwithstanding section 3 of this chapter, the signature
 27 of each lot owner has been affirmed before a notary public
 28 or an officer of the homeowners association submits an
 29 affidavit with the covenants and the petitions that verifies
 30 and certifies the signatures on the petitions.

31 Homeowners association covenants submitted to a county
 32 recorder in accordance with this subdivision are considered to be
 33 in effect on the date the covenants are recorded.

34 (c) A new replacement covenant described in subsection (b) does
 35 not apply to and is not binding on property in one (1) section of lots to
 36 the extent that the new replacement covenant:

37 (1) changes an existing covenant that pertains to minimum lot
 38 area or minimum home size; or

39 (2) adds a new covenant that pertains to minimum lot area or
 40 minimum home size.

41 (d) A new replacement covenant described in subsection (b) applies
 42 only prospectively, beginning on the date the covenant is recorded. The



1 adoption of a new replacement covenant does not require a person to
2 alter the person's home or lot to comply with the new replacement
3 covenant if the condition of the person's home or lot was permissible
4 or authorized under the previous covenant.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1107, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1107 as introduced.)

Committee Vote: Yeas 11, Nays 0

Representative Neese

COMMITTEE REPORT

Madam President: The Senate Committee on Civil Law, to which was referred House Bill No. 1107, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 6, delete "five (5)" and insert "**two (2)**".

and when so amended that said bill do pass.

(Reference is to HB 1107 as printed January 27, 2014.)

ZAKAS, Chairperson

Committee Vote: Yeas 7, Nays 0.

