



January 18, 2013

SENATE BILL No. 126

DIGEST OF SB 126 (Updated January 15, 2013 5:23 pm - DI 106)

Citations Affected: IC 32-21.

Synopsis: Homeowners association covenants. Provides that if all the lots included as part of certain homeowners associations are not all subject to the same homeowners association covenants, all the lots may be made subject to new replacement covenants if the homeowners association: (1) distributes to the owner of each lot a proposed set of covenants that would apply to all lots included as part of the homeowners association and a petition to be signed by each lot owner on which the owner indicates whether the owner approves or disapproves of applying the proposed covenants to all lots included as part of the homeowners association; and (2) submits the petitions and covenants to the county recorder if the lesser of: (A) a percentage of lot owners specified in the covenants; or (B) two-thirds of all lot owners; approve of applying the covenants to all lots included as part of the homeowners association. Specifies that homeowners association covenants submitted to a county recorder in accordance with these procedures are considered to be in effect on the date they are recorded.

Effective: July 1, 2013.

Holdman

January 7, 2013, read first time and referred to Committee on Civil Law.
January 17, 2013, reported favorably — Do Pass.

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SB 126—LS 6356/DI 69+



January 18, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 126

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 32-21-2-1.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2013]: **Sec. 1.2. As used in this chapter, "homeowners
4 association" means a corporation or another entity that:**
5 **(1) is organized and operated exclusively for the benefit of two**
6 **(2) or more persons who each own a dwelling in fee simple;**
7 **(2) acts, in accordance with bylaws governing the corporation**
8 **or entity, to:**
9 **(A) acquire, transfer, manage, repair, maintain, or engage**
10 **in construction on or in the land and improvements on the**
11 **land related to the use of the dwellings owned by the**
12 **members of the corporation or entity;**
13 **(B) purchase insurance to cover a casualty or an activity**
14 **on or in the land and improvements on the land;**
15 **(C) engage in an activity incidental to an activity described**
16 **in clause (A) or (B); or**
17 **(D) engage in more than one (1) of the activities described**

SB 126—LS 6356/DI 69+



1 in clauses (A) through (C); and
 2 (3) may be governed by a board that serves the purpose of
 3 setting policy and controlling or otherwise overseeing the
 4 activities or functional responsibilities of the corporation or
 5 entity.

6 SECTION 2. IC 32-21-2-3.5 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 2013]: **Sec. 3.5. (a) This section applies only to land developments
 9 that include:**

- 10 (1) at least two hundred fifty (250) single family homes; and
 11 (2) at least twelve (12) different sections of lots:
 12 (A) whose titles have all been conveyed from the land
 13 developer;
 14 (B) whose first plat and covenants have been recorded in
 15 the office of the county recorder for at least fifteen (15)
 16 years;
 17 (C) that are all governed by one (1) homeowners
 18 association; and
 19 (D) that are not all subject to the same homeowners
 20 association covenants.

21 (b) If the lots included as part of one (1) homeowners association
 22 are not all subject to the same homeowners association covenants,
 23 new replacement covenants may be recorded by the homeowners
 24 association using one (1) of the following methods:

- 25 (1) The homeowners association covenants may be recorded
 26 in accordance with section 3 of this chapter.
 27 (2) Notwithstanding any covenant provisions or bylaws of the
 28 homeowners association concerning amendments or revisions
 29 to homeowners association covenants, the homeowners
 30 association may:

- 31 (A) distribute to the owner of each lot included as part of
 32 the homeowners association:
 33 (i) a proposed set of homeowners association covenants
 34 that would apply to all lots included as part of the
 35 homeowners association; and
 36 (ii) a petition to be signed by each lot owner on which the
 37 owner indicates whether the owner approves or
 38 disapproves of applying the proposed covenants to all
 39 lots included as part of the homeowners association; and
 40 (B) submit the petitions and covenants to the county
 41 recorder if:
 42 (i) the lesser of a percentage of lot owners specified in the

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covenants or two-thirds (2/3) of all lot owners approve of applying the covenants to all lots included as part of the homeowners association, as indicated by the petitions signed by the lot owners; and

(ii) notwithstanding section 3 of this chapter, the signature of each lot owner has been affirmed before a notary public or an officer of the homeowners association submits an affidavit with the covenants and the petitions that verifies and certifies the signatures on the petitions.

Homeowners association covenants submitted to a county recorder in accordance with this subdivision are considered to be in effect on the date the covenants are recorded.

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COMMITTEE REPORT

Madam President: The Senate Committee on Civil Law, to which was referred Senate Bill No. 126, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 126 as introduced.)

ZAKAS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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