

The House Committee on Judiciary offers the following substitute to SB 406:

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 43 of the Official Code of Georgia Annotated, relating to professions and
2 businesses, so as to require the registration of owners' associations; to provide for an
3 exception; to provide for renewals and amendments; to provide for fees; to provide for
4 inspection, maintenance, and retention of records; to provide for records maintenance; to
5 provide for denial, suspension, and revocation of records; to provide for notices, orders, and
6 complaints; to provide for hearings; to provide for binding arbitration; to provide for reports;
7 to provide for appeals; to provide for rights of owners' association owners; to provide for
8 priority of application of payments by owners to owners' associations; to provide for
9 definitions; to amend Code Section 44-3-232 of the Official Code of Georgia Annotated,
10 relating to assessments against lot owners as constituting lien in favor of association,
11 additional charges against lot owners, procedure for foreclosing lien, and obligation to
12 provide statement of amounts due, so as to provide for authorization of liens and use of
13 assessments; to provide for stays of foreclosure proceedings; to provide for written notice of
14 certain sums; to provide for a time certain to pay outstanding sums; to provide for an
15 itemized list of attorney's fees claimed; to provide for an order finding reasonableness; to
16 provide for related matters; to provide for a short title; to provide for effective dates and
17 applicability; to repeal conflicting laws; and for other purposes.

S. B. 406 (SUB)

- 1 -

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 This Act shall be known and may be cited as the "Georgia Property Owners' Bill of Rights
21 Act."

22 **SECTION 2.**

23 Title 43 of the Official Code of Georgia Annotated, relating to professions and businesses,
24 is amended by adding a new chapter to read as follows:

25 "CHAPTER 17A

26 43-17A-1.

27 As used in this chapter, the term:

28 (1) 'Accelerated assessment' means any regular assessment that would otherwise not be
29 due until some future date but has been accelerated and made due and payable prior to
30 such future date.

31 (2) 'Assessment' means and includes regular assessments, special assessments, and
32 specific assessments.

33 (3) 'Governing documents' means an owners' association's declaration, bylaws, articles
34 of incorporation, and any rules and regulations established by its board of directors.

35 (4) 'Nonregistered owners' association' means an owners' association that elects not to
36 register with the Secretary of State pursuant to subparagraph (a)(2)(B) of Code Section
37 43-17A-2.

38 (5) 'Owner' means the record owner or owners of fee simple title to a single lot, unit, or
39 other individually owned property located in an owners' development, excluding,

40 however, any person holding such interest merely as security for the performance or
41 satisfaction of any obligation.

42 (6) 'Owners' association' means a nongovernmental association of participating owners
43 of residential property in a delineated geographic area in which recorded covenants apply
44 to such delineated geographic area, comprising a neighborhood, condominium
45 development, common interest community, as such term is defined in Code Section
46 44-16-2, or group of homeowners or property owners, including, but not limited to,
47 associations formed pursuant to Articles 3 and 6 of Chapter 3 of Title 44 and; provided,
48 however, that such term shall not include nonregistered owners' associations.

49 (7) 'Owners' development' means real property which is located within this state, is
50 subject to governing documents, and contains lots, and which may contain common
51 areas.

52 (8) 'Regular assessments' or 'dues' means assessments imposed on owners on a regular
53 or recurring basis for the purpose of funding the owners' association's regular operating
54 budget for costs which may include, but shall not be limited to, common area
55 maintenance and routine repairs, utilities, landscaping, and reserve fund contributions.
56 Such term shall not include special assessments or specific assessments.

57 (9) 'Special assessments' means an assessment imposed on owners for costs which are
58 not included in the owners' association's regular operating budget, and which may
59 include, but shall not be limited to, legal costs and common area nonroutine or emergency
60 repairs, renovations, and other capital projects. Such term shall not include regular
61 assessments or specific assessments.

62 (10) 'Specific assessments' means an assessment imposed on an owner for:

63 (A) Costs incurred by the owners' association to repair or remediate damage caused by
64 such owner to the owners' association, which may include, but shall not be limited to,
65 damage to common areas; or

66 (B) Fees or fines for nonpayment, insufficient payment, or untimely payment of any
67 assessment or for violation of a covenant of the owners' association.

68 43-17A-2.

69 (a)(1) No person shall operate a property owners' association in this state pursuant to
70 Article 6 of Chapter 3 of Title 44, 'Georgia Property Owners' Association Act,' unless
71 such person is registered under this chapter as an owners' association.

72 (2)(A) Subject to subparagraph (B) of this paragraph, no owners' association or its
73 agent shall collect fines or fees against any owner, or file or record liens or initiate
74 foreclosure proceedings against any lot unless such owners' association is registered
75 pursuant to this Code section.

76 (B)(i) An entity that would otherwise constitute an owners' association may by
77 written notice to the Secretary of State elect not to register under this chapter as an
78 owners' association or otherwise to comply with this chapter and thereby shall be
79 deemed a nonregistered owners' association.

80 (ii) No nonregistered owners' association or its agent shall assess or collect fines or
81 fees or accelerated assessments against any owner.

82 (3) Each owners' association shall file with the Secretary of State a copy of the governing
83 documents of the owners' association with a registration statement on a form as
84 prescribed by the Secretary of State that shall be signed by the applicant, who shall be an
85 authorized officer or representative of the owners' association. Such form shall, at a
86 minimum, require:

87 (A) The name, address, and officers of the owners' association; and

88 (B) That each registration statement include a financial statement of the owners'
89 association dated no more than one year prior to filing.

90 (b) Upon the Secretary of State's determination of an owners' association's compliance
91 with subsection (a) of this Code section and unless the Secretary of State finds grounds for

92 denial pursuant to Code Section 43-17A-3, the Secretary of State shall register such
93 owners' association. The owners' association shall be authorized to operate immediately
94 upon the filing of the registration statement under paragraph (3) of subsection (a) of this
95 Code section, unless and until the Secretary of State finds grounds for denial pursuant to
96 Code Section 43-17A-3. The date of such filing shall constitute the effective date of the
97 registration statement. The Secretary of State shall immediately notify the owners'
98 association of such registration.

99 (c) Each registration statement issued pursuant to this Code section shall expire on
100 December 31 of each year and each owners' association shall annually submit to the
101 Secretary of State by such date a renewal application containing the information required
102 for a registration statement in subsection (a) of this Code section.

103 (d) In the event of a change in name, address, officers, or other change which materially
104 affects the business and control of an owners' association, the owners' association shall
105 within 30 days file an amended registration statement with the Secretary of State.

106 (e) The fee for filing of an owners' association's initial registration statement and each
107 annual renewal shall be \$100.00.

108 (f) Records relating to an owners' association's governing documents, finances,
109 assessments, fines, fees, liens, and foreclosures shall be subject to such reasonable
110 examinations by representatives of the Secretary of State as the Secretary of State may
111 deem in the public interest or for the protection of the public.

112 (g) An owners' association shall maintain for not less than ten years at an office located
113 in this state or, if it has no office in this state, its principal office all records, including
114 electronic records and records in any other format, relating to any assessments, fines, fees,
115 liens, and foreclosures. The owners' association or its agent shall notify the Secretary of
116 State of the address of the office at which such records are kept, if different from the
117 address provided in response to subparagraph (a)(3)(A) of this Code section.

118 (h) The Secretary of State in the administration of this chapter shall comply with the
119 record retention provisions of Article 5 of Chapter 18 of Title 50, relating to state records
120 management.

121 43-17A-3.

122 (a) The Secretary of State, by order, may deny, suspend, or revoke a registration statement
123 of an owners' association; may limit the fines, fees, liens, or foreclosures that an owners'
124 association may collect or perform in this state; or bar a person who is an officer, director,
125 trustee, or executive personnel employee, or board member of an owners' association if the
126 Secretary of State finds that such action is in the public interest and that the officer,
127 director, trustee, or executive personnel employee, or board member has:

128 (1) Filed an application for a registration statement with the Secretary of State which, as
129 of its effective date, or any date after filing in the case of an order denying effectiveness,
130 was incomplete in any material respect or contained a statement that was, in light of the
131 circumstances under which it was made, false or misleading with respect to a material
132 fact;

133 (2) Willfully violated or failed to comply with this chapter or a rule promulgated by the
134 Secretary of State under this chapter;

135 (3) Failed to pay the proper filing fee within 30 days after notification from the Secretary
136 of State of a deficiency, provided that the Secretary of State may provide for the
137 reinstatement of the registration or the suspension of a fine or penalty at such time as the
138 deficiency is corrected; or

139 (4) Failed to comply with a subpoena or order issued by the Secretary of State.

140 (b) The Secretary of State shall not begin a proceeding based solely on a fact or transaction
141 known to the Secretary of State on or before the effective date of the registration statement
142 unless the proceeding is begun within 90 days after such effective date.

143 (c) If the Secretary of State finds that an applicant or registered person is no longer in
144 existence; has ceased to do business as an owners' association or its agent; is adjudicated
145 mentally incompetent or subjected to the control of a committee, conservator, or guardian;
146 or cannot be located after reasonable search, the Secretary of State, by order, may deny the
147 application or revoke the registration statement.

148 (d) Any order issued by the Secretary of State pursuant to this Code section shall state
149 specifically the grounds for its issuance and a copy of such order shall be mailed to the
150 owners' association at its registered address.

151 (e) The Secretary of State may delegate any of his or her powers and duties under this
152 chapter as he or she desires to a division director in his or her office. Such division
153 director, when duly appointed, shall be the ultimate decision maker in all contested case
154 hearings held pursuant to Code Section 43-17-16 and Chapter 13 of Title 50, the 'Georgia
155 Administrative Procedure Act.'

156 43-17A-4.

157 (a)(1) When the Secretary of State has issued any order denying, suspending, or revoking
158 a registration statement of an owners' association, limiting the fines, fees, liens, or
159 foreclosures that an owners' association may collect or perform in this state, or barring
160 a person who is an officer, director, trustee, or executive personnel employee, or board
161 member of an owners' association under Code Section 43-17A-3, he or she shall promptly
162 send to the owners' association a notice of opportunity for hearing.

163 (2) Before entering an order refusing to register any person under Code
164 Section 43-17A-3 and after the entering of any order for revocation or suspension, the
165 Secretary of State shall promptly send to such person a notice of opportunity for hearing.

166 (3) Any hearing conducted pursuant to this Code section shall be overseen by the
167 Secretary of State or a person designated by the Secretary of State.

168 (b) Notices of opportunity for hearing shall be served by investigators appointed by the
169 Secretary of State or sent by registered or certified mail or statutory overnight delivery,
170 return receipt requested, to the addressee's business mailing address or residential address
171 as shown on information filed with the Secretary of State or directed for service to the
172 sheriff of the county where such person resides or is found. Such notice shall state:

173 (1) The order which has been issued or which is proposed to be issued;

174 (2) The grounds for issuing such order or proposed order; and

175 (3) That the person to whom such notice is sent will be afforded a hearing upon request
176 if such request is made within ten days after receipt of the notice.

177 (c) When a person requests a hearing after receipt of the notice provided for in
178 subsection (b) of this Code section, a date, time, and place for such hearing shall be
179 immediately set and the person requesting such hearing shall be notified of such hearing.
180 Except as provided in subsection (b) of Code Section 43-17A-3, the date set for such
181 hearing shall be within 30 days, but not earlier than five days after the request for hearing
182 has been made, unless otherwise agreed to by the person requesting the hearing.

183 (d) For the purpose of conducting any hearing as provided in this Code section, the
184 Secretary of State shall have the power to administer oaths, to call any party to testify under
185 oath at such hearing, to require the attendance of witnesses and the production of books,
186 records, and papers, and to interview and take written statements of witnesses; and for such
187 purposes the Secretary of State is authorized to issue a subpoena for any witness or a
188 subpoena for production of documentary evidence to compel the production of any books,
189 records, or papers. A subpoena may be served by registered or certified mail or statutory
190 overnight delivery, return receipt requested, to the addressee's business mailing address or
191 residential address as shown on information filed with the Secretary of State or by
192 investigators appointed by the Secretary of State or shall be directed for service to the
193 sheriff of the county where such witness resides or is found or where the person in custody
194 of any books, records, or papers resides or is found. The fees and mileage of the sheriff,

195 witness, or person shall be paid from the funds in the state treasury for the use of the
196 Secretary of State in the same manner that other expenses of the Secretary of State are paid.

197 (e)(1) At any hearing conducted under this Code section, a party or any affected person
198 may appear in their own behalf or may be represented by an agent. Upon written request
199 of both parties, the hearing shall be held virtually.

200 (2) A stenographic record of the testimony and other evidence submitted shall be taken
201 unless the Secretary of State and the person requesting the hearing shall agree that such
202 a stenographic record of the testimony shall not be taken.

203 (3) The Secretary of State shall determine the admissibility of such evidence, but a party
204 may at any time make objection to any such determination; provided, however, that, if
205 the Secretary of State refuses to admit evidence, the party offering such evidence shall
206 make a proffer thereof and such proffer shall be made a part of the record of the hearing.

207 (f)(1) In the case of any hearing conducted under this Code section, the Secretary of
208 State may conduct the hearing or may appoint a referee to conduct such hearing. The
209 appointed referee shall have the same powers and authority in conducting the hearing as
210 are granted in this Code section to the Secretary of State.

211 (2) In any hearing conducted by a referee, the referee shall submit to the Secretary of
212 State a written report that includes the transcript of the testimony and evidence, if such
213 transcript is requested by the Secretary of State; the findings of fact and conclusions of
214 law; and any recommendations of action to be taken by the Secretary of State. Within 30
215 days of the time of submission of such report to the Secretary of State, a copy of the
216 report shall be served upon the person who requested the hearing or their attorney or
217 other representative of record by registered or certified mail or statutory overnight
218 delivery, return receipt requested. That person or their attorney, within 30 days of service
219 of the copy of such written report and recommendations, may file with the Secretary of
220 State written objections to the report which shall be considered by the Secretary of State
221 before a final order is entered.

222 (3) No recommendation of the referee shall be approved, modified, or disapproved by
223 the Secretary of State until after 30 days following the service of such report as provided
224 in this subsection.

225 (4) The recommendations of the referee may be approved, modified, or disapproved by
226 the Secretary of State. The Secretary of State may direct the referee to take additional
227 testimony or to permit the introduction of further documentary evidence.

228 (5) In any hearing conducted by a referee, a transcript of testimony, evidence, and
229 objections, if any, shall have the same force and effect as if such hearing or hearings had
230 been conducted by the Secretary of State.

231 (6) All recommendations of the referee shall be advisory only and shall not have the
232 effect of an order of the Secretary of State.

233 (g) If the Secretary of State does not receive a request for a hearing as provided in
234 subsection (b) of this Code section, he or she may permit an order previously entered to
235 remain in effect or may enter a proposed order. If a hearing is requested and conducted as
236 provided for in this Code section, the Secretary of State shall issue a written order which
237 shall set forth his or her findings with respect to the matters involved.

238 (h) All orders entered pursuant to Code Section 43-17A-3 shall be entered pursuant to this
239 Code section, except when:

240 (1) The Secretary of State deems that the public health, safety, or welfare imperatively
241 requires emergency action and incorporates a finding to that effect in the order, in which
242 case the order may be effective immediately pending proceedings, which proceedings
243 shall be promptly instituted and determined; or

244 (2) The order is expressly required by a court order, to be made without the right to a
245 hearing or continuance of any type.

246 (i) Unless the owners' association prevails in a hearing conducted under this Code section,
247 it shall be required to pay an administrative service fee of \$100.00 to the Secretary of State
248 by order of the Secretary of State.

249 43-17A-5.

250 (a)(1) Any person residing in an owners' development claiming that he or she has been
251 damaged by such owners' association's action or inaction may file a complaint with the
252 Secretary of State, who shall appoint a hearing officer to conduct the proceedings. Such
253 complaint shall be a written statement of the facts constituting the complaint and shall be
254 made within 180 days of the alleged action or inaction.

255 (2) Upon the filing of such complaint under this subsection, the hearing officer shall
256 investigate the statement of facts made and in his or her discretion order a hearing before
257 the hearing officer, giving the complainant and the respondent notice of such filing and
258 the time and place of such hearing. Immediately upon the conclusion of the hearing, the
259 hearing officer shall report his or her findings and render conclusions upon the matter to
260 the complainant and respondent in each case, who shall have 15 days thereafter in which
261 to make effective and satisfy the hearing officer's conclusions.

262 (3) If such settlement is not effected within the time frames set forth in paragraph (2) of
263 this subsection, the hearing officer, the complainant, or the respondent may bring an
264 action to enforce the claim.

265 (b) It shall be unlawful in connection with any hearing under this Code section for any
266 person to knowingly make or cause to be made to the Secretary of State, the hearing
267 officer, or anyone acting on their behalf any false or misleading written or oral statement
268 of material fact or any statement which omits a material fact.

269 (c) The nonprevailing party in a hearing conducted under this Code section shall be
270 required to pay an administrative service fee of \$100.00 to the Secretary of State by order
271 of the Secretary of State.

272 43-17A-6.

273 (a)(1) An appeal may be taken from any order of the Secretary of State resulting from
274 a hearing held in accordance with Code Section 43-17A-4 or any decision of a hearing

275 officer resulting from a hearing held in accordance with Code Section 43-17A-5 by any
276 person adversely affected by such order or decision to:

277 (A) Where the amount demanded or the value of the property claimed does not exceed
278 the amount provided for in paragraph (5) of subsection (a) of Code Section 15-10-2, the
279 magistrate court of the county in which the largest portion of the owners' development
280 is located; or

281 (B) In all other cases, the superior court of the county in which the largest portion of
282 the owners' development is located.

283 (2) Appeals pursuant to paragraph (1) of this subsection shall be accomplished by
284 servicing the Secretary of State, within 20 days after the date of entry of such order, a copy
285 of the petition for de novo review filed in the appropriate court and signed by the
286 petitioner, stating:

287 (A) The order from which the appeal is taken;

288 (B) The grounds upon which a reversal or modification of the order is sought; and

289 (C) A demand for a certified transcript of the record of the order.

290 (b) Upon receipt of the petition for review, the Secretary of State shall stay the
291 enforcement of its order until the final disposition of the petition and, within ten days
292 thereafter, make, certify, and deliver to the appropriate court a transcript of the record of
293 the order from which the appeal is taken, provided that the appellant shall pay the
294 reasonable costs of such transcript. Such petition and such transcript shall constitute
295 appellant's complaint which shall be entered on the trial calendar of the court.

296 (c) If the order of the Secretary of State is reversed, the reviewing court shall by its
297 mandate specifically direct the Secretary of State as to any further action to be taken by the
298 Secretary of State in the matter, including the making and entering of an order or orders in
299 connection with such reversal and the conditions, limitations, or restrictions to be included
300 in such order or orders.

301 (d) A decision of a magistrate court pursuant to this Code section may be appealed by
302 petition for review pursuant to Chapter 3 of Title 5.

303 (e) The nonprevailing party in an appeal conducted under this Code section shall be
304 required to pay the court costs of the prevailing party, if any, by order of the court.

305 43-17A-7.

306 Owners shall have the right to:

307 (1) Inspect and obtain copies of owners' association records, accounting records, and
308 other records of the owners' association upon written demand and in compliance with the
309 laws of this state and the governing documents. Such accounting records shall be the
310 finalized balance sheet, budget, and profit and loss statements for the past three years;

311 (2) Upon written demand to the owners' association, a copy of the owners' association
312 certificate of insurance for all such insurance obtained by the owners' association for the
313 benefit of the owner and that may apply to a potential claim or submitted claim;

314 (3) Notice of meetings of members in a fair and reasonable manner consistent with the
315 governing documents and the laws of this state;

316 (4) Attend meetings of the members of the owners' association, which shall be called and
317 held by the board of directors at least annually;

318 (5) Access to common areas, amenities, and common elements subject to the terms
319 contained in the governing documents;

320 (6) Ingress, egress, and access to their individually owned property;

321 (7) Statutory notice and process requirements under the laws of this state should an
322 owners' association proceed with foreclosure action against an individually owned
323 property;

324 (8) Amend governing documents with the approval thresholds required by the laws of
325 this state and the governing documents;

326 (9) Expect, unless otherwise provided by the laws of this state, that a director of an
327 owners' association board of directors shall perform his or her duties in good faith and
328 with the degree of care an ordinary, prudent person in a like position would exercise
329 under similar circumstances;

330 (10) Expect directors to disclose to the other directors on the owners' association's board
331 of directors any conflicting interest with respect to a transaction;

332 (11) Be free from governing documents that interfere with the freedom of residents to
333 determine the composition of their household, except that owners' associations shall have
334 the power, subject to the laws of this state and federal law, to require that all occupants
335 of a household be members of a single housekeeping unit, and to limit the total number
336 of occupants permitted in each individually owned property and its fair share use of the
337 common facilities, including parking; and

338 (12) Challenge discriminatory practices by an owners' association as authorized by the
339 laws of this state or federal law.

340 43-17A-8.

341 (a) Except as otherwise provided by an owners' association's declaration or amendment
342 thereto recorded on or before June 30, 2026, all funds remitted by an owner to an owners'
343 association shall be applied by such owners' association to the following expenses by
344 ranking of highest to lowest priority as follows:

345 (1) Regular assessments or dues until current;

346 (2) Special assessments until current;

347 (3) Specific assessments until current; and

348 (4) Other fees and fines.

349 (b) No owners' association shall:

350 (1) Refuse to accept payment from an owner in any amount for any assessment; or

351 (2) Assess or collect accelerated assessments against any owner.

352 43-17A-9.

353 The Secretary of State shall adopt such policies, rules, regulations, and procedures as are
 354 necessary to implement this chapter."

355 **SECTION 3.**

356 Code Section 44-3-232 of the Official Code of Georgia Annotated, relating to assessments
 357 against lot owners as constituting lien in favor of association, additional charges against lot
 358 owners, procedure for foreclosing lien, and obligation to provide statement of amounts due,
 359 is amended by revising subsection (c) and adding a new subsection to read as follows:

360 "(c) Unless limited by the Secretary of State pursuant to subsection (a) of Code Section
 361 43-17A-3, not Not less than 30 90 days after notice is sent by certified mail or statutory
 362 overnight delivery, return receipt requested, to the lot owner both at the address of the lot
 363 and at any other address or addresses which the lot owner may have designated to the
 364 association in writing, the lien may be foreclosed by the association by an action, judgment,
 365 and court order for foreclosure in the same manner as other liens for the improvement of
 366 real property, subject to superior liens or encumbrances, but any such court order for
 367 judicial foreclosure shall not affect the rights of holders of superior liens or encumbrances
 368 to exercise any rights or powers afforded to them under their security instruments. The
 369 notice provided for in this subsection shall specify the amount of the assessments then due
 370 and payable together with authorized late charges and the rate of interest accruing thereon
 371 and shall state that payment of such amount prior to the ninetieth day following receipt of
 372 the notice will eliminate the right of foreclosure. No foreclosure action against a lien
 373 arising out of this subsection shall be permitted unless the amount of the lien is at least the
 374 lesser of \$4,000.00 or an amount equal to 12 months of regular assessments, as such term
 375 is defined in Code Section 43-17A-1, in arrears but not less than \$2,000.00; provided,
 376 however, that no specific assessment, as such term is defined in Code Section 43-17A-1,
 377 or other fine or fee shall be included in the calculation of the amount of such lien

378 ~~§2,000.00~~. Unless prohibited by the instrument, the association shall have the power to bid
 379 up to the amount of the lien on the lot at any foreclosure sale and to acquire, hold, lease,
 380 encumber, and convey the same. The lien for assessments shall lapse and be of no further
 381 effect, as to assessments or installments thereof, together with late charges and interest
 382 applicable thereto, ~~four~~ six years after the assessment or installment first became due and
 383 payable.

384 (c.1) A lot owner shall have the right to a stay of any proceeding for foreclosure pursuant
 385 to subsection (c) of this Code section while a petition for review brought by any party
 386 pursuant to Code Section 43-17A-6 to which such lot owners is a party is pending;
 387 provided, however, that a stay pursuant to this subsection shall not be authorized more than
 388 one time and shall not extend beyond the earlier of 90 days or the disposition of such
 389 petition for review; and provided, further, that nothing in this subsection shall be construed
 390 to limit the court's authority to order a stay of any proceeding for foreclosure pursuant to
 391 subsection (c) of this Code section for any reason."

392 **SECTION 4.**

393 Said Code section is further amended to add new subsections to read as follows:

394 "(f) Before an association may collect or be awarded attorney's fees, it shall provide:

395 (1) An initial written notice by certified mail or statutory overnight delivery to the lot
 396 owner from the association or its agent identifying any outstanding fines or delinquent
 397 fees;

398 (2) Lot owners with 30 days from the receipt of the notice required under paragraph (1)
 399 of this subsection to pay such outstanding fines or delinquent fees; and

400 (3) An itemized list of reasonable attorney's fees claimed.

401 (g) Judges conducting bench trials for an action to recover sums assessed against a lot
 402 owner shall review such claims of attorney's fees for reasonableness and shall enter an

403 order stating whether the attorney's fees were reasonable before an association can be
404 awarded such attorney's fees."

405 **SECTION 5.**

406 (a) Except as provided in subsection (b) of this section, this Act shall become effective on
407 January 1, 2027.

408 (b) Section 4 of this Act shall become effective on July 1, 2026, and shall apply to all actions
409 filed on or after such date.

410 **SECTION 6.**

411 All laws and parts of laws in conflict with this Act are repealed.