
HOUSE BILL No. 1152

AM115204 has been incorporated into January 12, 2026 printing.

Synopsis: Homeowners association matters.

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January 12, 2026

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.

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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;

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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
16 association.

17 (f) **Except as provided in sections 3.1, 3.2, and 3.3 of this**
18 **chapter**, if the number of members of the homeowners association in
19 attendance at a meeting held under subsection (d) does not constitute
20 a quorum as defined in the governing documents of the homeowners
21 association, the board may adopt an annual budget for the homeowners
22 association for the ensuing year in an amount that does not exceed one
23 hundred percent (100%) of the amount of the last approved
24 homeowners association annual budget. ~~However, the board may adopt~~
25 ~~an annual budget for the homeowners association for the ensuing year~~
26 ~~in an amount that does not exceed one hundred ten percent (110%) of~~
27 ~~the amount of the last approved homeowners association annual budget~~
28 ~~if the governing documents of the homeowners association allow the~~
29 ~~board to adopt an annual budget under this subsection for the ensuing~~
30 ~~year in an amount that does not exceed one hundred ten percent~~
31 ~~(110%) of the amount of the last approved homeowners association~~
32 ~~annual budget.~~

33 (g) Subject to subsection (k):

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

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

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- submitted:
- (A) in person;
- (B) in writing; or
- (C) by electronic mail.

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

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

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

- (i) Subject to subsections (j) and (k), the following apply:
 - (1) A homeowners association shall make all communications and information concerning a lot available to the owner of the lot or a home on the lot.
 - (2) If a homeowners association initiates communication with any member about another member's lot, the homeowners association must give a copy of that communication to the other member whose lot is the subject of the communication. However, this subdivision does not apply if the communication concerns suspected criminal activity, or activity that is the subject of a law enforcement investigation, involving the member whose lot is the subject of the communication.

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

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

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- 1 (2) other communications or attorney work product prepared in
 2 anticipation of litigation;
 3 available to the owner of a lot or home.
- 4 (k) A homeowners association is not required to make available to
 5 a member for inspection any of the following:
- 6 (1) Unexecuted contracts.
 7 (2) Records regarding contract negotiations.
 8 (3) Information regarding an individual member's association
 9 account to a person who is not a named party on the account.
 10 (4) Any information that is prohibited from release under state
 11 or federal law.
 12 (5) Any records that were created more than two (2) years before
 13 the request.
 14 (6) Information that:
- 15 (A) is provided by a member of the homeowners association
 16 about another member of the homeowners association; and
 17 (B) concerns suspected criminal activity involving the other
 18 member.
- 19 Except as otherwise provided in this article (including subsection (j))
 20 and this subsection), other applicable law, or the governing documents
 21 of the homeowners association, a homeowners association is not
 22 required to retain a record of a written or electronic communication for
 23 any specific period of time. However, a homeowners association or a
 24 member of the board of a homeowners association shall retain for at
 25 least two (2) years after receipt, and during that period shall make
 26 available to a member of the homeowners association at the member's
 27 request, any written or electronic communication received by the
 28 homeowners association or board member that relates to a financial
 29 transaction of the homeowners association and that is not otherwise
 30 excepted from disclosure under this article or other applicable law.
- 31 (l) Nothing in this chapter:
- 32 (1) abrogates or eliminates provisions in homeowners
 33 association agreements that permit or require additional
 34 disclosure or inspection rights not required by this chapter; or
 35 (2) prevents a homeowners association from agreeing to make
 36 disclosures or to provide inspection rights not required by this
 37 chapter.
- 38 (m) A homeowners association may not charge a fee for the first
 39 hour required to search for a record in response to a written request
 40 submitted under this chapter. A homeowners association may charge
 41 a search fee for any time that exceeds one (1) hour. The following

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- 1 provisions apply if a homeowners association charges a search fee:
- 2 (1) The homeowners association shall charge an hourly fee that
- 3 does not exceed thirty-five dollars (\$35) per hour.
- 4 (2) The homeowners association may charge the fee only for
- 5 time that the person making the search actually spends in
- 6 searching for the record.
- 7 (3) The homeowners association shall prorate the fee to reflect
- 8 any search time of less than one (1) hour.
- 9 (4) The total amount of the fee charged by the homeowners
- 10 association for a search may not exceed two hundred dollars
- 11 (\$200).

12 SECTION 2. IC 32-25.5-3-3.1 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2026]: **Sec. 3.1. (a) The amendments made by**
 15 **HEA 1152-2026 to section 3 of this chapter do not apply to a**
 16 **homeowners association established before July 1, 2026, if the**
 17 **homeowners association's governing documents allowed for the**
 18 **adoption of the annual budget for the ensuing year in an amount**
 19 **that does not exceed one hundred ten percent (110%) of the**
 20 **amount of the last approved annual budget as permitted by section**
 21 **3(f) of this chapter, before the amendment by HEA 1152-2026.**

22 (b) This section does not apply if a homeowners association
 23 described in subsection (a) amends or renews the governing
 24 documents after June 30, 2026.

25 SECTION 3. IC 32-25.5-3-3.2 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2026]: **Sec. 3.2. (a) This section applies to a**
 28 **homeowners association within the first three (3) years after the**
 29 **first sale of a lot or unit within the homeowners association from**
 30 **a developer to a person that is not affiliated with the developer.**

31 (b) If the number of members of the homeowners association
 32 in attendance at a meeting held under section 3(d) of this chapter
 33 do not constitute a quorum as defined in the governing documents
 34 of the homeowners association, the board may adopt an annual
 35 budget for the homeowners association for the ensuing year in an
 36 amount that does not exceed one hundred ten percent (110%) of
 37 the amount of the last approved homeowners association annual
 38 budget.

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

42 (d) The governing documents of a homeowners association

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1 may not allow a budget to be increased under this section after the
 2 expiration of the third year following the first sale of a lot or unit
 3 by a developer to a person that is not affiliated with the developer.

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

10 (b) If the number of members of the homeowners association
 11 in attendance at a meeting held under section 3(d) of this chapter
 12 do not constitute a quorum as defined in the governing documents
 13 of the homeowners association, the board may adopt an annual
 14 budget for the homeowners association for the ensuing year in an
 15 amount that does not exceed the lesser of:

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

18 (2) the last approved homeowners association budget
 19 increased by the average increase of the Consumer Price
 20 Index, published by the United States Bureau of Labor
 21 Statistics, for housing in the midwest region for the prior
 22 twelve (12) months.

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

26 SECTION 5. IC 32-25.5-3.9 IS ADDED TO THE INDIANA
 27 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2026]:

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

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

34 (b) This chapter does not apply to an age-restricted
 35 community governed by a homeowners association that is in
 36 compliance with the Housing for Older Persons Act of 1995.

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

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

40 (1) the operation of a Class I child care home as defined in
 41 IC 12-7-2-33.7; or

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

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1 **Sec. 4. As used in this chapter, "single family residence" means**
2 **a residential structure that:**
3 **(1) does not share a common wall with any other structure**
4 **within the homeowners association; and**
5 **(2) is designed and built for occupancy by only one (1)**
6 **family.**
7 **Sec. 5. A homeowners association may not:**
8 **(1) prohibit or restrict; or**
9 **(2) adopt or enforce a regulation, rule, or other policy that**
10 **has the effect of prohibiting or restricting;**
11 **a person from providing child care in a single family residence that**
12 **the person resides within and owns, rents, or leases. The person**
13 **holding a license of a Class I child care home must also reside**
14 **within the single family residence.**
15 **Sec. 6. A homeowners association may adopt or amend**
16 **governing documents to permit a person providing child care**
17 **within a single family residence that the person resides within and**
18 **owns, rents, or leases, to conform with this chapter.**
19 **Sec. 7. This chapter does not affect:**
20 **(1) a homeowners association that allowed for the operation**
21 **of providing child care in a single family residence before**
22 **July 1, 2026; or**
23 **(2) the application of any other laws that apply to providing**
24 **child care.**

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