



Community Associations Institute (CAI) Opposition to Indiana House Bill 1152

Community Associations Institute (CAI)

Community Associations Institute (CAI) is an international membership organization dedicated to building better communities. With over 50,000 members, CAI has 64 chapters worldwide and relationships with housing leaders in a number of other countries. CAI members include association board members and other homeowner leaders, community managers, association management firms, and other professionals who provide products and services to community associations. CAI provides information, education and resources to the homeowner volunteers who govern communities and the professionals who support them. CAI advocates for and represents the 77.1 million people living and working in America's 369,000 community associations (homeowners associations, condominiums, and housing cooperatives).

CAI in Indiana

CAI collaborates with community association advocates across Indiana to strategize and implement CAI's public policy priorities, representing approximately 880,000 Hoosiers living in 352,000 homes in more than 5,200 community associations. Formed in 2012, CAI's Indiana Legislative Action Committee (IN LAC) - a diverse group of homeowner leaders, community managers, and representatives from community association business partners - provides perspective on how proposed legislation could impact people living and working in community associations.

Association Budgets & Financials

- Under existing Indiana Statute, at a meeting to adopt a homeowners association budget, if a quorum is not present, a homeowners association board can approve a budget for the next year that is no higher than the last approved budget (a 0% increase). The statute also provides that in cases where the HOA's governing documents specifically allow it, the board may instead approve a budget that is up to 10% higher than the last approved budget. **House Bill 1152 eliminates this language, thereby severely limiting a board's ability to properly fund the association.**
- **HB 1152 would override a community association's established rules and strip boards of the authority they need to properly fund insurance, operations, reserves, repairs, and safety.**
- CAI **opposes** state law that provides for an arbitrary annual assessment increase cap and **supports** policies that enable community association board members to fulfill their duties by granting them the reasonable discretion to adequately assess the association and budget for its needs.
- Cleverly disguised as a solution to the current affordability crisis, this legislation will instead lead to the following drastic consequences for HOAs in Indiana:
 - Inability of associations to pay increased insurance costs
 - Deferred maintenance and deteriorating common areas
 - Inability to fund reserves responsibly
 - Higher likelihood of special assessments
 - Increased conflict between boards and homeowners
 - Higher likelihood of lawsuits against Developers over budget issues
 - Reduced property values across Indiana communities

Home-Based Child Care

- **House Bill 1152 removes any HOA restrictions on in-home day care facilities.**
- CAI recognizes the importance of balancing the growing need for quality childcare facilities with the fundamental right of community associations to self-govern.
- CAI recognizes the right and the obligation of community associations to regulate certain activities within their communities, including reasonable rules and restrictions governing the presence of home-based childcare facilities, which may otherwise interfere with or disrupt the quiet enjoyment and day-to-day living for community residents.
- Communities must retain the ability to self-govern and adopt reasonable rules and regulations which best fit a community's particular needs, rather than rely upon federal- or state-imposed uniform approaches.

CAI Indiana Legislative Resources



CAI's Public Policy on Assessment Increase Limitations



CAI's Public Policy on Residential Childcare



If you have any questions, please contact CAI's Government & Public Affairs at government@caionline.org.