

# HOUSE BILL No. 1152

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 32-25.5.

**Synopsis:** Homeowners association matters. Removes language authorizing an increase to the annual budget of a homeowners association (HOA) when the number of HOA members present at a meeting to adopt the annual budget does not constitute a quorum and the governing documents of the HOA permit the adoption of the increase in that circumstance. Provides that an HOA: (1) may not: (A) prohibit or restrict; or (B) adopt or enforce a regulation, rule, or other policy that has the effect of prohibiting or restricting; a person from operating a child care home or from providing child care that is not subject to the application of the statutes concerning child care regulation on a single family residence; and (2) may adopt or amend governing documents to allow for these uses.

**Effective:** July 1, 2026.

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**Lawson, Miller D, O'Brien**

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January 5, 2026, read first time and referred to Committee on Judiciary.

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Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1152

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 32-25.5-3-3, AS AMENDED BY P.L.164-2016,
- 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2026]: Sec. 3. (a) A homeowners association shall prepare an
- 4 annual budget.
- 5 (b) The annual budget must reflect:
- 6 (1) the estimated revenues and expenses for the budget year; and
- 7 (2) the estimated surplus or deficit as of the end of the current
- 8 budget year.
- 9 (c) The homeowners association shall provide each member of the
- 10 homeowners association with:
- 11 (1) a:
- 12 (A) copy of the proposed annual budget; or
- 13 (B) written notice that a copy of the proposed annual budget
- 14 is available upon request at no charge to the member; and
- 15 (2) a written notice of the amount of any increase or decrease in
- 16 a regular annual assessment paid by the members that would
- 17 occur if the proposed annual budget is approved;



1 before the homeowners association meeting held under subsection (d).

2 (d) Subject to subsection (f) **and section 3.1 of this chapter**, a  
 3 homeowners association budget must be approved at a meeting of the  
 4 homeowners association members by a majority of the members of the  
 5 homeowners association in attendance at a meeting called and  
 6 conducted in accordance with the requirements of the homeowners  
 7 association's governing documents.

8 (e) For purposes of this section, a member of a homeowners  
 9 association is considered to be in attendance at a meeting if the  
 10 member attends:

11 (1) in person;

12 (2) by proxy; or

13 (3) by any other means allowed under:

14 (A) state law; or

15 (B) the governing documents of the homeowners association.

16 (f) If the number of members of the homeowners association in  
 17 attendance at a meeting held under subsection (d) does not constitute  
 18 a quorum as defined in the governing documents of the homeowners  
 19 association, the board may adopt an annual budget for the homeowners  
 20 association for the ensuing year in an amount that does not exceed one  
 21 hundred percent (100%) of the amount of the last approved  
 22 homeowners association annual budget. ~~However, the board may adopt~~  
 23 ~~an annual budget for the homeowners association for the ensuing year~~  
 24 ~~in an amount that does not exceed one hundred ten percent (110%) of~~  
 25 ~~the amount of the last approved homeowners association annual budget~~  
 26 ~~if the governing documents of the homeowners association allow the~~  
 27 ~~board to adopt an annual budget under this subsection for the ensuing~~  
 28 ~~year in an amount that does not exceed one hundred ten percent~~  
 29 ~~(110%) of the amount of the last approved homeowners association~~  
 30 ~~annual budget.~~

31 (g) Subject to subsection (k):

32 (1) the financial records, including all contracts, invoices, bills,  
 33 receipts, and bank records, of a homeowners association must be  
 34 available for inspection by each member of the homeowners  
 35 association upon written request; and

36 (2) the minutes of meetings of the homeowners association board,  
 37 including the annual meeting, must be available to a member of  
 38 the homeowners association for inspection upon the homeowners  
 39 association member's request, which may be submitted:

40 (A) in person;

41 (B) in writing; or

42 (C) by electronic mail.



1 In addition to the right to inspect the meeting minutes of the  
 2 homeowners association board, a member of a homeowners  
 3 association has the right to attend any meeting of the homeowners  
 4 association board, including an annual meeting of the board.  
 5 However, the board of directors may meet in private to discuss  
 6 delinquent assessments. The board of directors may also meet in  
 7 private with legal counsel to discuss the initiation of litigation, or  
 8 to discuss litigation that either is pending or has been threatened  
 9 specifically in writing. As used in this subsection, "litigation"  
 10 includes any judicial action or administrative law proceeding  
 11 under state or federal law.

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

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

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

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

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

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

36 (1) communications between the homeowners association and the  
 37 legal counsel of the homeowners association; and

38 (2) other communications or attorney work product prepared in  
 39 anticipation of litigation;

40 available to the owner of a lot or home.

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



(1) Unexecuted contracts.

(2) Records regarding contract negotiations.

(3) Information regarding an individual member's association account to a person who is not a named party on the account.

(4) Any information that is prohibited from release under state or federal law.

(5) Any records that were created more than two (2) years before the request.

(6) Information that:

(A) is provided by a member of the homeowners association about another member of the homeowners association; and

(B) concerns suspected criminal activity involving the other member.

Except as otherwise provided in this article (including subsection (j) and this subsection), other applicable law, or the governing documents of the homeowners association, a homeowners association is not required to retain a record of a written or electronic communication for any specific period of time. However, a homeowners association or a member of the board of a homeowners association shall retain for at least two (2) years after receipt, and during that period shall make available to a member of the homeowners association at the member's request, any written or electronic communication received by the homeowners association or board member that relates to a financial transaction of the homeowners association and that is not otherwise excepted from disclosure under this article or other applicable law.

(l) Nothing in this chapter:

(1) abrogates or eliminates provisions in homeowners association agreements that permit or require additional disclosure or inspection rights not required by this chapter; or

(2) prevents a homeowners association from agreeing to make disclosures or to provide inspection rights not required by this chapter.

(m) A homeowners association may not charge a fee for the first hour required to search for a record in response to a written request submitted under this chapter. A homeowners association may charge a search fee for any time that exceeds one (1) hour. The following provisions apply if a homeowners association charges a search fee:

(1) The homeowners association shall charge an hourly fee that does not exceed thirty-five dollars (\$35) per hour.

(2) The homeowners association may charge the fee only for time that the person making the search actually spends in searching for the record.



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

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

SECTION 2. IC 32-25.5-3-3.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 3.1. The amendments made by this act to section 3 of this chapter during the 2026 regular session of the general assembly do not apply to a homeowners association established before July 1, 2026, whose governing documents allow for the adoption of the annual budget for the ensuing year in an amount that does not exceed one hundred ten percent (110%) of the amount of the last approved annual budget as permitted by section 3(f) of this chapter, before its amendment by this act during the 2026 regular session of the general assembly, unless a homeowners association described in this section amends or renews the governing documents after June 30, 2026.**

SECTION 3. IC 32-25.5-3-9 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

**Chapter 3.9. Homeowners Association Regulation of Property Used to Provide Child Care**

**Sec. 1. This chapter applies only to a homeowners association's adoption or amendment of governing documents after June 30, 2026.**

**Sec. 2. As used in this chapter, "child care home" has the meaning set forth in IC 12-7-2-28.6.**

**Sec. 3. As used in this chapter, "governing documents" has the meaning set forth in IC 32-25.5-2-3.**

**Sec. 4. As used in this chapter, "single family residence" means a residential structure that:**

**(1) does not share a common wall with any other structure within the homeowners association; and**

**(2) is designed and built for occupancy by only one (1) family.**

**Sec. 5. (a) A homeowners association may not prohibit or restrict a person from:**

**(1) operating a child care home; or**

**(2) providing child care as described in IC 12-17.2-1-1(2); in a single family residence that the person owns, rents, or leases.**

**(b) A homeowners association may not adopt or enforce a regulation, rule, or other policy that has the effect of prohibiting or**



1     **restricting a person from:**

2         **(1) operating a child care home; or**

3         **(2) providing child care as described in IC 12-17.2-1-1(2);**  
4     **in a single family residence that the person owns, rents, or leases.**

5     **Sec. 6. A homeowners association may adopt or amend**  
6     **governing documents to permit the:**

7         **(1) operation of a child care home; or**

8         **(2) provision of child care as described in IC 12-17.2-1-1(2);**  
9     **in a single family residence that a person owns, rents, or leases to**  
10    **conform with this chapter.**

11    **Sec. 7. This chapter does not affect:**

12         **(1) a homeowners association that allowed for the operation**  
13         **of a child care home or the provision of child care as**  
14         **described in IC 12-17.2-1-1(2) in a single family residence**  
15         **before July 1, 2026; or**

16         **(2) the application of any other laws that apply to a child care**  
17         **home or to the provision of child care as described in**  
18         **IC 12-17.2-1-1(2).**

