

RS 9:1141.4

SUBPART B. CREATION, AMENDMENT, AND TERMINATION

§1141.4. Creation, alteration, and termination of a planned community

A. A planned community is established by the execution of a declaration by all owners of the immovable property to be affected or by the lessee in the case of a leasehold planned community. The declaration shall be effective when filed for registry in the conveyance records of each parish in which any portion of the immovable property is situated.

B. All provisions of the declaration are severable. The effectiveness of the declaration is not affected by an insubstantial failure of the declaration to comply with this Part.

C. If a conflict exists between the declaration and any other community document, the declaration shall prevail.

D.(1)(a) The recorder shall index the initial declaration and plat in the conveyance records in the names of the declarant, the planned community, each owner of the immovable property subject to the declaration, and the association.

(b) The recorder shall index an amendment to the declaration or the plat or a termination of the declaration in the index of the conveyance records in the names of the declarant, the planned community, and the association. If an amendment relocates the boundary of a lot, incorporates common areas into a lot, adds additional property, or withdraws a lot from the community, the recorder shall also index the amendment in the name of each owner of each lot affected by the amendment.

(c) An indexing error shall not impair the effect of recordation of the document.

(2) The grant of a security right by the association shall comply with registry requirements of law, including filings in accordance with the Uniform Commercial Code - Secured Transactions.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.5

§1141.5. Contents of the declaration

A. The declaration shall contain all of the following:

- (1) A statement submitting the immovable property to a planned community.
- (2) The name by which the planned community is to be identified, which shall include the phrase "planned community" or be followed by the words "a planned community".
- (3) A complete property description of all of the immovable property within the planned community.
- (4) An identification of each lot by letter, name, or number, or a combination thereof, so that no lot bears the same identification as any other lot.
- (5) A written description and plat, meeting the requirements of R.S. 9:1141.9, delineating the precise boundaries of each lot and designating any common areas and limited common areas appurtenant thereto.
- (6) The manner of allocating common expense liabilities, common surpluses, and voting interest in the association, in accordance with R.S. 9:1141.6.
- (7) A description of any development right or other special declarant right reserved by the declarant, a complete property description of any immovable property within the planned community to which each right applies, a general schematic map of any immovable property that may be added to the planned community pursuant to a development right, and the term within which the rights may be exercised.
- (8) All matters required by R.S. 9:1141.6 in the event that the declarant reserves the right to change the allocations to lots of common expense liabilities, common surpluses, and voting interest in the association.
- (9) The name of the association formed in accordance with R.S. 9:1141.19.
- (10) The rights and responsibilities for the maintenance and repair of association property and for the maintenance, repair, and replacement of any improvements thereon.
- (11) Any building restrictions and servitudes affecting the association property.
- (12) Identification of lots as intended for residential or nonresidential use.
- (13) The name of all natural persons who control the declarant, if the declarant is not a natural person.

B. The declaration may contain any of the following:

- (1) The purpose for which the association property is intended.
- (2) Procedures whereby a lot owner may transfer his lot to the association and thereby release himself from any further obligation for common expense liabilities.
- (3) The method of amendment of the declaration, subject to the limitations provided in R.S. 9:1141.14.
- (4) The method for making assessments and the procedure for collecting from the lot owners their respective assessments.

C. When additional immovable property is added to the planned community, an amendment to the declaration shall be executed and filed for registry and indexed in accordance with R.S. 9:1141.4(D). The amendment shall be effective when filed for registry in the conveyance records of the parish in which the additional immovable property is situated.

D. The community documents of a planned community restricted to a residential use shall not:

- (1) Reduce the voting interest required in R.S. 9:1141.14.
- (2) Vary any requirement, procedure, or other provision of this Part pertaining to the mandatory requirements of the declaration in accordance with this Section or the provisions of Subpart D of this Part.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.6

§1141.6. Allocation of common expense liabilities, common surpluses, and voting interest in the association

A. The declaration shall allocate to each lot a fraction or percentage of the common expense liabilities, common surpluses, and voting interest in the association and shall state the formulas or methods used to establish the allocations.

B. If lots may be added to or withdrawn from the planned community, or if boundaries between adjoining lots may be relocated, the declaration shall state the formulas or methods to be used to reallocate the common expense liabilities, common surpluses, and voting interest in the association among all lots included in the planned community after the addition, withdrawal, or relocation.

C.(1) The declaration may provide for the following:

(a) Different allocations to lots of voting interest on particular matters specified in the declaration.

(b) Cumulative voting only for electing directors.

(c) Class voting on specified issues affecting the class if necessary to protect valid interests of the class.

(2) A declarant may not utilize cumulative or class voting to avoid any limitation imposed on declarants by this Part, nor may lots constitute a class because they are owned by a declarant.

D. Except for minor variations due to rounding, the sum of the common expense liabilities, common surpluses, or voting interest in the association allocated at any time to all of the lots shall equal one if stated as a fraction or one hundred percent if stated as a percentage.

E. The transfer, encumbrance, judicial sale, or other voluntary or involuntary transfer of an ownership interest in a lot includes membership in the association and any other rights in the association appurtenant to that lot.

F. Nothing in this Section shall require a planned community in existence prior to January 1, 2025, to amend its method of calculating or allocating assessments.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.7

§1141.7. Exercise of development rights

A. To exercise any development right reserved in R.S. 9:1141.5(A)(7), the declarant shall prepare, execute, and file for registry an amendment to the declaration in accordance with R.S. 9:1141.4(D). The amendment to the declaration shall assign an identifying number to each new lot created, and, except in the case of subdivision or conversion of lots described in Subsection D of this Section, reallocate the common expense liabilities, common surpluses, and voting interest in the association among all lots. The amendment shall describe any common areas and any limited common areas created and, in the case of limited common areas, designate the lots by letter, name, or number, or a combination thereof to which each is appurtenant.

B. Development rights may be reserved within any immovable property added to the planned community if the amendment adding that immovable property includes or incorporates by reference all matters required by R.S. 9:1141.5.

C. Development rights to add additional immovable property may be exercised only within seven years after the date of the filing of the initial declaration. The submission of an application for approval of a plat of subdivision pursuant to R.S. 33:113 shall suspend the running of the seven-year period, except that the suspension is considered never to have occurred if the application is denied and any appeal period has expired, or if the declarant voluntarily withdraws or abandons the application or a plat of subdivision that is the subject of the application prior to filing the plat for registry. If a plat is approved, the seven-year period shall be interrupted and shall commence to run anew on the date on which the plat of subdivision is filed for registry. This Section does not extend the term for the exercise of development rights imposed by the declaration pursuant to R.S. 9:1141.5(A)(7).

D. When a declarant exercises a development right to subdivide or convert a lot previously created into additional lots, common areas, limited common areas, or any combination thereof, the following apply:

(1) If the declarant converts the lot entirely to a common area or limited common area, the amendment to the declaration shall reallocate all of the common expense liabilities, common surpluses, and voting interest in the association of that lot among the other lots by the same method provided in R.S. 9:1141.6, or as otherwise provided in the community documents.

(2) If the declarant subdivides the lot into two or more lots or if the declarant combines two or more lots into a single lot, regardless of whether any part of the lot is converted into a common area or a limited common area, the amendment to the declaration shall reallocate all of the common expense liabilities, common surpluses, and voting interest in the association of the lot among the lots created by the subdivision in the manner prescribed in the declaration.

E. If, pursuant to R.S. 9:1141.5(A)(7), the declaration provides that all or any portion of the immovable property within the planned community is subject to a right of withdrawal by the declarant, none of the immovable property may be withdrawn after a lot has been transferred to an unrelated purchaser except upon a supermajority vote of the association. A declarant may not withdraw all or any portion of immovable property that has been transferred to the association.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.8

§1141.8. Limited common areas

A. The declaration shall specify to which lot each limited common area is allocated. An allocation may not be altered without the consent of all of the lot owners whose lots are directly affected.

B. A limited common area may be reallocated upon request to the board of directors by all of the lot owners between or among whose lots the reallocation is to be made. When a request is made, an amendment to the declaration containing the name of the requesting lot owners shall be executed by an authorized officer or agent of the association and shall be filed for registry in accordance with R.S. 9:1141.4(D). Any expenses incurred by the association in accordance with this Section shall be borne by the requesting lot owners.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2022, No. 481, §1; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.9

§1141.9. Plats

A. Each plat shall be clear and legible and shall show all of the following:

- (1) The name and a survey of the entire planned community, including the designation of all lots, commons areas, and limited common areas.
- (2) The extent of any encroachments by or upon any portion of the planned community.
- (3) A depiction of all servitudes benefiting or burdening any portion of the planned community, to the extent plottable.
- (4) In the case of a leasehold planned community, a complete property description of all immovable property subject to a lease.
- (5) The distance between noncontiguous parcels of immovable property comprising the planned community.
- (6) All other matters required by R.S. 33:5051.

B. Upon exercising any development right to add immovable property to the planned community, the declarant shall file for registry, in accordance with R.S. 9:1141.4(D), a new plat of the additional immovable property conforming to the requirements of Subsection A of this Section.

C. The ownership interest of the declarant in the common areas and limited common areas is transferred to the association when the declaration and plat have been filed for registry and the incorporation of the association has occurred.

D. Each plat shall be made by a professional land surveyor.

Acts 1999, No. 309, §2, eff. June 16, 1999; Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.10

§1141.10. Relocation of lot boundaries

A. The boundaries between adjoining lots may be relocated upon the request of the lot owners of the affected lots if the relocation does not alter the size of a lot by more than ten percent.

B. Boundaries between lots and common areas may be relocated to incorporate common areas into a lot upon the request of the affected lot owner and with the approval of a supermajority vote.

C. Upon the request and approval as provided in Subsections A and B of this Section, an amendment to the declaration shall be executed by an authorized officer or agent of the association and filed for registry in accordance with R.S. 9:1141.4(D). In addition, the requesting lot owners and officer or agent of the association shall execute an act translative of ownership, and if applicable, an amended plat. Any expenses incurred by the association in accordance with this Section shall be borne by the requesting lot owners.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.11

§1141.11. Subdivision of lots

A. A lot may be subdivided into two or more lots upon the request of the lot owner and with the approval of a supermajority vote.

B. Upon approval of the subdivision, an amendment to the declaration shall include the plat subdividing that lot; assign an identifying letter, name, or number to each lot created; and reallocate to each lot created, in any reasonable manner prescribed by the association or on any other basis that the declaration requires, the common expense liabilities, common surpluses, and voting interest in the association formerly allocated to the subdivided lot.

C. The amendment to the declaration shall be executed by an authorized officer or agent of the association and filed for registry in accordance with R.S. 9:1141.4(D). Any expenses incurred by the association in accordance with this Section shall be borne by the requesting lot owner.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.12

§1141.12. Use for sales purposes

Subject to other provisions of law and local ordinances, a declarant may maintain sales offices, management offices, and models on lots that the declarant owns and may erect signs advertising the planned community on the common areas.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.13

§1141.13. Servitude and use rights

A. A declarant has a personal servitude of right of use on and through the common areas as may be reasonably necessary for the purpose of discharging obligations or exercising special declarant rights, whether in accordance with this Part or reserved in the declaration.

B. Lot owners have a right to use, for the purposes for which they were intended, all common areas and all immovable property that shall become common areas, other than limited common areas.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.14

§1141.14. Amendment to declaration; community documents; use restrictions

A. Except as otherwise provided in this Section or R.S. 9:1141.7, the declaration may be amended only by the vote requirement provided in the declaration. If a voting requirement is not provided in the declaration, the declaration may be amended by a majority vote, except as required in Subsection B or C of this Section.

B. Approval by a supermajority vote is required to amend the declaration to create or increase special declarant rights; increase the number of lots not otherwise reserved or permitted by the community documents; change the allocation of common expense liabilities, common surpluses, or voting interest in the association for a lot; extend the time limitations specified in R.S. 9:1141.7(C); or create additional development rights.

C.(1) The declaration may be amended only by a supermajority vote, or any greater vote required by the community documents, to do any of the following:

(a) Prohibit or materially restrict the uses of a lot or the number or other qualifications of persons who may occupy a lot.

(b) Impose more burdensome restrictions, except as provided in Paragraph (6) of this Subsection.

(2) An existing occupancy or use of a lot shall not be prohibited by an amendment to the community documents if that occupancy or use has commenced prior to the filing of the amendment for registry, except as provided in Paragraph (3) of this Subsection.

(3) If an existing occupancy or use has ceased for twelve consecutive months after the date that the amendment is filed for registry, and the period is not extended as provided in Paragraph (4) of this Subsection, the lot shall become subject to the prohibition on the existing occupancy or use contained in the amended declaration.

(4) A lot owner may submit a request to the board of directors to extend the time period in Paragraph (3) of this Subsection when an existing occupancy or use is discontinued due to a fortuitous event. The board of directors shall grant or deny the request using reasonable discretion.

(5) A use restriction establishing or increasing the minimum term for the lease of a lot or prohibiting the rental of less than the entirety of the lot shall be considered a more burdensome restriction.

(6) Unless a greater percentage is required in the community documents, an association may adopt by two-thirds vote more burdensome restrictions governing construction, design criteria, and aesthetic standards, subject to the following limitations:

(a) No more burdensome restriction governing construction, design criteria, aesthetic standards, set backs, or square footage requirements shall impose a duty on a lot owner to act affirmatively or remove or renovate any existing improvements, but more burdensome standards shall apply to new exterior renovations, repairs, or reconstructions as provided in Subparagraph (b) of this Paragraph.

(b) Only those new exterior renovations, repairs, or reconstructions that increase the value of the improvements on the lot by more than forty percent are required to comply with the more burdensome construction, design criteria, and aesthetic standards. Unless the lot owner agrees in writing to comply with the more burdensome standards, the lot owner shall submit to the association, prior to the start of renovation, repair, or reconstruction, an estimate of the increase in value of the improvements as determined by a qualified appraiser.

D. A provision in the declaration modifying special declarant rights that have not expired may not be amended without the consent of the declarant.

E. If any provision of the declaration requires the consent of a holder of a security right in a lot as a condition to the effectiveness of an amendment to the declaration, and the declaration does not otherwise provide the method for obtaining consent, consent is deemed granted if a record refusing consent is not received by the association within sixty days after the association delivers notice of the proposed amendment to the holder of the security right at an address for notice provided by the holder. If the holder of the security right has not provided to the association an address for notice, the association shall provide notice to the address of the holder stated in the recorded security right.

F. Amendments to the declaration adopted pursuant to this Section shall be prepared, executed, and filed for registry on behalf of the association by an authorized officer or agent of the association in accordance

with R.S. 9:1141.4(D). Any amendment shall contain a certification that the minimum voting requirements have been met.

G. An action to challenge the validity of an amendment adopted in accordance with this Section shall be brought within a peremptive period of one year from the date that the amendment is filed for registry.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.15

§1141.15. Termination of the planned community

A. A planned community may be terminated only by a two-thirds vote, or any greater percentage that the declaration specifies, and with any other approvals required by the declaration.

B. A termination agreement shall be prepared and executed on behalf of the association by an authorized officer or agent of the association and filed for registry in accordance with R.S. 9:1141.4(D). A termination agreement shall contain a certification that the minimum voting requirements have been met.

C. If a termination agreement provides for the transfer of ownership of all or a portion of the common areas and limited common areas, the association, on behalf of the lot owners, may contract for the transfer of ownership of common areas and limited common areas, but the contract is not binding on the lot owners until the termination agreement is approved and filed for registry pursuant to this Section. As long as the association owns the common areas and limited common areas, the lot owners and their successors continue to have the right to use and enjoy the areas in accordance with their intended purpose and remain liable for all assessments and other obligations imposed on lot owners by this Part or the declaration.

D. The existence of the association is not affected by the termination agreement. Until the common areas and limited common areas within the planned community are transferred following termination, ownership of the common areas and limited common areas remains with the association.

E. Following termination of the planned community, the proceeds from any transfers of ownership of common areas, limited common areas, and other property of the association shall be paid to the association for the benefit of the lot owners and holders of security rights in the property, as their interests may appear. Proceeds available to lot owners and holders of security rights in lots shall be distributed in accordance with R.S. 9:1141.6.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.16

§1141.16. Rights of secured parties

A. The declaration may require that specified actions of the lot owners or the association shall be approved by creditors who hold security rights in the lots or who have extended credit to the association, but no requirement for approval may operate to do any of the following:

(1) Deny or delegate control over the general administrative affairs of the association by the lot owners or the board of directors.

(2) Control the establishment or imposition of assessments except as provided in Subsection C of this Section.

(3) Prevent the association or the board of directors from commencing, intervening in, or settling any litigation or proceeding.

(4) Prevent the association from receiving and distributing any insurance proceeds to make necessary repairs as a result of a casualty.

B. A lender who has extended credit to an association secured by a security right to the income of the association or a security right in the common areas or limited common areas may enforce the security right in accordance with its terms, subject to the requirements of this Part or other provisions of law. Requirements that the association deposit with the lender the association's periodic income in which the lender holds a security right do not violate Subsection A of this Section.

C. If approved by an association in accordance with R.S. 9:1141.28, the holder of a security right may require that assessments shall not be decreased without its approval.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.17

§1141.17. Master associations

A. If any of the powers in R.S. 9:1141.20 are to be exercised by or delegated to a corporation that exercises powers on behalf of planned communities or for the benefit of the lot owners, all provisions of this Part applicable to lot owners' associations shall apply to the corporation, except as provided by this Section.

B. Unless it is acting in the capacity of an association as provided in R.S. 9:1141.19, a master association may exercise the powers provided in R.S. 9:1141.20(A)(2) only to the extent expressly permitted in the declaration of the planned community that is part of the master association or expressly described in the delegation of power to the master association.

C. If the declaration of any planned community provides that the board of directors may delegate powers to a master association, the directors have no liability for the acts or omissions of the master association following delegation.

D. The rights and responsibilities of lot owners with respect to the association as provided in R.S. 9:1141.21, 1141.26, 1141.27, 1141.28, and 1141.29 apply in the conduct of the affairs of a master association only to those persons who elect the board of directors of a master association, regardless of whether those persons are otherwise lot owners.

E. Even if a master association is also an association as provided in R.S. 9:1141.19, the articles of incorporation or other instrument creating the master association and the declaration of each planned community, the powers of which are assigned by the declaration or delegated to the master association, shall provide that the board of directors of the master association shall be elected after the period of declarant control in any of the following ways:

(1) All lot owners of each planned community subject to the master association may elect all directors of the master association.

(2) All directors of each planned community subject to the master association may elect all directors of the master association.

(3) All lot owners of each planned community subject to the master association may elect specified directors of the master association.

(4) All directors of each planned community subject to the master association may elect specified directors of the master association.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.18

§1141.18. Combining planned communities

A. Any two or more planned communities may be combined into a single planned community upon approval by the lot owners in each planned community by the same vote required to terminate that planned community. If the planned communities to be combined are managed by more than one association, the associations shall be combined into one association in accordance with the applicable provisions of law.

B. The agreement to combine shall not be effective until it is filed for registry in accordance with R.S. 9:1141.4(D) in every parish in which a portion of the combined planned community is situated and, if associations are combining, until the articles of merger or consolidation of the associations are filed with the secretary of state.

C. Every agreement to combine shall provide for the reallocation of common expense liabilities, common surpluses, and voting interest to each lot by either stating the reallocations or the formulas upon which they are based or stating the percentage allocated to all of the lots comprising each of the preexisting planned communities.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.19

SUBPART C. MANAGEMENT OF THE PLANNED COMMUNITY

§1141.19. Organization of lot owners association

A lot owners association shall be organized as a nonprofit corporation authorized to do business in Louisiana and shall have the authority to impose assessments on its members. The membership of the association at all times consists exclusively of all lot owners or, following termination of the planned community, of all former lot owners entitled to distributions of proceeds in accordance with R.S. 9:1141.15 or their heirs, successors, or assigns. The association shall have a board of directors. The association shall be formed prior to filing the declaration for registry.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.19

SUBPART C. MANAGEMENT OF THE PLANNED COMMUNITY

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Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.20

§1141.20. Powers and duties of the lot owners association

A.(1) Except as otherwise provided in this Part, the association shall do the following:

(a) Adopt bylaws.

(b) Adopt budgets as provided in R.S. 9:1141.34.

(c) Establish reasonable procedures for addressing and resolving written complaints from lot owners.

The procedures may include any of the following:

(i) A sample form for lodging the written complaint.

(ii) A description of the manner in which complaints are to be delivered to the association.

(iii) Written acknowledgement of receipt of the complaint.

(iv) The inclusion of specific related documentation including the applicable law or regulation.

(v) The requested action or resolution.

(vi) The manner in which additional information may be requested.

(vii) The time period for responding.

(viii) Disposition of the complaint for lack of information.

(ix) Notice of the date, time, and location that the complaint will be considered.

(x) Written notice of the final determination.

(xi) Contents of the final determination including the date of issuance and any applicable citations, laws, or regulations.

(2) Except as otherwise provided in this Part, the association may do the following:

(a) Amend bylaws and adopt and amend rules.

(b) Amend budgets, collect assessments for common expenses from lot owners, and invest funds of the association.

(c) Hire and discharge managing agents and other employees, agents, and independent contractors.

(d) Institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings in its own name on behalf of itself or any lot owner or occupant on matters affecting the common interest of the planned community.

(e) Enter into contracts and incur liabilities.

(f) Regulate the use, maintenance, repair, replacement, and modification of common areas.

(g) Cause additional improvements to be made as a part of the common areas.

(h) Acquire, hold, encumber, and transfer in its own name any right, title, or interest to immovable or movable property, whether corporeal or incorporeal, but common areas may be transferred or subjected to a security right only pursuant to R.S. 9:1141.29.

(i) Grant servitudes, leases, and licenses through or over the common areas.

(j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common areas and for services provided to lot owners or occupants.

(k) Impose charges, including interest and attorney fees, against lot owners for late payment of assessments.

(l) Impose reasonable fines, including interest and attorney fees, against lot owners and occupants for violations of the community documents in accordance with Part III of this Chapter.

(m) Impose reasonable charges, including interest and attorney fees, for the preparation and recordation of amendments to the declaration or statements of privilege.

(n) Provide for the indemnification of its officers and board of directors and maintain directors and officers liability insurance.

(o) Exercise any other powers conferred by the community documents.

(p) Exercise any other powers that may be exercised by organizations of the same type.

(q) In addition to the rights of the association provided in R.S. 9:1141.32, suspend any right or privilege of a lot owner or occupant who fails to pay an assessment or who violates any provision of the community documents, provided that the association shall not do either of the following:

(i) Deny a lot owner access to the lot owner's lot.

(ii) Withhold services provided by the association to a lot, a lot owner, or an occupant if the effect of withholding the service would endanger the health, safety, or property of any person.

B. An association may require that an occupant execute and file with the association a lease or other occupancy agreement containing mandatory language for the benefit of the association. Any occupant who fails to comply with the provisions of this Subsection may be denied access to a lot.

C. If an occupant violates the provisions of the community documents, the association may, in addition to exercising any of its powers against the lot owner, enforce against the occupant mandatory provisions required to be contained in the lease or other occupancy agreement.

D. The association may determine whether to take enforcement action by imposing sanctions or commencing an action for a violation of the provisions of the community documents, including whether to compromise any claim for unpaid assessments or other claim made by or against the association or to seek eviction consistent with Part III of this Chapter.

E. The association has discretion in pursuing or declining enforcement depending on each set of circumstances.

F. The association shall not be arbitrary or capricious in its decision to pursue or decline enforcement in accordance with Subsections D and E of this Section.

G. The board of directors shall establish a reasonable method for lot owners and occupants to communicate, which may include by electronic transmission, with the board of directors on matters concerning the association.

H. In the event that the community documents fail to provide for a certain action or procedure, the general provisions of this Part and of the Nonprofit Corporation Law, R.S. 12:201 et seq., shall govern.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.21

§1141.21. Board of directors and officers of the association

A. The board of directors shall consist of at least three natural persons, each of whom shall be a lot owner or a representative of a lot owner if the lot is owned by a juridical person. If the planned community consists of fewer than three lots, the board of directors shall consist of the same number of persons as there are lots. Except as otherwise provided in R.S. 9:1141.17(E), a special meeting of the association shall be held for the purpose of electing the board of directors at least thirty days prior to the termination of the period of declarant control. The meeting notice shall be given, in accordance with R.S. 9:1141.38, no more than sixty days and no fewer than thirty days before the date of the meeting. If a quorum is not present at the meeting, then it may be adjourned and reconvened by the association at the place and time declared at the meeting, at which time those lot owners who are present shall constitute a quorum for purposes of electing the board of directors. Unless the community documents provide for the election of officers by the lot owners, the board of directors shall be entitled to elect the officers. The directors and officers shall take office upon the termination of the period of declarant control.

B. Directors of the board of directors and officers of the association shall exercise the degree of care and loyalty required of a director or officer and are subject to the conflict of interest rules and limitations of liability governing directors and officers in accordance with the Nonprofit Corporation Law, R.S. 12:201 et seq. Nevertheless, no director or officer shall be liable to the association or its members for money damages for any action taken, or any failure to act, as a director or officer, except as provided in R.S. 9:2792.7 or as otherwise provided by law.

C. The protection against liability of a director or officer for conduct described in Subsection B of this Section may be modified in the community documents. The association may purchase insurance against liability as provided in R.S. 12:1-857.

D. The board of directors shall not do any of the following:

- (1) Amend the declaration.
- (2) Amend the bylaws.
- (3) Terminate the planned community.
- (4) Elect directors, but the board of directors may fill vacancies in its membership for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of directors.
- (5) Determine the qualifications, powers, duties, or terms of office of directors.
- (6) Impose any rules or regulations inconsistent with the declaration.

E. The board of directors shall propose a budget to be approved in accordance with R.S. 9:1141.34. Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.22

§1141.22. Declarant control of the association

A. The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors. A declarant may voluntarily surrender the right to appoint and remove officers and directors before the period ends. In that event, the declarant may require, during the remainder of the period, that specified actions of the association or board of directors as described in a recorded instrument executed by the declarant be approved by the declarant before becoming effective.

B. Regardless of the period provided in the declaration, a period of declarant control terminates as follows:

(1) If the right to add additional immovable property to the planned community was not reserved in the declaration, one hundred twenty days after the date that seventy-five percent of the total number of lots in the planned community are transferred to unrelated purchasers.

(2) If the right to add additional immovable property to the planned community was reserved in the declaration, upon the expiration of the time period provided in R.S. 9:1141.7(C), as that period may be extended by the declarant's timely exercise of the right to add additional immovable property.

C. Notwithstanding the provisions of this Section, in no event shall the period of declarant control of a master association terminate until all periods of declarant control for all planned communities subject to the master association have terminated.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.23

§1141.23. Transfer of special declarant rights

A. Special declarant rights may be transferred only by an instrument evidencing the transfer recorded in every parish in which any portion of the planned community is situated. Upon transfer of special declarant rights, the transferor is not relieved of any obligation or liability arising before the transfer. A transferor has no liability for any act or omission of, or any breach of a contractual obligation arising from the exercise of a special declarant right by, a successor declarant.

B. In the event of partial transfer of special declarant rights, except in the event of a collateral assignment pursuant to the granting of a security interest, those special declarant rights not transferred terminate on the effective date of the transfer. The transferee of partial rights is responsible for only those obligations related to the special declarant rights that are transferred. A collateral assignment pursuant to the granting of a security interest is not a transfer until the secured party exercises its right to seize the rights in accordance with law.

C. A person who succeeds to special declarant rights is subject to the obligations and liabilities imposed by this Part or the community documents with respect to those special declarant rights transferred, except for any of the following:

- (1) Misrepresentations by a previous declarant.
- (2) Breach of any fiduciary obligation owed to the board of directors by a previous declarant or his appointees.
- (3) Any liability or obligation imposed on the transferor as a result of his acts or omissions after the transfer.

D. Nothing in this Section subjects any successor to a special declarant right to any claims against or other obligations of a transferor declarant, other than claims and obligations in accordance with this Part or the community documents.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.24

§1141.24. Termination of contracts

A. During the first two years after the board of directors elected by the lot owners pursuant to R.S. 9:1141.22(C) takes office, the following contracts entered into by the association may be terminated without penalty, provided that at least ninety days' notice is given to the other party and the contract was entered into before the board of directors took office:

(1) Any management, maintenance, or employment contract.

(2) Any other contract with the declarant or an affiliate of the declarant that is unconscionable to the lot owners at the time that the contract was entered into.

B. The provisions of this Section do not apply to a lease that, if terminated, would terminate the planned community or reduce its size.

C. Nothing in this Section shall impair the ability of the association to rescind or annul a contract in accordance with other provisions of law.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.25

§1141.25. Bylaws

A. The bylaws of the association shall provide for all of the following:

(1) The number of members of the board of directors.

(2) The method of electing a president, treasurer, secretary, and any other officers specified.

(3) The qualifications, powers and duties, terms of office, and manner of electing and removing directors and officers and filling vacancies.

(4) The powers that the board of directors or officers may delegate to other persons or to a managing agent.

(5) The officers who may prepare, execute, certify, and record amendments to the community documents on behalf of the association.

(6) Any provision necessary to satisfy requirements in this Part or the community documents concerning meetings, voting, quorums, and other activities of the association.

B. The bylaws may provide for any other necessary or appropriate matters, including matters that may be adopted as rules, relative to managing the business and regulating the affairs of the association and the planned community.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.26

§1141.26. Meetings

A. The following requirements apply to association meetings:

(1) The association shall hold an annual meeting in accordance with the bylaws. In the absence of a provision in the bylaws, an annual meeting shall be held upon the giving of not more than sixty days' nor less than thirty days' notice in accordance with R.S. 9:1141.38.

(2) The association shall hold a special meeting to address any matter affecting the planned community or the association if its president, a majority of the board of directors, or lot owners having at least twenty percent, or any lower percentage specified in the bylaws, of the voting interest in the association demand that the secretary call a meeting. The secretary shall call the meeting within thirty days after receiving notice of the lot owners' demand. Only matters described in the meeting notice required by Paragraph (3) of this Subsection shall be considered at a special meeting.

(3) The association shall notify lot owners of the time, date, and place of each annual and special meeting not more than sixty days nor fewer than thirty days before the meeting date. Notice may be given by any means provided in R.S. 9:1141.38. The notice shall state the items on the agenda, including the following:

(a) The general nature and text of any proposed amendment to the community documents.

(b) Any budget changes.

(c) Any proposal to remove a director or an officer elected by the association.

(4) The minimum amount of time in which notice shall be given in accordance with Paragraph (3) of this Subsection may be reduced or waived by the board of directors for a meeting called to address an emergency.

(5) At the meeting, lot owners shall be given a reasonable opportunity to comment regarding any matter affecting the planned community or the association.

(6) The community documents may allow for meetings of the association to be conducted by electronic means if the meeting notice states the electronic means to be used.

(7) Meetings of the association shall take place at the planned community or at a place convenient to it.

(8) Except as otherwise provided in the community documents, all meetings of the association shall be conducted in accordance with the most recent edition of Robert's Rules of Order.

B. The following requirements apply to meetings of the board of directors and committees of the association authorized to act for the association:

(1) Meetings shall be open to the lot owners except during executive sessions. The board of directors and committees may hold an executive session only during a regular or special meeting of the board or committee. No final vote or action shall be taken during an executive session. An executive session shall be held only to do the following:

(a) Consult with an attorney concerning legal matters.

(b) Discuss existing or potential litigation, mediation, arbitration, or administrative proceedings.

(c) Discuss labor or personnel matters.

(d) Discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage.

(e) Prevent public knowledge of a matter if the board of directors or committee determines that public knowledge would violate the privacy of any person.

(2) For purposes of this Section, a gathering of the board of directors at which the directors do not conduct association business is not a meeting of the board. The board of directors shall not use incidental or social gatherings or any other method to evade the open meeting requirements of this Section.

(3) During the period of declarant control, the board of directors shall meet at least two times per year. At least one of those meetings shall be held at the planned community or at a place convenient to it.

(4) The board of directors shall establish procedural rules to permit participation by a lot owner in the event that the lot owner is directly impacted by an agenda item or is requested to attend by the board of directors.

(5) Unless the meeting is included in a schedule previously provided to the lot owners or the meeting is called to address an emergency, the secretary or other officer specified in the bylaws shall give notice of each board of directors meeting to each director and to the lot owners. The notice shall be given at least thirty days before the meeting and shall state the time, date, place, and agenda of the meeting.

(6) If any materials are distributed to the board of directors before the meeting, copies of those materials shall be reasonably available to lot owners, including by posting on the association's website, except that the board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

(7) The board of directors may meet by electronic means if the meeting notice states the electronic means to be used.

(8) Except as provided in Paragraph (3) of this Subsection, in lieu of meeting, the board of directors may act by unanimous consent as documented in a record signed by all directors. The secretary shall promptly give notice to all lot owners of any action taken by unanimous consent. After termination of the period of declarant control, the board of directors may act by unanimous consent only to undertake ministerial actions or to implement actions previously taken at a board meeting.

(9) All actions taken by the board of directors that do not comply with this Section are nevertheless deemed valid unless and until set aside by a court. A challenge to the validity of an action of the board of directors for failure to comply with this Section shall not be brought more than sixty days after the minutes of the meeting at which the action was taken are approved or notice of that action is provided to lot owners, whichever is later.

(10) Except as otherwise provided in the community documents, all meetings of the board of directors and the committees of the association shall be conducted in accordance with the most recent edition of Robert's Rules of Order.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.27

§1141.27. Quorum

A. Unless the bylaws provide otherwise, a quorum is present throughout any meeting of the association if lot owners holding twenty percent of the voting interest in the association are present in person or by proxy at the beginning of the meeting, have cast absentee ballots that were solicited in accordance with R.S.

9:1141.28(D)(3) and delivered to the secretary in a timely manner, or are present by any combination thereof.

B. Voting interest allocated to lots owned by the association shall be counted toward a quorum.

C. Unless this Part or the community documents specify a greater number, a quorum of the board of directors is present for purposes of determining the validity of any action taken at a meeting if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present is the act of the board of directors unless a greater vote is required by this Part or the community documents.

D. Notwithstanding any other Subsection of this Section and provided that notice is given as required by R.S. 9:1141.38, in the event of an emergency, a quorum is present if lot owners holding at least ten percent of the voting interest are present in person, by proxy, or by electronic means.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.28

§1141.28. Voting; proxies; ballots

A. Directors may not vote by proxy at any meeting of the board of directors or at any committee thereof.

B. Lot owners may vote at a meeting of the association in person, by absentee ballot, by proxy or, when a vote is conducted without a meeting, by electronic transmission or paper ballot.

C. The voting interest allocated to lots owned by the association shall be cast in the same proportion as the votes cast on the matter by lot owners other than the association.

D. At a meeting of the association at which a quorum is present, the following requirements apply:

(1) Lot owners who are present may cast a vote in person by voice, show of hands, standing, or any other method for determining votes, as designated by the association.

(2) Unless a greater number of the votes in the association is required, a majority of the voting interest cast is required for the approval of any action of the association.

(3) A lot owner may vote by absentee ballot without being present at the meeting. The association shall promptly deliver an absentee ballot to a lot owner upon request made at least three days before the scheduled meeting.

(4) Except as provided in Subsection E of this Section, if the name signed on a vote, consent, waiver, ballot, or proxy appointment corresponds to the name of a lot owner as indicated in the records of the association, the association, if acting in good faith, is entitled to accept the vote, consent, waiver, ballot, or proxy appointment and give it full effect as the act of the lot owner.

E. If only one of several owners of a lot owned in indivision votes, that lot owner has the right to cast the voting interest allocated to that lot. If more than one of the lot owners vote, the voting interest allocated to that lot shall be cast only in accordance with the agreement of a majority in interest of the lot owners. There is agreement of a majority in interest if any one of the lot owners casts the voting interest allocated to the lot without any of the other lot owners promptly protesting to the association. In the event that there is disagreement among the owners of a lot as to their interests, the association, acting in good faith, is entitled to rely upon what is evidenced in its records as to that lot. In the event that the records do not indicate the allocation of interests in a lot, the association is entitled to treat the multiple lot owners as having equal shares. If a lot or an undivided interest in a lot is subject to a usufruct, the usufructuary shall be deemed the owner of that lot or the undivided interest of the lot for purposes of this Section.

F. The following requirements apply to proxy voting:

(1) A lot owner may appoint a proxy to vote or otherwise act by signing a written appointment or by making an electronic transmission. An electronic transmission shall contain or be accompanied by information from which it can be determined that the lot owner authorized the transmission.

(2) The appointment of a proxy is effective when a signed written appointment or an electronic transmission of the appointment is received by the officer or agent of the association authorized to tabulate votes. A proxy is valid only for the meeting for which it is cast and any recessed session of that meeting and is subject to any limitation contained therein.

(3) The appointment of a proxy is revocable.

(4) The revocation of a proxy appointment, the death of the lot owner, or the appointment of a curator for the lot owner appointing a proxy does not affect the right of the association to accept the proxy's authority unless notice of the revocation, death, or appointment of a curator is received by the officer or agent authorized to tabulate votes before the proxy exercises authority pursuant to the appointment.

G. Unless prohibited or limited by the community documents, when an association conducts a vote without a meeting, the following requirements apply:

(1) The association shall notify the lot owners that the vote will be taken by ballot.

(2) The association shall deliver a paper or electronic ballot in accordance with R.S. 9:1141.38.

(3) The ballot shall set forth each proposed action and provide an opportunity to vote for or against each action.

(4) The ballot shall also contain all of the following:

(a) The number of responses needed to meet the quorum requirements.

(b) The voting interest necessary to approve each matter other than the election of directors.

(c) The time and date by which a ballot shall be delivered to the association to be counted, which shall be no fewer than seven days after the date that the association delivers the ballot.

(5) After delivery to the association, a ballot is not invalidated by death, disability, or attempted revocation by the person who cast the ballot.

(6) A vote conducted pursuant to this Subsection is valid only if the number of votes cast on an item equals or exceeds the requirement to authorize each proposed action.

H. If the declaration requires that votes on specified matters affecting the planned community be cast by lessees of leased lots rather than by lot owners, this Section applies to lessees as if they were lot owners. Lot owners who lease their lots to other persons may not cast votes on those specified matters.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.29

§1141.29. Transfer or encumbrance of common areas or right to income

A. All or portions of the common areas may be transferred or subjected to a security right by a two-thirds vote or such greater vote required by the declaration. Any limited common area may be transferred or subjected to a security right with the consent of all owners of lots to which any limited common area is allocated. Nevertheless, if all of the lots in a planned community are restricted exclusively to nonresidential uses, the declaration may provide that all or portions of the common areas may be transferred or subjected to a security right by a vote that is less than two-thirds or that limited common areas may be transferred or subjected to a security right upon the consent of fewer than all of the owners of lots to which the limited common area is allocated.

B. An agreement to transfer common areas or limited common areas or to subject them to a security right shall be prepared and executed by an authorized officer or agent of the association and shall contain a certification that the minimum voting requirements have been met. The agreement, and all ratifications thereof, shall be filed for registry in accordance with R.S. 9:1141.4(D) and is effective only upon registry. An agreement subjecting property of the association to a security right shall be created and made effective against third persons as required by law.

C. The association, on behalf of the lot owners, may contract to transfer or encumber a right in a planned community, or to grant a security right in the association's right to receive assessments or other income, but the contract is not enforceable against the association until approved pursuant to Subsections A and B of this Section. Thereafter, the association has all powers necessary and appropriate to effect the transfer or encumbrance.

D. Unless the security right is effective and filed for registry prior to the filing of the declaration, neither the transfer or encumbrance of any portion of a common area, nor the foreclosure upon such an encumbrance, shall release that common area from the burdens and restrictions imposed by the declaration. Subject to the rights of a holder of a security right in a common area, proceeds from the sale of the common areas are an asset of the association, but the proceeds from the sale of limited common areas shall be distributed equitably among the owners of the lots to which the limited common areas were allocated. If any common areas are transferred to a creditor pursuant to a giving in payment in accordance with Civil Code Article 2655, the transferee acquires the common areas subject to the burdens and restrictions imposed by the declaration.

E. Proceeds of loans made to the association shall be used only for the purposes approved by the association.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.30

§1141.30. Insurance

A. Commencing not later than the time of the first transfer of a lot to an unrelated purchaser, the association shall maintain, to the extent reasonably available and subject to reasonable deductibles, commercial general liability insurance, in an amount determined by the board of directors, but not less than any amount specified in the declaration, covering all occurrences commonly insured against for bodily injury, death, and property damage arising out of or in connection with the use, ownership, or maintenance of the common areas. The declaration may require the association to carry any other insurance, and the association may carry any other insurance it considers appropriate to protect the association or the lot owners.

B. If the insurance required in Subsection A of this Section is not reasonably available, the association shall promptly notify all lot owners.

C. The issuance of an insurance policy to the association does not prevent a lot owner from obtaining insurance for the lot owner's own benefit.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.31

§1141.31. Surplus funds

Any surplus funds of the association remaining after payment of or provision for common expenses and any prepayment of reserves shall be paid annually to the lot owners in proportion to their common expense liabilities or credited to the lot owners to reduce their future common expense assessments.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.32

§1141.32. Assessments

A. Until the association authorizes an assessment, the declarant shall pay all common expenses. After the initial assessment has been made by the association, assessments shall be made at least annually, based on a budget adopted by the association. The association shall not incur expenses except for the benefit of the planned community.

B. Except for assessments made in accordance with Subsection C, D, or E of this Section or as otherwise provided in this Part, all common expenses shall be assessed against all of the lots in accordance with the allocations set forth in the declaration pursuant to R.S. 9:1141.6. The owner of a lot shall be personally liable for the payment of all assessments levied against the lot during the period of his ownership. The association may charge late fees and interest on any past due assessment or portion thereof at the rate established by the association, which shall not exceed the rate established in Part III of this Chapter.

C. If the lot owner fails to timely pay the assessments for common areas for a period of three months or more during any eight-month period after the association has provided notice of delinquency, the association may accelerate the assessment on the common areas for a twelve-month period and file a statement of privilege for the accelerated sums. The preservation and enforcement of the privilege shall be governed by Part III of this Chapter.

D. To the extent required by the declaration:

(1) A common expense associated with the maintenance, repair, or replacement of a limited common area shall be assessed against the lots to which that limited common area is allocated equally or in any other proportion that the declaration provides.

(2) A common expense benefiting fewer than all of the lots or their owners may be assessed exclusively against the lots or lot owners benefitted.

(3) The costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

E. If damage to a lot or other part of the planned community or any other common expense is caused by the willful misconduct of any lot owner or occupant, or a guest or invitee of a lot owner, the association may assess that damage or common expense exclusively against that owner's lot, even if the association maintains insurance with respect to that damage or common expense.

F. If common expense liabilities are reallocated, future assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.32

§1141.32. Assessments

A. Until the association authorizes an assessment, the declarant shall pay all common expenses. After the initial assessment has been made by the association, assessments shall be made at least annually, based on a budget adopted by the association. The association shall not incur expenses except for the benefit of the planned community.

B. Except for assessments made in accordance with Subsection C, D, or E of this Section or as otherwise provided in this Part, all common expenses shall be assessed against all of the lots in accordance with the allocations set forth in the declaration pursuant to R.S. 9:1141.6. The owner of a lot shall be personally liable for the payment of all assessments levied against the lot during the period of his ownership. The association may charge late fees and interest on any past due assessment or portion thereof at the rate established by the association, which shall not exceed the rate established in Part III of this Chapter.

C. If the lot owner fails to timely pay the assessments for common areas for a period of three months or more during any eight-month period after the association has provided notice of delinquency, the association may accelerate the assessment on the common areas for a twelve-month period and file a statement of privilege for the accelerated sums. The preservation and enforcement of the privilege shall be governed by Part III of this Chapter.

D. To the extent required by the declaration:

(1) A common expense associated with the maintenance, repair, or replacement of a limited common area shall be assessed against the lots to which that limited common area is allocated equally or in any other proportion that the declaration provides.

(2) A common expense benefiting fewer than all of the lots or their owners may be assessed exclusively against the lots or lot owners benefitted.

(3) The costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

E. If damage to a lot or other part of the planned community or any other common expense is caused by the willful misconduct of any lot owner or occupant, or a guest or invitee of a lot owner, the association may assess that damage or common expense exclusively against that owner's lot, even if the association maintains insurance with respect to that damage or common expense.

F. If common expense liabilities are reallocated, future assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.33

§1141.33. Upkeep of the planned community

Except as otherwise provided by the community documents, the association is responsible for maintenance, repair, and replacement of the common areas and limited common areas, and each lot owner is responsible for the maintenance of his lot and the maintenance, repair, and replacement of any improvements located thereon. Each lot owner shall afford to the association, and to its agents or employees, access through his lot that is reasonably necessary for those purposes.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.34

§1141.34. Adoption of budgets; special assessments

A.(1) For planned communities consisting of more than twenty-five lots, the association shall submit, at least annually, a proposed budget for the planned community for consideration by the lot owners at a duly called meeting of the association. Not later than thirty days after adoption of a proposed budget, the board of directors shall provide to all lot owners a summary of the budget, including any reserves, and a statement of the basis on which any reserves are calculated and funded. Simultaneously, the board shall set a date, which shall be no fewer than ten days nor more than sixty days after the summary is provided, for a meeting of the association to consider ratification of the budget. A majority vote, or any greater vote specified in the declaration, is required to ratify the budget. If a proposed budget is not ratified, the budget last ratified at a meeting of the association continues until a subsequent budget is ratified.

(2) Nothing in this Subsection requires a certain format for the annual submission of the proposed budget.

B. The board of directors may propose a special assessment at any time. Except as otherwise provided in Subsection C of this Section, the assessment is effective only if the board of directors follows the procedures for ratification of a budget provided in Subsection A of this Section and the lot owners ratify the proposed assessment at a meeting of the association as provided in Subsection A of this Section.

C. If the board of directors, by a vote of two-thirds of directors present and voting, determines that a special assessment is necessary to respond to an emergency:

(1) The emergency special assessment becomes effective immediately in accordance with the terms of the vote.

(2) Notice of the emergency special assessment shall be provided promptly to all lot owners.

(3) The board of directors shall spend the emergency special assessment funds only for the purposes described in the vote.

D. If the association has accumulated a surplus from prior years, the budget may propose any of the following:

(1) The refund to the lot owners contributing to the surplus if created by a special assessment.

(2) A reduction of assessments prospectively in the amount of the surplus.

(3) The establishment of a reserve for future repairs, replacements, or operating expenses.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.35

§1141.35. Privileges for sums due to the association; enforcement

A. A privilege in favor of the association shall arise on a lot for any assessment attributable to that lot or any fines imposed against the lot owner.

B. The time period, rank, and method to enforce and preserve a privilege in favor of the association shall be governed by Part III of this Chapter.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.36

§1141.36. Association records

A. An association shall retain all of the following, which may be maintained in an electronic format:

- (1) Appropriate accounting records concerning the operation and administration of the association.
- (2) Minutes of all meetings of the lot owners and board of directors other than executive sessions, a record of all actions taken by the lot owners or board of directors without a meeting, and a record of all actions taken by a committee in place of the board of directors on behalf of the association.
- (3) The names of lot owners in a form that permits preparation of a list of the names of all lot owners and the addresses at which the association communicates with them, in alphabetical order showing the voting interest each lot owner is entitled to cast.
- (4) Its original or restated organizational documents and all amendments to them, and all rules currently in effect.
- (5) All financial statements and tax returns of the association for the past three years.
- (6) A list of the names and addresses of its current directors and officers.
- (7) The most recent annual report delivered to the secretary of state.
- (8) Financial and other records sufficiently detailed to enable the association to comply with R.S.

9:1141.43(B).

- (9) Copies of current contracts to which the association is a party.
- (10) Records of board of directors or committee actions to approve or deny any requests for design or architectural changes from lot owners.
- (11) Ballots, proxies, and other records related to voting by lot owners for one year after the election, action, or vote to which they relate.

B. Upon receipt of a request for specific records, the association shall make the records available for examination and copying by a lot owner, the lot owner's agent, or persons with a valid contract of sale. An inspection shall occur during reasonable business hours or at a mutually convenient time and location.

C. Records retained by an association may be withheld from inspection and copying to the extent that they concern any of the following:

- (1) Personnel and medical records relating to specific individuals.
- (2) Contracts and other commercial transactions to purchase or provide goods or services that are currently being negotiated.
- (3) Existing or potential litigation or mediation, arbitration, or administrative proceedings.
- (4) Communications with the association's attorney that are protected by the attorney-client privilege or the work-product rule.
- (5) Information the disclosure of which would violate law.
- (6) Records of an executive session of the board of directors.
- (7) Individual lot files other than those of the requesting lot owner.

D. An association may charge a reasonable fee for providing copies of any records in accordance with this Section and for supervising the lot owner's inspection.

E. A right to copy records in accordance with this Section includes the right to receive copies by photocopying or other means, including receipt of copies through an electronic transmission, if available, upon request by the lot owner.

F. An association is not obligated to compile or synthesize information.

G. Information provided pursuant to this Section shall not be used for commercial or other improper purposes, and the association may deny access to information if the association has a good faith belief that the information is being requested for such purposes. If an action is filed regarding the production of information, the court may order that the association's expenses be reimbursed upon determining that the information was used for commercial or other improper purposes.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.37

§1141.37. Rules

A. Before adopting, amending, or repealing any rule, the board of directors shall give all lot owners notice of the proposed action and provide the text of the rule or the proposed change and the date on which the board of directors will act after considering comments from lot owners.

B. Following the adoption, amendment, or repeal of a rule, the board of directors shall notify the lot owners of its action and provide a copy of the text of the rule if it is different from that stated in the notice given in accordance with Subsection A of this Section.

C. The board of directors shall establish procedures for the enforcement of standards adopted in accordance with R.S. 9:1141.14(C) and for approval of construction applications, including a reasonable time within which the board of directors shall act after an application is submitted and the consequences of its failure to act.

D. A rule regulating display of the flag of the United States shall be consistent with federal law.

E. The board of directors may adopt rules that affect the use of or behavior on lots that may be used for residential purposes only to implement a provision of the declaration or to regulate any behavior in or occupancy of a lot that violates the declaration or adversely affects the use and enjoyment of other lots or the common areas by other lot owners.

F. Every rule adopted pursuant to this Section is required to be reasonable.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.38

§1141.38. Notice to lot owners

A. An association shall deliver any notice required pursuant to this Part by any of the following methods:

(1) United States mail postage paid, or commercial courier as defined in Code of Civil Procedure Article 1313(D), to the mailing address designated by the lot owner.

(2) Electronic mail to the address designated by the lot owner.

(3) Hand delivery to the physical location of each lot, if neither a mailing address nor an electronic mail address has been designated by the lot owner.

(4) United States mail postage paid, or commercial courier as defined in Code of Civil Procedure Article 1313(D), to the mailing address of each lot.

(5) Any other method reasonably calculated to provide notice to the lot owner.

B. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

C. In the event of an emergency, notice may be given by any method that the association deems appropriate to provide reasonable notice to the lot owners, regardless of the provisions of Subsection A of this Section. The notice shall state the nature of the emergency.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.39

§1141.39. Removal of directors and officers

A. Notwithstanding any provision of the community documents to the contrary, lot owners at any meeting of the association at which a quorum is present and for which notice of removal was given may by majority vote remove any director of the board of directors and any officer of the association elected by the lot owners, with or without cause. However, a director appointed by the declarant may not be removed during the period of declarant control.

B. At any meeting at which a vote to remove a director or an officer is to be taken, the director or officer being considered for removal shall have a reasonable opportunity to speak before the vote.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.40

§1141.40. Incorporation

A. When immovable property is acquired by one or more persons acting in any capacity for and in the name of an association that is not duly incorporated, and the association is subsequently duly incorporated, the corporate existence of the association shall be retroactive to the date of acquisition of an interest in the immovable property, but the retroactive existence shall be without prejudice to rights validly acquired by third persons in the interim between the date of acquisition and the date that the association is duly incorporated.

B. The effect of the revocation and reinstatement of an association shall be in accordance with law.
Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.41

SUBPART D. CONSUMER PROTECTIONS

§1141.41. Applicability; waiver

This Subpart applies to all lots except as modified or waived by agreement of purchasers of lots in a planned community in which all lots are restricted to nonresidential use.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.42

§1141.42. Public offering statement

A. A declarant, before offering any interest in a lot to the public, shall prepare a public offering statement in accordance with R.S. 9:1141.43.

B. A declarant who offers a lot to a purchaser shall deliver a public offering statement in accordance with this Section and R.S. 9:1141.48. The declarant is liable in accordance with R.S. 9:1141.44 and 1141.48 for any false or misleading statement in the public offering statement and for any omission of a material fact therefrom.

C. If a lot in a planned community is also part of any other regime in which the delivery of a public offering statement is required by law, a single public offering statement conforming to the requirements of R.S. 9:1141.43 as related to each regime in which the lot is located may be prepared and delivered in lieu of providing two or more public offering statements.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.43

§1141.43. Public offering statement; requirements

A. A public offering statement shall contain and fully and accurately disclose all of the following:

(1) The name and principal address of the declarant and of the planned community, and a statement that the planned community is a planned community.

(2) A general description of the planned community, including, to the extent possible, the declarant's schedule of commencement and completion of construction of common areas and limited common areas disclosed in promotional or marketing materials as "SHALL BE BUILT". Any promotional or marketing materials that show the intended location and dimensions of any contemplated improvement to be constructed anywhere within the planned community or on any immovable property to be added to the planned community shall be labeled either "SHALL BE BUILT" or "NEED NOT BE BUILT".

(3) A copy of the declaration meeting the requirements of R.S. 9:1141.5.

(4) Copies of any other recorded covenants, conditions, restrictions, and reservations affecting the planned community; the bylaws and any rules of the association; and a brief description of any contracts or occupancy agreements that may be subject to termination pursuant to R.S. 9:1141.24.

(5) The financial information required by Subsection B of this Section.

(6) Any services not reflected in the budget that the declarant provides or expenses that the declarant pays that may become a common expense liability of the association, and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of lot.

(7) Any initial or special fee due from the purchaser or seller at the time of sale, together with a description of the purpose and method of calculating the fee.

(8) A narrative description of any liens, defects, or encumbrances that are revealed in a title policy or title opinion affecting the ownership of the immovable and movable property forming the planned community as of the date of the declaration or that are otherwise known by the declarant.

(9) The terms and significant limitations of any warranties provided by the declarant, including statutory warranties and limitations on the enforcement thereof or on damages.

(10) A statement that within fifteen days after receipt of a public offering statement, a purchaser, before transfer, may cancel any contract to sell.

(11) A statement of any unsatisfied judgment or pending action against the association, and the status of any pending action material to the planned community of which a declarant has actual knowledge.

(12) Any restrictions on use, occupancy, and alienation of the lots and any restrictions on the amount for which a lot may be sold.

(13) A description of and the amount of the premiums for the insurance coverage provided for the benefit of the association and lot owners.

(14) Any current or expected fees or charges to be paid by lot owners for the use of the common areas, limited common areas, and other facilities related to the planned community.

(15) The extent to which financial arrangements have been provided for completion of all common areas and limited common areas that the declarant is obligated to build pursuant to R.S. 9:1141.46.

(16) The zoning classification and any other land use designation affecting the planned community.

(17) Any other material circumstances, features, and characteristics of the planned community and the lots.

(18) A description of any financial arrangement that is not otherwise disclosed and contained in the budget and that is binding on the association.

(19) A narrative description of all special declarant rights retained by the declarant.

B. The public offering statement shall contain a current balance sheet and a projected budget for the association for one year after the date of the first transfer of a lot to an unrelated purchaser, and thereafter the current budget of the association, a statement of who prepared the budget, and a statement of the assumptions concerning occupancy and inflation factors. The budget shall include the following:

(1) A statement of the amount included as a reserve for repairs and replacements.

(2) A statement of any other reserves.

(3) The projected common expense assessment by category of expenditures.

(4) The projected monthly common expense assessment for each lot.

C. The declarant shall be required to provide a supplement to the public offering statement containing the information required in Subsection B of this Section on an annual basis until all of the lots are owned by unrelated purchasers.

D. The declarant shall promptly amend the public offering statement to report any material change in the information required by this Section.

E.(1) A public offering statement is not required in any of the following circumstances:

(a) A gratuitous disposition of a lot.

(b) A disposition of a lot pursuant to court order.

(c) A disposition of a lot by a governmental agency.

(d) A disposition of a lot by foreclosure or giving in payment.

(e) A disposition of a lot restricted to nonresidential uses in a wholly nonresidential community.

(2) A public offering statement is not required when a planned community contains fewer than seventy-five lots based on the total number of anticipated lots after all development rights to add additional immovable property have been exercised in accordance with R.S. 9:1141.7.

(3) When a lot is subject to a contract to sell and is owned by a person other than the declarant, the association shall be required to provide to the purchaser all information required in this Section within ten days of a request for the information.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.44

§1141.44. Purchaser's right to cancel

A. The person required to deliver a public offering statement shall provide a purchaser with a copy of the public offering statement and all amendments thereto at least fifteen days before transfer of the lot. A purchaser shall not be required to acquire a lot unless fifteen days have elapsed from the date of the delivery of the public offering statement. A purchaser, before transfer, may cancel the contract within fifteen days after first receiving the public offering statement.

B. If a purchaser does not receive a public offering statement as required by this Subpart, the purchaser may cancel any contract to sell any time prior to the transfer, and, upon doing so, shall be entitled to recover actual damages.

C. A purchaser may cancel a contract pursuant to Subsection A or B of this Section by hand delivering or mailing notice thereof by prepaid United States mail to the seller or his agent for service of process. Cancellation is without penalty. All payments made by the purchaser to the seller before cancellation shall be promptly refunded.

D. If a purchaser does not receive a public offering statement as required by this Subpart prior to or at the time of the execution of the contract to sell, the purchaser may recover all costs and expenses incurred if the purchaser elects to cancel the contract to sell prior to acquisition of the lot.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.45

§1141.45. Express warranties of declarant

A. Express warranties made by a declarant to an unrelated purchaser, if relied upon by the unrelated purchaser, regardless of the delivery or receipt of a public offering statement, are created as follows:

(1) Any affirmation of fact or promise by the declarant that relates to the lot, its use, or rights appurtenant thereto; area improvements to the planned community that would directly benefit the lot; or the right to use or have the benefit of facilities not located in the planned community creates an express warranty that the lot and related rights and uses will conform to the affirmation or promise.

(2) A provision that a purchaser may put a lot only to a specified use is an express warranty that the specified use is lawful at the time that the warranty was made.

B. Neither formal words, such as "warranty" or "guarantee", nor a specific intention to make a warranty are necessary to create an express warranty of quality, but a statement purporting to be merely an opinion or commendation of the immovable property or its value does not create a warranty.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.46

§1141.46. Implied warranties

Any limitation, modification, or exclusion of implied warranties shall be as provided by law.
Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.47

§1141.47. Warranties

A. Except as provided in Subsection G of this Section, the warranty period provided by law shall apply to this Part.

B. The association may assert a claim to enforce any express or implied warranty involving the common areas and limited common areas that is either made by the declarant or could have been asserted by the declarant against a third party in any manner provided by law.

C. If, during the period of declarant control, the association fails to enforce a claim that it could have asserted in accordance with Subsection B of this Section, a lot owner who wishes to assert the claim shall first provide notice to the association by the methods provided in R.S. 9:1141.38 of the lot owner's intention to do so. The association shall have thirty days from the date that notice was sent to assert the claim.

D. If the association fails to assert the claim within the thirty-day period, the lot owner who provided notice may assert the claim of the association to enforce any express or implied warranty involving the common areas and limited common areas, whether made by the declarant or a third party.

E. A lot owner's monetary recovery related to a claim asserted in accordance with this Section shall be limited to the lot owner's damage caused by the breach of warranty involving the common areas and limited common areas. A lot owner may also seek any other relief as provided by law.

F. A compromise made by the lot owner asserting a claim in accordance with this Section or any judgment resulting from the enforcement thereof does not preclude the assertion of a claim by the association or another lot owner.

G. A claim to enforce an express or implied warranty made by the declarant involving the common areas and limited common areas in accordance with this Section shall be asserted within forty days following the expiration of the time period of declarant control or within the time period otherwise provided by law to assert the claim, whichever period expires later.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.48

§1141.48. Effect of violations on rights of action; attorney fees

A declarant, association, lot owner, or any other person who has suffered actual damages may bring an action to enforce a right granted or obligation imposed by this Subpart. The court may award reasonable costs and attorney fees to the prevailing party.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.49

§1141.49. Declarant's obligation to complete and restore

A. Except for improvements labeled "NEED NOT BE BUILT" in any promotional materials or on a plat, the declarant shall complete all improvements depicted on any site plan or other graphic representation prepared by or at the direction of the declarant or the party responsible for the preparation of a public offering statement, including any plats or plans prepared pursuant to R.S. 9:1141.9.

B. The declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the planned community, of any portion of the planned community affected by the exercise of rights reserved pursuant to or created by R.S. 9:1141.7 or 1141.12.

C. Any description of the quantity or extent of the immovable property comprising the planned community, including plats or surveys or improvements indicated as "SHALL BE BUILT", creates an express warranty that the planned community will conform to the description, with the amenities provided by the declarant subject to customary tolerances.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.

RS 9:1141.50

§1141.50. Substantial completion of lots

A. In the case of a sale of a lot for which delivery of a public offering statement is required, a contract to sell may be executed, but the declarant shall transfer no interest in the lot until the declaration is filed for registry, the requirements of R.S. 33:114 et seq. have been met, and all other required governmental approvals have been obtained.

B. When a declarant has transferred an interest in a lot in a planned community in violation of Subsection A of this Section, the purchaser shall have the right to rescind the transfer or demand specific performance that the declarant take the actions described in Subsection A of this Section and to pursue any other remedy provided by law for the declarant's failure to comply with the provisions of Subsection A of this Section.

Acts 2024, No. 158, §2, eff. Jan. 1, 2025.