

# 2026 Indiana

## Legislative Session Report



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Community Associations Institute (CAI) Indiana Legislative Action Committee (IN LAC) spent this legislative session advocating on behalf of [approximately 880,000 Hoosiers who live in 352,000 homes in more than 5,200 community associations.](#)

### **Grassroots Advocacy Overview**

CAI's advocacy success is a direct result of CAI's members and advocates consistency engaging in grassroots campaigns and leveraging their professional and personal connections with legislators. Throughout the 2026 Indiana legislative session, CAI launched multiple grassroots advocacy campaigns, mobilizing advocates to contact their elected officials and urge action on legislation progressing through the state legislature that impacted our industry. Below is a summary of these efforts:



5 Campaigns Launched



829 Hoosiers Responded to Calls to Action



261 Hoosiers Responded to Calls to Action for the First Time Ever  
(31% of all participants across all 5 campaigns)



1940+ Messages Sent to Indiana State Legislators by CAI Advocates

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**Contact Information** – Call CAI at (888) 224-4321 to find the chapter nearest you.

## **Legislative Overview**

The Indiana General Assembly convenes annually, but legislative work must be completed no later than April 29 in odd-numbered years and no later than March 14 in even-numbered years. Between sessions, legislators serve on special study committees examining subjects likely to be considered by the Assembly's next session. Special legislative sessions may be called by the governor.

This legislative session (125th General Assembly, Second Session) began early, convening on December 1, 2025, and adjourned on February 27, 2026. Lawmakers operated on an accelerated schedule to conclude in eight weeks, with a final deadline for adjournment set for March 14, 2026, though business concluded in February.

In Indiana, most new laws take effect on July 1, unless an emergency clause provides for immediate implementation. Bills may carry over from the first year of the biennium to the second year, and once passed, the governor has seven days to sign or veto them—otherwise they automatically become law without a signature. [Learn more about how laws are created in Indiana.](#)

During the 2026 legislative session, IN LAC tracked 24 pieces of legislation in Indiana and directly advocated on several with potential implications on the community association industry in the Hoosier State and beyond. Below are the highlights:

### **PRIORITY LEGISLATION – HB 1152 and HB 1115**

#### **HB 1152 - Homeowners Association Matters**

IN LAC **opposed** this legislation. Portions of the bill effectively override the governing documents of individual communities, stripping community association boards of the authority they need to increase budgets by 10% when a quorum cannot be established for an ownership meeting. Effectively, this negatively impacts an association's ability to properly fund insurance, operations, reserves, repairs, and safety. While ultimately the Indiana LAC was able to advocate for a revision to the bill, allowing for future associations to be able to increase budgets by up to 5%, this bill changes the financial foundation of how HOAs operate and does not align with [CAI's public policy](#) on assessment increase limitations. The legislation also removes an HOA's ability to place restrictions on in-home day care facilities, conflicting with [CAI's public policy](#) on the issue. A last-minute amendment to the bill also prohibits HOAs from adopting regulations that effectively prohibit homeowners from installing an amateur radio antenna.

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The legislation was revised several times throughout the legislative process. As originally introduced, this legislation would have resulted in the following real-world impacts:

- 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
- Removal of ability of associations to reasonably restrict daycares in HOAs

Responding to the first draft of the legislation, CAI launched a grassroots campaign to Indiana-based members and advocates who are subscribed to CAI's advocacy alerts, asking them to contact their state legislators in opposition to the bill and amplify the campaign with their personal and professional networks. *As a result, 48 advocates sent 1,309 messages to Indiana state legislators about this issue. Notably, 41 of these (85.4%) were first-time advocates who had not previously engaged with a CAI grassroots campaign.*

When the bill was ultimately voted out of the state House and referred to the Senate Judiciary Committee, CAI launched another campaign asking advocates to contact members of the committee and urge them to oppose HB 1152.

*Despite the multitude of messages from CAI advocates outlining serious concerns with HB 1152, lawmakers continued introducing detrimental and costly amendments that would have created operational burdens for Indiana's community associations and the homeowners they serve.* Specifically, Senator Aaron Freeman's [Amendment #1 to HB1152](#) proposed to completely prohibit management companies' ability to charge fees for services, effectively prohibiting homeowners associations, their agents, and management companies from charging any homeowner fee unless that fee is expressly listed in the association's recorded governing documents. This amendment represented a substantial departure from longstanding operational practice in Indiana community associations.

While dues and authorized fines could still be collected, under Freeman's proposed amendment, service costs would be shifted back to homeowners through operating budgets, limiting cost recovery, and triggering lengthy and costly document amendment processes. Fees restricted or eliminated under this specific amendment included:

- Resale disclosures / resale certificates (paid assessment letter fees/payoff fees)
- Payoff statements and account research fees

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- Document preparation and delivery fees
- Status letters and lender questionnaires
- Rush, administrative, or processing fees
- Any service-based fee not specifically authorized in recorded documents

Compounding these concerns, Senator Freeman’s fee restriction amendment was scheduled for legislative consideration without giving stakeholders like CAI any meaningful opportunity to provide expert input on its potential impacts. Advocates were once again asked to reach out to their state legislators, urging opposition to this harmful amendment. *As a result, 219 Hoosiers sent messages to their Senators. Notably, 130 of these were first-time advocates (59.4%) who had not previously responded to a call to action from CAI.*

To further shut out stakeholder input and increase the likelihood his amendment would become law, Senator Freeman added this same amendment language as [Amendment #6](#) to [HB1115](#), another HOA-related bill. These amendments were not reflective of the IN LAC’s working relationship with the bill’s original sponsor, Representative Ethan Lawson, who proved to be an exceptionally engaged and cooperative partner throughout the legislative session.

Advocates across Indiana were asked to contact their state Representatives expressing opposition to Senator Freeman’s amendments. Specifically, they asked for the removal of the amendment language without opposing the overall legislation in an effort to uphold the progress that had been made in discussions with Representative Lawson, who invested meaningful time to understand the industry and thoughtfully considered policy improvements to his original bill.

As a direct result of CAI outreach, Senator Liz Brown agreed to put forth an amendment to HB 1152 to restore the ability for associations to charge a \$50 fee when preparing a statement of unpaid assessments for a resale or refinance. *Though it would have reinstated authority for associations to collect other service fees, this amendment was never introduced, and IN LAC shifted its efforts to creating inconsistencies between the amendment language in HB 1115 and 1152. Such conflicting language in statute would render the amendment language invalid and unenforceable.* More information on this work, which focused on amending language in HB 1115, can be found below, under the description of HB 1115.

**Status: Became law after being signed by the Governor on March 3, 2026. Effective July 1, 2026.**

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## [HB 1115 - Homeowners Association Governance](#)

HB 1115 was introduced by Representative Julie Olthof to address meeting notices, special meetings and quorums. Notably, HB1115 also included proposed language drafted by the IN LAC to allow all associations to assess fines for covenant violations. IN LAC [sought amendments](#) to this legislation after it was amended in the middle of the legislative session. IN LAC's focus shifted to advocating on HB 1115 when the bill was suddenly amended during the legislative process. Senator Freeman's [Amendment #6](#) to [HB1115](#) contained identical language as [Amendment #1](#) to [HB1152](#) (which was discussed above under the description of HB 1152.)

As noted above, HB 1115 was authored by Representative Julie Olthoff, who proved to be a strong leader and collaborator throughout the legislative session. *[Upon learning of Senator Freeman's harmful amendment, Representative Olthoff admitted that the legislation no longer served the purpose she originally intended and would cause harm in its current iteration. Thus, she agreed to dissent against her own bill, recommending that her fellow legislators not allow it to become law.](#)* Though the bill ultimately got approved by the legislature, CAI is extremely grateful for Representative Olthoff's leadership and collaboration in offering dissent.

**[As a result of IN LAC's dedicated advocacy, the language of this legislation was improved in order to mitigate the damage from Senator Freeman's amendments before it was ultimately approved by the legislature.](#)** Various stakeholders, including CAI IN LAC, were able to review and provide feedback on proposed changes to the provisions during the final hours of the 2026 legislative session. This ensured that the final legislation was less damaging and wouldn't cause significant harm to those living and working in community associations across the state. CAI is grateful to those legislators, including Senator Spencer Deery, who gave those experts representing the community association industry a seat at the table.

**[Status: Passed both chambers of the legislature, further action by Governor pending.](#)**

### **[CAI SUPPORTED THE BELOW BILLS](#)**

CAI LACs support legislation that aligns with [CAI's public policy positions](#). If a LAC believes it may need to consider or adopt any legislative or regulatory position that would be in conflict with these official positions, it must submit a request for a deviation to be considered by CAI's Government & Public Affairs Committee and/or Board of Trustees.

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### HB 1155 – Traffic Enforcement

IN LAC supported this legislation that applies only to select associations of a certain size, which empowers homeowners associations to establish maximum speed limits and stop requirements on private roads in large subdivisions, with enforcement possible through contracted off-duty law enforcement officers. IN LAC's support for this legislation was due to the optional nature of the provisions. Under this legislation associations are permitted – but not required – to establish and enforce traffic rules within communities. This bill therefore aligns with CAI's public policies on [Rules Development and Enforcement](#) and [Government Regulation of Community Associations](#).

**Status: Successfully became law after being signed by Governor on March 3, 2026. The legislation has an expiration date set for July 1, 2028, following a report on implementation challenges due by October 1, 2027.**

### CAI MONITORED THE BELOW BILLS

CAI LACs monitor legislation with the potential to impact those living and working in community associations across their state, as well as legislation that may indirectly or unintentionally impact community associations.

### HB 1150 – Local Regulation

IN LAC monitored this legislation, which provides that a homeowners association may not effectively prohibit or restrict the use of, distinguish between types of, or establish differing standards for different types of motor vehicles or outdoor equipment based on the fuel source that powers the motor vehicle or outdoor equipment. The bill also prohibits a homeowners association from installing, maintaining, or operating an automated license plate reader (ALPR), and prohibits a homeowners association from permitting the installation, maintenance, or operation of an ALPR on the property of the association unless the ALPR is installed by a law enforcement agency and only the law enforcement agency has access to the ALPR data. In alignment with CAI's [public policy on Display of the American Flag](#), HB 1150 also allows community associations to reasonably regulate – but not prohibit or unreasonably restrict – the display of American flags by homeowners

**Status: Became law. Signed by Governor on February 24, 2026.**

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### **HB 1210 - Clarification on Owner Obligations**

IN LAC [monitored](#) this legislation that addresses a common enforcement issue: owners arguing that the association cannot enforce rules because quorum has not been established.

The new law clarifies that failure of an association to establish quorum does not relieve owners of their obligation to comply with the governing documents. This means that even if an association has difficulty reaching quorum or electing a board, owners must still:

- Pay assessments
- Follow the association's rules and restrictions
- Comply with the governing documents

**Status: Became law. Signed by Governor on March 12, 2026.**

### **HB 1309 - Local Regulation of No Impact Home Based Businesses**

IN LAC [monitored](#) this legislation, which preserves a community association's ability to set reasonable rules and regulations around the operation of certain home-based businesses by homeowners. CAI's [public policy on Home-Based Businesses in Community Associations](#) expresses support for a community association's reasonable regulation of home-based businesses in a way that does not focus on the nature or type business conducted in the residence. CAI supports a community association's regulation of a home-based business based upon the current or potential impact of that business on the quality of life for residents in the community, the reasonable expectations of those who purchase homes in communities limited to residential uses; and, whether the non-residential or business use of the residence constitutes a nuisance in accordance with the community's governing documents.

**Status: Bill died in committee.**

### **HB 1135 - Investor Ownership of Single Family Residences**

IN LAC [monitored](#) this legislation, which establishes the housing down payment assistance fund. It also establishes a transfer tax equal to 50% of the fair market value of a single family residence for each single family residence acquired by an applicable taxpayer after the applicable date and a maximum number of single family residences that may be owned by an applicable taxpayer after the applicable date for purposes of calculating an annual excise tax on any excess single family residences.

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This legislation follows a national trend identified by CAI. At the time of this report, sixteen states had introduced some version of legislation seeking to restrict or ban corporate and investor purchases of residential real estate: Arizona, California, Connecticut, Georgia, Hawaii, Illinois, Iowa, Kentucky, Minnesota, Missouri, New Jersey, New Mexico, Oklahoma, Vermont, Virginia, Washington state.

HB 1135 was introduced following the president's [executive order](#) preventing large institutional investors from purchasing single-family homes in the United States. The order is intended to support housing affordability nationwide. The order also instructed the White House to prepare legislative recommendations for Congress to consider codifying the order so large institutional investors do not acquire single-family homes. The reasons for this trend are likely rooted in housing market dynamics, affordability concerns, and political pressures as [similar efforts continue to develop at the federal level](#).

**Status: Bill died in committee.**

### **[HB 1001 – Housing Matters](#)**

IN LAC [monitored](#) this legislation, which addresses affordable housing. CAI recognizes the need to provide more affordable housing opportunities in the United States. At the same time, CAI [supports](#) the rights of residential common interest communities to reasonably regulate the development and placement of accessory dwelling units within their communities. Governmental regulatory bodies seeking to provide affordable housing opportunities must simultaneously recognize that need to ensure that roads, schools, availability of adequate parking, and other necessary services ensuring public safety, including those provided by the community association, are adequate to meet any additional burden resulting from an increase in the density of dwellings and population. CAI supports legislation that recognizes the core principle of self-governance and equitable sharing of common property and the expenses necessary to operate the community association housing model, while simultaneously permitting, but not mandating, that affordable housing be constructed on single family lots.

**Status: Became law. Signed by Governor on March 4, 2026.**

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## ***Get Involved in CAI's Indiana Advocacy Work through Your Local Chapter!***

In addition to strong and effective advocacy work in Indianapolis, CAI's Indiana Chapter provides information, resources, education programs and best practices designed to help you and your communities throughout Indiana thrive.

Not a member yet? Join a growing global network of more than 51,000 community managers, management company executives, homeowner leaders, and business partners, and open up a world of opportunities for professional growth, networking and industry knowledge.

Learn more and join today at <https://www.cai-in.org/>.

[View Photos of CAI IN LAC in Action -->](#)



### **Track IN Legislation**

CAI keeps track of legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the clock [here](#).

### **CAI IN Legislative Resources and Chapter Contact Information**

[Indiana Legislative Action Committee](#)  
[CAI Indiana Chapter](#) | (317) 379-4462 - [ced@cai-in.org](mailto:ced@cai-in.org)

### **Support and Donate Today**

CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in Indiana. [Learn More & Donate Today](#) by Selecting "Indiana."

## **Review CAI's Public Policy Positions**



## **Help Shape Future Legislation**

Join our CAI Advocacy Ambassador program and become a part of the movement to create positive change. Your voice matters, so sign up now to make your mark!



[www.caionline.org/Ambassadors](http://www.caionline.org/Ambassadors)

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