

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1453

By: Representative S. Meeks

For An Act To Be Entitled

AN ACT TO AMEND THE HORIZONTAL PROPERTY ACT; TO
REGULATE PROPERTY OWNERS' ASSOCIATIONS; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE HORIZONTAL PROPERTY ACT;
AND TO REGULATE PROPERTY OWNERS'
ASSOCIATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 18-13-102(2), concerning the definition of "co-owner" under the Horizontal Property Act, is amended to read as follows:

(2) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, who owns an apartment within the building or is a member of a property owners' association;

SECTION 2. Arkansas Code § 18-13-102(8), concerning the definition of "person" under the Horizontal Property Act, is amended to read as follows:

(8) "Person" means an individual, firm, corporation, partnership, association, trust, member of a property owners' association, or other legal entity, or any combination thereof;

SECTION 3. Arkansas Code § 18-13-102, concerning the definitions under the Horizontal Property Act, is amended to add additional subdivisions to read as follows:



(12) "Business day" means a Monday, Tuesday, Wednesday, Thursday, or Friday that is not otherwise observed as an official state or federal holiday;

(13) "Local government" means:

(A) A county;

(B) A city of the first class, a city of the second class, or an unincorporated town; or

(C) Any other state entity or political subdivision of the state or an agency, board, or commission of the state entity or political subdivision of the state; and

(14) "Property owners' association" means an incorporated nonprofit organization operating under recorded land agreements through which each:

(A) Lot owner in a planned unit or other described land area is automatically a member; and

(B) Lot is automatically subject to a charge for a proportionate share of the expenses for the organization's activities and services.

SECTION 4. Arkansas Code § 18-13-108(b), concerning the administration and bylaws of a horizontal property regime, is amended to read as follows:

(b) The bylaws ~~must necessarily~~ shall provide for at least the following:

(1) Form of administration, indicating whether this shall be in charge of an administrator or of a board of administration, or otherwise, and specifying the powers, manner of removal, and, where proper, the compensation thereof;

(2) Method of calling or summoning the co-owners to assemble, that a majority of at least fifty-one percent (51%) is required to adopt decisions, who is to preside over the meeting, and who will keep the minute book wherein the resolutions shall be recorded;

(3) Care, upkeep, and surveillance of the building and its general or limited common elements and services;

(4) Manner of collecting from the co-owners for the payment of the common expenses; ~~and~~

(5) Designation and dismissal of the personnel necessary for the

works and the general or limited common services of the building;

(6) Establishment of any fee structure, expenses, and assessments; and

(7) Manner of making changes to any fee structure, expenses, and assessments.

SECTION 5. Arkansas Code § 18-13-109 is amended to read as follows:

18-13-109. Modification of administration.

~~(a) The sole owner of the building or, if there is more than one (1), the co-owners representing two-thirds (2/3) of the total value of the building may, at any time, modify the system of administration, but each one of the particulars set forth in § 18-13-108 shall always be embodied in the bylaws~~
Any modifications to the system of administration or the bylaws of a horizontal property regime organized under this subchapter shall be approved using the procedures to adopt decisions under the bylaws of the horizontal property regime.

~~(b) No such~~ A modification made under subsection (a) of this section may shall not be operative until it is embodied in a recorded instrument, which shall be recorded in the same office and in the same manner as was the master deed and original bylaws of the horizontal property regime involved.

SECTION 6. Arkansas Code § 18-13-110 is amended to read as follows:

18-13-110. Book of receipts and expenditures – Examination – Annual financial report – Audit.

(a) The administrator, the board of administration, or other form of administration specified in the bylaws shall:

~~(1) keep~~ Keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the building and its administration and specifying the maintenance and repair expenses of the common elements and any other expenses incurred; and

(2) Submit an annual financial report to co-owners.

~~(b) Both the book and the vouchers accrediting the entries made thereupon~~ All financial records shall be available for examination by all the co-owners ~~at convenient hours on working days that shall be set and announced for general knowledge~~ during a business day.

(c)(1) A property owners' association organized under this subchapter

is subject to audit by Arkansas Legislative Audit if the property owners' association:

(A) Receives state funding; or

(B) Provides services that are traditionally performed by a local government.

(2) A member of the General Assembly may request an audit of a property owners' association organized under this subchapter after approval by the Legislative Joint Auditing Committee.

SECTION 7. Arkansas Code § 18-13-116(a)(1), concerning the liability for expenses and assessments of a horizontal property regime, is amended to read as follows:

(a)(1) The co-owners ~~of the apartments~~ and full-time residents are bound to contribute pro rata, in the percentages computed according to § 18-13-112, toward the expenses of administration and of maintenance and repair of the general common elements and, in the proper case, of the limited common elements of the building, and toward any other expense lawfully agreed upon using the procedures to adopt decisions under the bylaws of the horizontal property regime.