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# HOUSE BILL No. 1115

Proposed Changes to January 22, 2026 printing by AM111507

## DIGEST OF PROPOSED AMENDMENT

Limit on fines. Requires a schedule of fines to include a maximum aggregate fine amount for any single violation.

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 32-25.5-3-2, AS AMENDED BY P.L.1-2010,
- 2 SECTION 128, IS AMENDED TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) In addition to any other
- 4 meeting held by a board, a board shall hold a special meeting of the
- 5 members of a homeowners association if at least ten percent (10%) of
- 6 the members of the homeowners association submit to the board at
- 7 least one (1) written demand for the special meeting that:
- 8 (1) describes the purpose for which the meeting is to be held;
- 9 and
- 10 (2) is signed by the members requesting the special meeting.
- 11 (b) If a board does not send out a notice of the date, time, and
- 12 place for a special meeting not more than thirty (30) days after the date
- 13 the board receives a valid written demand for the special meeting under
- 14 subsection (a), a member of the homeowners association who signed
- 15 the written demand may:
- 16 (1) set the date, time, and place for the special meeting; and
- 17 (2) send out the notice for the special meeting to the other
- 18 members.
- 19 **(c) In the meeting notice of the board's annual meeting, the**
- 20 **board shall include a written statement that:**

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- 1           **(1) notifies homeowners association members of the right to**  
 2           **demand a special meeting of the members under this section;**  
 3           **and**  
 4           **(2) states the number of members required to demand a**  
 5           **special meeting, as determined under subsection (a);**  
 6           **in accordance with section 3(g) of this chapter.**  
 7           SECTION 2. IC 32-25.5-3-3, AS AMENDED BY P.L.164-2016,  
 8           SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           JULY 1, 2026]: Sec. 3. (a) A homeowners association shall prepare an  
 10          annual budget.  
 11          (b) The annual budget must reflect:  
 12               (1) the estimated revenues and expenses for the budget year; and  
 13               (2) the estimated surplus or deficit as of the end of the current  
 14               budget year.  
 15          (c) The homeowners association shall provide each member of the  
 16          homeowners association with:  
 17               (1) a:  
 18                    (A) copy of the proposed annual budget; or  
 19                    (B) written notice that a copy of the proposed annual budget  
 20                    is available upon request at no charge to the member; and  
 21               (2) a written notice of the amount of any increase or decrease in  
 22               a regular annual assessment paid by the members that would  
 23               occur if the proposed annual budget is approved;  
 24          before the homeowners association meeting held under subsection (d).  
 25          (d) Subject to subsection (f), a homeowners association budget  
 26          must be approved at a meeting of the homeowners association  
 27          members by a majority of the members of the homeowners association  
 28          in attendance at a meeting called and conducted in accordance with the  
 29          requirements of the homeowners association's governing documents.  
 30          (e) For purposes of this section, a member of a homeowners  
 31          association is considered to be in attendance at a meeting if the  
 32          member attends:  
 33               (1) in person;  
 34               (2) by proxy; or  
 35               **(3) by remote or virtual means in accordance with the**  
 36               **procedures set forth in IC 23-17-10-1(d) through**  
 37               **IC 23-17-10-1(f); or**  
 38               ~~(3)~~ **(4) by any other means allowed under:**  
 39                    (A) state law; or  
 40                    (B) the governing documents of the homeowners  
 41                    association.  
 42          (f) If the number of members of the homeowners association in

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1 attendance at a meeting held under subsection (d) does not constitute  
 2 a quorum as defined in the governing documents of the homeowners  
 3 association, the board may adopt an annual budget for the homeowners  
 4 association for the ensuing year in an amount that does not exceed one  
 5 hundred percent (100%) of the amount of the last approved  
 6 homeowners association annual budget. However, the board may adopt  
 7 an annual budget for the homeowners association for the ensuing year  
 8 in an amount that does not exceed one hundred ten percent (110%) of  
 9 the amount of the last approved homeowners association annual budget  
 10 if the governing documents of the homeowners association allow the  
 11 board to adopt an annual budget under this subsection for the ensuing  
 12 year in an amount that does not exceed one hundred ten percent  
 13 (110%) of the amount of the last approved homeowners association  
 14 annual budget.

15 (g) Subject to subsection (k):

16 (1) the financial records, including all contracts, invoices, bills,  
 17 receipts, and bank records, of a homeowners association must be  
 18 available for inspection by each member of the homeowners  
 19 association upon written request; and

20 (2) the minutes of meetings of the homeowners association  
 21 board, including the annual meeting, must be available to a  
 22 member of the homeowners association for inspection upon the  
 23 homeowners association member's request, which may be  
 24 submitted:

25 (A) in person;

26 (B) in writing; or

27 (C) by electronic mail **or other electronic means.**

28 In addition to the right to inspect the meeting minutes of the  
 29 homeowners association board, a member of a homeowners  
 30 association has the right to attend any meeting of the  
 31 homeowners association board, including an annual meeting of  
 32 the board. **For each meeting of the homeowners association  
 33 board, the board must provide at least four (4) days advance  
 34 written notice of the meeting to members of the homeowners  
 35 association. The meeting notice must include an agenda for  
 36 the meeting. The meeting notice for the annual meeting of  
 37 the board must also include a statement of the right of  
 38 homeowners association members to demand a special  
 39 meeting of the members under section 2 of this chapter,  
 40 including a statement of the number of members required to  
 41 demand a special meeting, as determined under section 2(a)  
 42 of this chapter. The board may provide a written meeting**

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1 **notice required under this subsection by hand delivery,**  
 2 **United States mail, or electronic mail or other electronic**  
 3 **means.** However, the board of directors may meet in private to  
 4 discuss delinquent assessments. The board of directors may also  
 5 meet in private with legal counsel to discuss the initiation of  
 6 litigation or to discuss litigation that either is pending or has  
 7 been threatened specifically in writing. As used in this  
 8 subsection, "litigation" includes any judicial action or  
 9 administrative law proceeding under state or federal law.

10 A written request for inspection must identify with reasonable  
 11 particularity the information being requested. A member's ability to  
 12 inspect records under this section shall not be unreasonably denied or  
 13 conditioned upon provision of an appropriate purpose for the request.  
 14 The homeowners association may charge a reasonable fee for the  
 15 copying of a record requested under this subsection if the homeowners  
 16 association member requests a written copy of the record.

17 (h) Subject to subsections (j) and (k), if there is a dispute between  
 18 a homeowner and a homeowners association, the officers of the  
 19 homeowners association must make all communications concerning the  
 20 dispute available to the homeowner.

21 (i) Subject to subsections (j) and (k), the following apply:

22 (1) A homeowners association shall make all communications  
 23 and information concerning a lot available to the owner of the lot  
 24 or a home on the lot.

25 (2) If a homeowners association initiates communication with  
 26 any member about another member's lot, the homeowners  
 27 association must give a copy of that communication to the other  
 28 member whose lot is the subject of the communication.  
 29 However, this subdivision does not apply if the communication  
 30 concerns suspected criminal activity, or activity that is the  
 31 subject of a law enforcement investigation, involving the  
 32 member whose lot is the subject of the communication.

33 (j) A homeowners association is not required to make:

34 (1) communications between the homeowners association and  
 35 the legal counsel of the homeowners association; and

36 (2) other communications or attorney work product prepared in  
 37 anticipation of litigation;

38 available to the owner of a lot or home.

39 (k) A homeowners association is not required to make available to  
 40 a member for inspection any of the following:

41 (1) Unexecuted contracts.

42 (2) Records regarding contract negotiations.

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- 1 (3) Information regarding an individual member's association
- 2 account to a person who is not a named party on the account.
- 3 (4) Any information that is prohibited from release under state
- 4 or federal law.
- 5 (5) Any records that were created more than two (2) years before
- 6 the request.
- 7 (6) Information that:
- 8 (A) is provided by a member of the homeowners association
- 9 about another member of the homeowners association; and
- 10 (B) concerns suspected criminal activity involving the other
- 11 member.

12 Except as otherwise provided in this article (including subsection (j)

13 and this subsection), other applicable law, or the governing documents

14 of the homeowners association, a homeowners association is not

15 required to retain a record of a written or electronic communication for

16 any specific period of time. However, a homeowners association or a

17 member of the board of a homeowners association shall retain for at

18 least two (2) years after ~~receipt~~, **the date it is received or sent**, and

19 during that period shall make available to a member of the homeowners

20 association at the member's request, any written or electronic

21 communication received **or sent** by the homeowners association or

22 board member that relates to a financial transaction of the homeowners

23 association and that is not otherwise excepted from disclosure under

24 this article or other applicable law.

25 (l) **Except for information described in subsection (k)(4),**

26 nothing in this chapter:

- 27 (1) abrogates or eliminates provisions in homeowners
- 28 association agreements that permit or require additional
- 29 disclosure or inspection rights not required by this chapter; or
- 30 (2) prevents a homeowners association from agreeing to make
- 31 disclosures or to provide inspection rights not required by this
- 32 chapter.

33 (m) A homeowners association may not charge a fee for the first

34 hour required to search for a record in response to a written request

35 submitted under this chapter. A homeowners association may charge

36 a search fee for any time that exceeds one (1) hour. The following

37 provisions apply if a homeowners association charges a search fee:

- 38 (1) The homeowners association shall charge an hourly fee that
- 39 does not exceed thirty-five dollars (\$35) per hour.
- 40 (2) The homeowners association may charge the fee only for
- 41 time that the person making the search actually spends in
- 42 searching for the record.

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1 (3) The homeowners association shall prorate the fee to reflect  
2 any search time of less than one (1) hour.

3 (4) The total amount of the fee charged by the homeowners  
4 association for a search may not exceed two hundred dollars  
5 (\$200).

6 SECTION 3. IC 32-25.5-3-12 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2026]: **Sec. 12. (a) A homeowners association**  
9 **may assess a fine for a member's violation of a covenant described**  
10 **in IC 32-25.5-2-3(2) if the board first adopts a schedule of fines that**  
11 **sets forth:**

12 (1) the covenant violations that are subject to a fine;

13 (2) the amount of the fine that applies to each violation  
14 identified under subdivision (1); ~~and~~

15 (3) if any of the fines listed in subdivision (2) will be assessed  
16 on an ongoing or recurring basis:

17 (A) for a defined period or a specified number of days;  
18 or

19 (B) until the violation is cured or another contingency  
20 occurs;

21 a statement of that fact, along with a description of how the  
22 fine will be calculated and assessed ~~and~~; and

23 [ (4) a maximum aggregate fine amount for any single  
24 violation. A fine assessed on an ongoing or recurring basis  
25 may not exceed the maximum aggregate amount stated in the  
26 schedule of fines.

27 ] (b) If the board will adopt a schedule of fines under this section  
28 at a meeting of the board, the board shall give notice of the meeting  
29 to members in accordance with the homeowners association's  
30 governing documents. The notice must include the proposed  
31 schedule of fines.

32 (c) A schedule of fines adopted under this section must be  
33 available to any member for inspection upon the member's request,  
34 which may be submitted:

35 (1) in person;

36 (2) in writing; or

37 (3) by electronic mail or other electronic means.

38 (d) The board may, from time to time, amend or repeal a  
39 schedule of fines adopted under this section if notice of:

40 (1) the amendment or repeal, including the amended  
41 schedule of fines in the case of an amendment; and

42 (2) any meeting held to adopt the amendment or repeal;

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1 is given to members in accordance with the homeowners  
2 association's governing documents.

3 (e) Members may submit to the board under section 2 of this  
4 chapter a written demand for a special meeting of the members of  
5 the homeowners association for the purpose of voting to amend a  
6 schedule of fines adopted under this section. An amended schedule  
7 of fines shall be:

- 8 (1) adopted as proposed; or  
9 (2) revised and adopted;

10 if so approved by a majority of members present at the meeting.

11 (f) After a schedule of fines has been adopted under this  
12 section, the board may assess a member a fine for a violation  
13 included in the schedule of fines under subsection (a)(1) if the  
14 board first provides notice to the member of:

- 15 (1) the violation for which the fine will be assessed;  
16 (2) the amount of the fine;  
17 (3) the date on which the fine will be assessed; and  
18 (4) if the fine will be assessed on an ongoing or recurring  
19 basis:

- 20 (A) for a defined period or a specified number of days;  
21 or  
22 (B) until the violation is cured or another contingency  
23 occurs;

24 a statement of that fact, along with a description of how the  
25 fine will be calculated and assessed.

26 (g) If a member is assessed a fine under this section, the  
27 amount of the fine that has accrued must be available to the  
28 member upon the member's request, which may be submitted:

- 29 (1) in person;  
30 (2) in writing; or  
31 (3) by electronic mail or other electronic means.

32 (h) The assessment of a fine by a homeowners association  
33 under this section does not operate as a waiver of the homeowners  
34 association's rights to pursue alternative remedies provided for in  
35 the homeowners association's governing documents, including any  
36 right to injunctive relief or to pursue a claim for damages.

37 SECTION 4. IC 32-25.5-5-4, AS ADDED BY P.L.141-2015,  
38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2026]: Sec. 4. As used in this chapter, "exempt claim" refers  
40 to any of the following claims or actions:

- 41 (1) A claim by the homeowners association for assessments or  
42 dues and any action by the association to collect assessments or

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- 1            **dues. This subdivision does not include a claim that involves**
- 2            **the assessment or enforcement of a fine under**
- 3            **IC 32-25.5-3-12 by a homeowners association for a member's**
- 4            **violation of a covenant of the homeowners association.**
- 5            (2) An action by a party to obtain a temporary restraining order
- 6            or equivalent emergency equitable relief:
- 7                (A) to maintain the status quo and preserve the party's
- 8                ability to enforce the governing documents; or
- 9                (B) when an emergency condition exists that jeopardizes the
- 10              health or safety of any of the residents within the
- 11              community governed by the homeowners association.
- 12            (3) A suit to which an applicable statute of limitations would
- 13            expire within the notice period. This subdivision does not apply
- 14            if a party against which the claim is made agrees to toll the
- 15            statute of limitations as to the claim for the period reasonably
- 16            necessary to comply with this chapter.
- 17            (4) A dispute that is subject to mediation, arbitration, or other
- 18            alternate dispute resolution under applicable law, contract,
- 19            warranty agreement, or other instrument.
- 20            (5) A claim that is substantively identical to a claim:
- 21                (A) that was previously addressed by the parties; or
- 22                (B) that was resolved by a judicial determination in favor of
- 23                one (1) of the parties.
- 24            SECTION 5. IC 32-25.5-5-10, AS ADDED BY P.L.141-2015,
- 25            SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26            JULY 1, 2026]: Sec. 10. A claimant must provide notice of the claim
- 27            to the respondent, stating plainly and concisely the following
- 28            information:
- 29                (1) The nature of the claim, including the date, time, location,
- 30                persons involved, and the respondent's role in the claim.
- 31                (2) The basis of the claim, including the provision of the
- 32                governing documents or other authority out of which the claim
- 33                arises.
- 34                (3) What the claimant wants the respondent to do or not to do to
- 35                resolve the claim.
- 36                (4) That the respondent has a right to meet with the claimant, if
- 37                the respondent makes a written request for a meeting **not later**
- 38                **than ten (10) business days after the date of the notice.**
- 39                (5) The name and address of the person ~~from~~ whom the
- 40                respondent must **contact to:**
- 41                    (A) request a meeting under subdivision (4); **or**
- 42                    (B) **provide notice that the violation on which the claim**

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