2019 End of Session Report

Community Associations Institute’s (CAI) Indiana Legislative Action Committee (IN LAC) was extremely busy this session of the General Assembly. CAI members volunteered hundreds of collective hours to review bills, draft testimony, work with the LAC’s lobbyists, meet with legislators and other decision-makers, and testify for and against bills. More than 1,355 bills were introduced, and more than 290 bills were enacted. The LAC reviewed 8 bills that directly or indirectly impacted community associations. Ultimately, 2 bills passed. Below is a brief list of highlights from the 2019 General Assembly (all legislation addressed below is effective July 1, unless otherwise noted):

Bills that Passed

- **Water or sewer service for condominiums.** HB 1664 amends existing law to provide that: (1) a landlord; (2) a condominium association; or (3) a homeowners association; that distributes water or sewage disposal service from a water or sewer utility to one or more tenants, condominium units, or homeowners association members, as applicable, is not a public utility solely by reason of engaging in this activity if the landlord or association complies with certain billing and disclosure requirements. (Current law provides this exemption from public utility status only with respect to landlords distributing water or sewer utility services to tenants.) The bill was signed by the Governor April 18, 2019.

- **Towing services.** HB 1183 amends the statute concerning the release of an abandoned motor vehicle that has been towed to a storage yard or towing facility by providing that a towing service or storage yard may charge an inspection fee for inspections or retrievals from a vehicle and requiring a towing service or storage yard to provide an itemized receipt upon payment and to meet certain requirements. This bill also creates a new article in the Indiana Code to establish certain requirements for towing companies that engage in, or offer to engage in, the business of providing towing service in Indiana. The bill was signed by the Governor on May 6, 2019.

Bills that Failed

- **Solar energy system.** HB 1331 would have prohibited a homeowners association from adopting or enforcing certain rules, covenants, declarations of restrictions, and other governing documents concerning solar energy systems. The language put forth provided homeowners associations reasonable design, safety, and liability restrictions. The bill failed upon adjournment.

- **Arbitration for homeowners association disputes.** HB 1138 would have required that certain disputes involving homeowners associations, if not resolved through an informal grievance process, be resolved through binding arbitration. It would have repealed provisions that permit a claimant to initiate a legal proceeding to seek redress or resolution of a claim involving a homeowners association. The bill failed upon adjournment.

- **Broker licensure for property managers.** HB 1338 specified that a person that, for consideration, manages the common areas and facilities or other property of: (1) a subdivision or neighborhood on behalf of a homeowners association; or (2) a condominium on behalf of an
association of co-owners; must obtain and maintain a real estate broker license (license) regardless of whether the person or any of the person's partners, members, or employees is engaged in the actual sale or lease of real estate or units of real estate in the subdivision, neighborhood, or condominium. This bill failed upon adjournment.

- **Short-term rentals.** SB 497 would have required that if a person rents or furnishes rooms, lodgings, or accommodations for consideration for periods of less than 30 days, the owner of the real property is the retail merchant responsible for collecting and remitting any sales tax imposed on the rental income received for the rental. This bill failed upon adjournment.

For more information on the IN LAC’s activities and community association legislation in Indiana, visit [www.caionline.org/INLAC](http://www.caionline.org/INLAC).

**Your Assistance is Needed**

The CAI Indiana LAC uses professional lobbyists as a vital and integral part of the legislative process. As volunteers, CAI IN LAC members significantly rely on this highly effective professional representation. To help fund the CAI IN LAC advocacy activities in 2019 and beyond, donations are vital to our continued successes. We encourage donations from Indiana community associations and individuals. Please visit [www.caionline.org/lacdonate](http://www.caionline.org/lacdonate/) and donate to “Indiana” to support our continued efforts.

**Indiana Contact Information**

- [Community Associations Institute – Indiana Legislative Action Committee](http://www.caionline.org) (888) 224-4321
- [Community Associations Institute Indiana State Chapter](http://www.caionline.org) (317) 379-4462