

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1453

5 By: Representative S. Meeks
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7

For An Act To Be Entitled

8 AN ACT TO AMEND THE HORIZONTAL PROPERTY ACT; TO
9 REGULATE PROPERTY OWNERS' ASSOCIATIONS; AND FOR OTHER
10 PURPOSES.
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12
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Subtitle

14 TO AMEND THE HORIZONTAL PROPERTY ACT;
15 AND TO REGULATE PROPERTY OWNERS'
16 ASSOCIATIONS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 18-13-102(2), concerning the definition of
22 "co-owner" under the Horizontal Property Act, is amended to read as follows:

23 (2) "Co-owner" means a person, firm, corporation, partnership,
24 association, trust, or other legal entity, or any combination thereof, who
25 owns an apartment within the building or is a member of a property owners'
26 association;

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28 SECTION 2. Arkansas Code § 18-13-102(8), concerning the definition of
29 "person" under the Horizontal Property Act, is amended to read as follows:

30 (8) "Person" means an individual, firm, corporation,
31 partnership, association, trust, member of a property owners' association, or
32 other legal entity, or any combination thereof;
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34 SECTION 3. Arkansas Code § 18-13-102, concerning the definitions under
35 the Horizontal Property Act, is amended to add additional subdivisions to
36 read as follows:



1 (12) "Business day" means a Monday, Tuesday, Wednesday,
 2 Thursday, or Friday that is not otherwise observed as an official state or
 3 federal holiday;

4 (13) "Local government" means:

5 (A) A county;

6 (B) A city of the first class, a city of the second class,
 7 or an unincorporated town; or

8 (C) Any other state entity or political subdivision of the
 9 state or an agency, board, or commission of the state entity or political
 10 subdivision of the state; and

11 (14) "Property owners' association" means an incorporated
 12 nonprofit organization operating under recorded land agreements through which
 13 each:

14 (A) Lot owner in a planned unit or other described land
 15 area is automatically a member; and

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

19
 20 SECTION 4. Arkansas Code § 18-13-108(b), concerning the administration
 21 and bylaws of a horizontal property regime, is amended to read as follows:

22 (b) The bylaws ~~must necessarily~~ shall provide for at least the
 23 following:

24 (1) Form of administration, indicating whether this shall be in
 25 charge of an administrator or of a board of administration, or otherwise, and
 26 specifying the powers, manner of removal, and, where proper, the compensation
 27 thereof;

28 (2) Method of calling or summoning the co-owners to assemble,
 29 that a majority of at least fifty-one percent (51%) is required to adopt
 30 decisions, who is to preside over the meeting, and who will keep the minute
 31 book wherein the resolutions shall be recorded;

32 (3) Care, upkeep, and surveillance of the building and its
 33 general or limited common elements and services;

34 (4) Manner of collecting from the co-owners for the payment of
 35 the common expenses; ~~and~~

36 (5) Designation and dismissal of the personnel necessary for the

1 works and the general or limited common services of the building;

2 (6) Establishment of any fee structure, expenses, and
3 assessments; and

4 (7) Manner of making changes to any fee structure, expenses, and
5 assessments.

6
7 SECTION 5. Arkansas Code § 18-13-109 is amended to read as follows:

8 18-13-109. Modification of administration.

9 ~~(a) The sole owner of the building or, if there is more than one (1),~~
10 ~~the co-owners representing two-thirds (2/3) of the total value of the building~~
11 ~~may, at any time, modify the system of administration, but each one of the~~
12 ~~particulars set forth in § 18-13-108 shall always be embodied in the bylaws~~
13 Any modifications to the system of administration or the bylaws of a
14 horizontal property regime organized under this subchapter shall be approved
15 using the procedures to adopt decisions under the bylaws of the horizontal
16 property regime.

17 (b) ~~No such~~ A modification made under subsection (a) of this section
18 may shall not be operative until it is embodied in a recorded instrument,
19 which shall be recorded in the same office and in the same manner as was the
20 master deed and original bylaws of the horizontal property regime involved.

21
22 SECTION 6. Arkansas Code § 18-13-110 is amended to read as follows:

23 18-13-110. Book of receipts and expenditures – Examination – Annual
24 financial report – Audit.

25 (a) The administrator, the board of administration, or other form of
26 administration specified in the bylaws shall:

27 ~~(1) keep~~ Keep a book with a detailed account, in chronological
28 order, of the receipts and expenditures affecting the building and its
29 administration and specifying the maintenance and repair expenses of the
30 common elements and any other expenses incurred; and

31 (2) Submit an annual financial report to co-owners.

32 ~~(b) Both the book and the vouchers accrediting the entries made~~
33 ~~thereupon~~ All financial records shall be available for examination by all the
34 co-owners ~~at convenient hours on working days that shall be set and announced~~
35 ~~for general knowledge~~ during a business day.

36 (c)(1) A property owners' association organized under this subchapter

1 is subject to audit by Arkansas Legislative Audit if the property owners'
 2 association:

3 (A) Receives state funding; or

4 (B) Provides services that are traditionally performed by
 5 a local government.

6 (2) A member of the General Assembly may request an audit of a
 7 property owners' association organized under this subchapter after approval
 8 by the Legislative Joint Auditing Committee.

9
 10 SECTION 7. Arkansas Code § 18-13-116(a)(1), concerning the liability
 11 for expenses and assessments of a horizontal property regime, is amended to
 12 read as follows:

13 (a)(1) The co-owners ~~of the apartments~~ and full-time residents are
 14 bound to contribute pro rata, in the percentages computed according to § 18-
 15 13-112, toward the expenses of administration and of maintenance and repair
 16 of the general common elements and, in the proper case, of the limited common
 17 elements of the building, and toward any other expense lawfully agreed upon
 18 using the procedures to adopt decisions under the bylaws of the horizontal
 19 property regime.