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INDIANA CODE 32:

IC 32-25.5-3

Chapter 3. Homeowners Associations

IC 32-25.5-3-1

Roster of members; member addresses:

Sec. 1. (a) A homeowners association shall maintain:

- (1) a current roster of all members of the association; and
- (2) the mailing address and legal description for each member of the association.

(b) The homeowners association shall also maintain any electronic mail addresses or facsimile (fax) numbers of those members who have consented to receive notice by electronic mail or facsimile (fax). Electronic mail addresses and facsimile (fax) numbers provided by a member to receive notice by electronic mail or facsimile (fax) shall be removed from the association's records when the member revokes consent to receive notice by electronic mail or facsimile (fax). However, the association is not liable for an erroneous disclosure of an electronic mail address or a facsimile (fax) number for receiving notices.

(c) The mailing addresses and legal descriptions maintained by a homeowners association under subsection (a):

- (1) shall be made available to a member of the homeowners association upon request;
- (2) may be used by a member of the homeowners association only for a purpose related to the operation of the homeowners association; and
- (3) may not be used by a member of the homeowners association for personal reasons.

(d) Except as provided in subsection (c), a homeowners association may not sell, exchange, or otherwise transfer information maintained by the homeowners association under this section to any person.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-2

Special meetings:

Sec. 2. (a) In addition to any other meeting held by a board, a board shall hold a special meeting of the members of a homeowners association if at least ten percent (10%) of the members of the homeowners association submit to the board at least one (1) written demand for the special meeting that:

- (1) describes the purpose for which the meeting is to be held; and
- (2) is signed by the members requesting the special meeting.

(b) If a board does not send out a notice of the date, time, and place for a special meeting not more than thirty (30) days after the date the board receives a valid written demand for the special meeting under subsection (a), a member of the homeowners association who signed the written demand may:

- (1) set the date, time, and place for the special meeting; and

(2) send out the notice for the special meeting to the other members.

As added by P.L.167-2009, SEC.2. Amended by P.L.1-2010, SEC.128.

IC 32-25.5-3-3

Annual budget; budget meeting; budget approval

Sec. 3. (a) A homeowners association shall prepare an annual budget.

(b) The annual budget must reflect:

- (1) the estimated revenues and expenses for the budget year; and
- (2) the estimated surplus or deficit as of the end of the current budget year.

(c) The homeowners association shall provide each member of the homeowners association with:

(1) a:

(A) copy of the proposed annual budget; or

(B) written notice that a copy of the proposed annual budget is available upon request at no charge to the member; and

(2) a written notice of the amount of any increase or decrease in a regular annual assessment paid by the members that would occur if the proposed annual budget is approved; before the homeowners association meeting held under subsection (d).

(d) Subject to subsection (f), a homeowners association budget must be approved at a meeting of the homeowners association members by a majority of the members of the homeowners association in attendance at a meeting called and conducted in accordance with the requirements of the homeowners association's governing documents.

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

(1) in person;

(2) by proxy; or

(3) by any other means allowed under:

(A) state law; or

(B) the governing documents of the homeowners association.

(f) If the number of members of the homeowners association in attendance at a meeting held under subsection (d) does not constitute a quorum as defined in the governing documents of the homeowners association, the board may adopt an annual budget for the homeowners association for the ensuing year in an amount that does not exceed one hundred percent (100%) of the amount of the last approved homeowners association annual budget. However, the board may adopt an annual budget for the homeowners association for the ensuing year in an amount that does not exceed one hundred ten percent (110%) of the amount of the last approved homeowners

association annual budget if the governing documents of the homeowners association allow the board to adopt an annual budget under this subsection for the ensuing year in an amount that does not exceed one hundred ten percent (110%) of the amount of the last approved homeowners association annual budget.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-4

Approval of certain contracts; meeting; vote:

Sec. 4. (a) This section does not apply to a contract entered into by a board that would resolve, settle, or otherwise satisfy an act of enforcement against a homeowners association for violating a state or local law.

(b) A board may not enter into any contract that would result in a new assessment or the increase in an existing assessment payable by the affected members of the homeowners association in the amount of more than five hundred dollars (\$500) per year for each affected

member of the homeowners association unless:

(1) the board holds at least two (2) homeowners association meetings concerning the contract; and

(2) the contract is approved by the affirmative vote of at least two-thirds (2/3) of the affected members of the homeowners association.

(c) A board shall give notice of the first homeowners association meeting held under subsection (b):

(1) to each member of the homeowners association; and

(2) at least seven (7) calendar days before the date the meeting occurs.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-5

Borrowing money; approval by members:

Sec. 5. (a) This section does not apply to money borrowed by a homeowners association that is needed to:

(1) resolve, settle, or otherwise satisfy an act of enforcement against the homeowners association for violating a state or local law; or

(2) address an emergency that affects the public health, safety, or welfare.

(b) A homeowners association may not borrow money during any calendar year on behalf of the homeowners association in an amount that exceeds the greater of:

(1) five thousand dollars (\$5,000) during any calendar year; or

(2) if the homeowners association operated under an annual budget in the previous calendar year, an amount equal to at least ten percent (10%) of the previous annual budget of the homeowners association;

unless borrowing the money is approved by the affirmative vote of a majority of the members of the homeowners association voting under this section.

(c) A person who owns a lot, parcel, tract, unit, or interest in land in a subdivision may cast one (1) vote under this section for each lot, parcel, tract, unit, or interest in land in the subdivision that is owned by the person unless the governing documents provide for a different voting procedure.

(d) A vote held under this section must be conducted by paper ballot.

(e) A homeowners association shall distribute paper ballots to persons eligible to vote under this section at least thirty (30) days before the date the votes are to be opened and counted.

(f) Votes cast under this section shall be opened and counted at a public meeting held by the homeowners association.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-6

Grievance resolution procedures:

Sec. 6. The governing documents must include grievance resolution procedures that apply to all members of the homeowners association and the board.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-7

Member voting rights:

Sec. 7. A homeowners association may not suspend the voting rights of a member for nonpayment of any assessments unless:

- (1) the governing documents provide for suspension; and
- (2) the assessments are delinquent for more than six (6) months.

As added by P.L.167-2009, SEC.2.

IC 32-25.5-3-8

**Attorney general's action against association or board member;
misappropriation or fraud; remedies:**

Sec. 8. (a) The attorney general may bring an action against a board or an individual member of a board of a homeowners association if the attorney general finds that:

(1) the association's funds have been knowingly or intentionally misappropriated or diverted by a board member; or

(2) a board member has knowingly or intentionally used the board member's position on the board to commit fraud or a criminal act against the association or the association's members.

(b) A court in which an action is brought under this section may do the following:

(1) Issue an injunction.

(2) Order the board member to make restitution to the homeowners association or to a member.

(3) Order a board member to be removed from the board.

(4) Order a board member to reimburse the state for the reasonable costs of the attorney general's investigation and prosecution of the violation.

<http://www.in.gov/legislative/ic/code/title32/ar25.5/ch3.html>