

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6683

BILL NUMBER: HB 1071

NOTE PREPARED: Dec 22, 2008

BILL AMENDED:

SUBJECT: Homeowners Associations.

FIRST AUTHOR: Rep. Cheatham

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: The bill prohibits a homeowners association from incurring indebtedness or liability on behalf of the homeowners association in an amount that exceeds \$5,000 during any calendar year unless incurring the indebtedness or liability is approved by the affirmative vote of a majority of members of the homeowners association. The bill specifies the procedures that must be followed when conducting the vote. The bill provides that all sums assessed by a homeowners association but unpaid for the share of the common expenses chargeable to an owner of real estate are not enforceable as a homeowners association lien on the real estate. The bill voids liens established and recorded under the law concerning homeowners association liens after the law became effective. The bill repeals other provisions concerning establishment and enforcement of homeowners association liens.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.