

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

A Bill

HOUSE BILL 1660

5 By: Representative S. Meeks
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For An Act To Be Entitled

9 AN ACT TO AMEND THE HORIZONTAL PROPERTY ACT; TO
10 REGULATE PROPERTY OWNERS ASSOCIATIONS; TO REQUIRE AN
11 AUDIT FOR CERTAIN PROPERTY OWNERS ASSOCIATIONS; AND
12 FOR OTHER PURPOSES.
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Subtitle

15 TO AMEND THE HORIZONTAL PROPERTY ACT; TO
16 REGULATE PROPERTY OWNERS ASSOCIATIONS;
17 AND TO REQUIRE AN AUDIT FOR CERTAIN
18 PROPERTY OWNERS ASSOCIATIONS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 18-13-102, concerning the definitions under
24 the Horizontal Property Act, is amended to add additional subdivisions to
25 read as follows:

26 (12) "Local government" means:

27 (A) A county;

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

30 (C) Any other state entity or political subdivision of the
31 state or an agency, board, or commission of the state entity or political
32 subdivision of the state;

33 (13) "Property owners association" means an incorporated
34 nonprofit organization operating under recorded land agreements through which
35 each:

36 (A) Lot owner in a planned unit or other described land



1 area is automatically a member;

2 (B) Lot is automatically subject to a charge for a
 3 proportionate share of the expenses for the organization's activities and
 4 services; and

5 (C) Incorporated nonprofit organization has at least one
 6 thousand (1,000) members; and

7 (14)(A) "Services traditionally performed by a local government"
 8 means services provided to members of a property owners association.

9 (B) "Services traditionally performed by a local
 10 government" includes without limitation:

- 11 (i) Road maintenance;
- 12 (ii) Sewer services;
- 13 (iii) Trash services; and
- 14 (iv) Water services.

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 16 SECTION 2. Arkansas Code § 18-13-110 is amended to read as follows:

17 18-13-110. Book of receipts and expenditures – Examination – Annual
 18 financial report – Audit.

19 (a) The administrator, the board of administration, or other form of
 20 administration specified in the bylaws shall keep a book with a detailed
 21 account, in chronological order, of the receipts and expenditures affecting
 22 the building and its administration and specifying the maintenance and repair
 23 expenses of the common elements and any other expenses incurred.

24 (b) ~~Both the book and the vouchers accrediting the entries made~~
 25 ~~thereupon~~ All financial records shall be available for examination by all the
 26 co-owners at convenient hours on working days that shall be set and announced
 27 for general knowledge.

28 (c)(1) A property owners association organized under this subchapter
 29 may be subject to review by Arkansas Legislative Audit if the property owners
 30 association provides services traditionally performed by a local government.

31 (2) A review under subdivision (c)(1) of this section shall be
 32 conducted by Arkansas Legislative Audit only after approval by the
 33 Legislative Joint Auditing Committee.

34 (3) This subsection does not limit the authority of the
 35 Legislative Auditor to conduct an audit under § 10-4-401 et seq.

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