

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 1660

By: Representative S. Meeks

For An Act To Be Entitled

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

Subtitle

TO AMEND THE HORIZONTAL PROPERTY ACT; TO
REGULATE PROPERTY OWNERS ASSOCIATIONS;
AND TO REQUIRE AN AUDIT FOR CERTAIN
PROPERTY OWNERS ASSOCIATIONS.

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

SECTION 1. Arkansas Code § 18-13-102, concerning the definitions under the Horizontal Property Act, is amended to add additional subdivisions to read as follows:

(12) "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;

(13) "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;

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

(C) Incorporated nonprofit organization has at least one thousand (1,000) members; and

(14)(A) "Services traditionally performed by a local government" means services provided to members of a property owners association.

(B) "Services traditionally performed by a local government" includes without limitation:

(i) Road maintenance;

(ii) Sewer services;

(iii) Trash services; and

(iv) Water services.

SECTION 2. 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 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.

(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.

(c)(1) A property owners association organized under this subchapter may be subject to review by Arkansas Legislative Audit if the property owners association provides services traditionally performed by a local government.

(2) A review under subdivision (c)(1) of this section shall be conducted by Arkansas Legislative Audit only after approval by the Legislative Joint Auditing Committee.

(3) This subsection does not limit the authority of the Legislative Auditor to conduct an audit under § 10-4-401 et seq.