

# PROPOSED AMENDMENT

## HB 1152 # 4

### DIGEST

Homeowners association. Allows a homeowners association to increase a budget, without a quorum, in an amount not to exceed 110% of the amount of the last approved budget, within three years after the first sale of a lot or unit from a developer to a person not associated with the developer. Allows, if certain conditions are met, a homeowners association to increase an annual budget without a quorum in an amount that does not exceed the lesser of: (1) 105% of the last approved budget; or (2) the average increase of the Consumer Price Index for housing in Midwest for the prior 12 months. Limits the definition of a child care home to a Class I child care home. Specifies that a homeowners association may not prohibit or restrict a person from operating a child care home or providing certain child care if the person resides in the single family residence. Requires the person who holds a license for a child care home to reside in the single family residence.

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1           Page 2, line 16, delete "If" and insert "**Except as provided in**  
2           **sections 3.1, 3.2, and 3.3 of this chapter, if**".

3           Page 5, delete lines 6 through 42, begin a new paragraph and insert:  
4           "SECTION 2. IC 32-25.5-3-3.1 IS ADDED TO THE INDIANA  
5           CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
6           **[EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) The amendments made by**  
7           **HEA 1152-2026 to section 3 of this chapter do not apply to a**  
8           **homeowners association established before July 1, 2026, if the**  
9           **homeowners association's governing documents allowed for the**  
10          **adoption of the annual budget for the ensuing year in an amount**  
11          **that does not exceed one hundred ten percent (110%) of the**  
12          **amount of the last approved annual budget as permitted by section**  
13          **3(f) of this chapter, before the amendment by HEA 1152-2026.**

14          **(b) This section does not apply if a homeowners association**  
15          **described in subsection (a) amends or renews the governing**  
16          **documents after June 30, 2026.**

17          SECTION 3. IC 32-25.5-3-3.2 IS ADDED TO THE INDIANA  
18          CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
19          **[EFFECTIVE JULY 1, 2026]: Sec. 3.2. (a) This section applies to a**  
20          **homeowners association within the first three (3) years after the**  
21          **first sale of a lot or unit within the homeowners association from**

1 a developer to a person that is not affiliated with the developer.

2 (b) If the number of members of the homeowners association in  
3 attendance at a meeting held under section 3(d) of this chapter do  
4 not constitute a quorum as defined in the governing documents of  
5 the homeowners association, the board may adopt an annual  
6 budget for the homeowners association for the ensuing year in an  
7 amount that does not exceed one hundred ten percent (110%) of  
8 the amount of the last approved homeowners association annual  
9 budget.

10 (c) The governing documents of the homeowners association  
11 must expressly allow a board to adopt a budget in the manner  
12 described in subsection (b) without a quorum.

13 (d) The governing documents of a homeowners association may  
14 not allow a budget to be increased under this section after the  
15 expiration of the third year following the first sale of a lot or unit  
16 by a developer to a person that is not affiliated with the developer.

17 SECTION 4. IC 32-25.5-3-3.3 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 2026]: Sec. 3.3. (a) This section applies to a  
20 homeowners association after the expiration of the third year  
21 following the first sale of a lot or unit by a developer to a person  
22 that is not affiliated with the developer.

23 (b) If the number of members of the homeowners association in  
24 attendance at a meeting held under section 3(d) of this chapter do  
25 not constitute a quorum as defined in the governing documents of  
26 the homeowners association, the board may adopt an annual  
27 budget for the homeowners association for the ensuing year in an  
28 amount that does not exceed the lesser of:

29 (1) one hundred five percent (105%) of the amount of the last  
30 approved homeowners association budget; or

31 (2) the last approved homeowners association budget  
32 increased by the average increase of the Consumer Price  
33 Index, published by the United States Bureau of Labor  
34 Statistics, for housing in the midwest region for the prior  
35 twelve (12) months.

36 (c) The governing documents of the homeowners association  
37 must expressly allow a board to adopt a budget in the manner  
38 described in subsection (b) without a quorum.

39 SECTION 3. IC 32-25.5-3.9 IS ADDED TO THE INDIANA CODE  
40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2026]:

2 **Chapter 3.9. Homeowners Association Regulation of Property**

3 **Used to Provide Child Care**

4 **Sec. 1. (a) This chapter applies only to a homeowners**

5 **association's adoption or amendment of governing documents after**

6 **June 30, 2026.**

7 **(b) This chapter does not apply to an age-restricted community**

8 **governed by a homeowners association that is in compliance with**

9 **the Housing for Older Persons Act of 1995.**

10 **Sec. 2. As used in this chapter, "governing documents" has the**

11 **meaning set forth in IC 32-25.5-2-3.**

12 **Sec. 3. As used in this chapter, "providing child care" means:**

13 **(1) the operation of a Class I child care home as defined in**

14 **IC 12-7-2-33.7; or**

15 **(2) providing child care described in IC 12-17.2-1-1(2).**

16 **Sec. 4. As used in this chapter, "single family residence" means**

17 **a residential structure that:**

18 **(1) does not share a common wall with any other structure**

19 **within the homeowners association; and**

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

21 **Sec. 5. A homeowners association may not:**

22 **(1) prohibit or restrict; or**

23 **(2) adopt or enforce a regulation, rule, or other policy that has**

24 **the effect of prohibiting or restricting;**

25 **a person from providing child care in a single family residence that**

26 **the person resides within and owns, rents, or leases. The person**

27 **holding a license of a Class I child care home must also reside**

28 **within the single family residence.**

29 **Sec. 6. A homeowners association may adopt or amend**

30 **governing documents to permit a person providing child care**

31 **within a single family residence that the person resides within and**

32 **owns, rents, or leases, to conform with this chapter.**

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

34 **(1) a homeowners association that allowed for the operation**

35 **of providing child care in a single family residence before July**

36 **1, 2026; or**

37 **(2) the application of any other laws that apply to providing**

38 **child care."**

39 Delete page 6.

40 Renumber all SECTIONS consecutively.

(Reference is to HB 1152 as printed January 12, 2026.)