

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.

## SENATE ENROLLED ACT No. 126

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AN ACT to amend the Indiana Code concerning property.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 32-21-2-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2013]: **Sec. 1.2. As used in this chapter, "homeowners association" means a corporation or another entity that:**

- (1) is organized and operated exclusively for the benefit of two**
- (2) or more persons who each own a dwelling in fee simple;**
- (2) acts, in accordance with bylaws governing the corporation or entity, to:**
  - (A) acquire, transfer, manage, repair, maintain, or engage in construction on or in the land and improvements on the land related to the use of the dwellings owned by the members of the corporation or entity;**
  - (B) purchase insurance to cover a casualty or an activity on or in the land and improvements on the land;**
  - (C) engage in an activity incidental to an activity described in clause (A) or (B); or**
  - (D) engage in more than one (1) of the activities described in clauses (A) through (C); and**
- (3) may be governed by a board that serves the purpose of setting policy and controlling or otherwise overseeing the activities or functional responsibilities of the corporation or entity.**



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

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

**(b) Except as provided in subsection (c), if the lots included as part of one (1) homeowners association are not all subject to the same homeowners association covenants, new replacement covenants may be recorded by the homeowners association using one (1) of the following methods:**

- (1) The homeowners association covenants may be recorded in accordance with section 3 of this chapter.**
- (2) Notwithstanding any covenant provisions or bylaws of the homeowners association concerning amendments or revisions to homeowners association covenants, the homeowners association may:**
  - (A) distribute to the owner of each lot included as part of the homeowners association:**
    - (i) a proposed set of homeowners association covenants that would apply to all lots included as part of the homeowners association; and**
    - (ii) 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**
  - (B) submit the petitions and covenants to the county recorder if:**
    - (i) the lesser of a percentage of lot owners specified in the 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**

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**(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.**

**(c) A new replacement covenant described in subsection (b) does not apply to and is not binding on property in one (1) section of lots to the extent that the new replacement covenant:**

**(1) changes an existing covenant that pertains to minimum lot area or minimum home size; or**

**(2) adds a new covenant that pertains to minimum lot area or minimum home size.**

**(d) A new replacement covenant described in subsection (b) applies only prospectively, beginning on the date the covenant is recorded. The adoption of a new replacement covenant does not require a person to alter the person's home or lot to comply with the new replacement covenant if the condition of the person's home or lot was permissible or authorized under the previous covenant.**

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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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