

2025 CAI Arkansas Legislative Session Report

CAI spent Arkansas' 2025 legislative session advocating on behalf of the <u>approximately</u> 66,000 Arkansaeans living in 26,700 homes in nearly 1,000 community associations across the state. Arkansas' 2025 session began on January 13 and adjourned on April 16. Almost 2,000 pieces of legislation were introduced in Arkansas this session. CAI tracked 21 bills that either directly or indirectly impacted community associations. Below is a brief overview:

SB 323 – HORIZONTAL PROPERTY ACT

CAI monitored this legislation, which allows a horizontal property regime to be created only by recording a master deed executed in the same manner as a deed by all persons who have an interest in the real property to be conveyed to an owner of an apartment or unit and by every lessor of a lease of an interest in real property subject to the master deed. The legislation lays out definitions and regulations related to common areas, assessments, and master deeds. This legislation largely aligns with Uniform Common Interest Ownership Act (UCIOA), which CAI <u>supports</u> the adoption of at the state level either in part or in its entirety.

Status: Signed into law - Act 516, Approved 4/10/25

HB 1468 - CONSTRUCTION DEFECTS (1 YEAR POST-CONSTRUCTION)

CAI monitored this legislation, which addresses construction defects found within one (1) year after completion of a dwelling. This bill lays out definitions and requirements regarding the reporting of alleged construction defects and the provision of an opportunity for contractors to repair or to remedy the situation when faced with a complaint. The bill clarifies that the new provisions do not apply to actions brought by the Attorney General under the Deceptive Trade Practices Act.

CAI monitored this legislation closely for any amendments that could have interfered with a community association's right to self-governance or impacted the statute of limitation and repose. Policy must ensure that community associations have a reasonable amount of time after the discovery of defects to investigate defects, work with the builder to informally resolve the dispute, and if necessary retain legal counsel. Per its <u>public policy</u> on Protection of Community Association Claims in Construction Defect Legislation, CAI believes that construction defect legislation must provide a community association with a



meaningful and adequate opportunity to inspect the construction of common property and facilities, and to present any claims it may have to its builder.

Status: Signed into law - Act 558, Approved 4/14/25

HB 1445 and HB 1790 - SHORT-TERM RENTALS

CAI monitored these bills, which would have disallowed a local government from enacting or enforcing an ordinance, resolution, rule, or other requirement of any type that prohibits, effectively prohibits, or limits the use of a property as a short-term rental unit. The legislation does not specify that it would supersede any deed restriction or covenant set by a community association and does not include community associations in its definition of "local government."

CAI monitored this legislation for any amendments that would have contradicted CAI's public policy on Short-Term (Vacation) Rentals by intruding upon community associations' board of directors' autonomy to reasonably regulate the operation of short-tern rentals within a community and serve the best interest of the association.

Status: HB 1445 Withdrawn. HB 1790 Died in Committee.

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