ENROLLED

Regular Session, 2011

ACT No. 84

HOUSE BILL NO. 227

BY REPRESENTATIVES THIBAUT, GREENE, AND HARDY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

To enact R.S. 9:1123.113, relative to condominiums; to require condominium associations to maintain a fidelity bond; to provide for a coverage amount; to establish a minimum coverage amount; to provide for compliance through a managing agent who maintains a bond; to require proof of the bond to be maintained on the premises of the condominium; to require inspection of the proof upon request; to require written or electronic notice of the bond; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:1123.113 is hereby enacted to read as follows:

§1123.113. Fidelity bond required

A. Any unit owners' association collecting assessments for common expenses shall obtain and maintain a blanket fidelity bond covering the officers, directors, and persons employed by the unit owners' association, and any managing agent and employees of the managing agent.

B. The bond shall provide coverage in an amount equal to the lesser of one million dollars or the amount of reserve balances of the unit owners' association plus one-fourth of the aggregate annual assessment of the unit owners' association. The minimum coverage amount shall be ten thousand dollars.

C. Any unit owners' association whose managing agent maintains its own bond shall be in compliance with this Section, provided that the managing agent's bond meets the requirements set forth in this Section, and that the association is named as an additional insured under the managing agent's bond.

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D.(1) The unit owners' association or the managing agent shall maintain proof of the bond required by this Section on the premises of the condominium at all times.

(2) The unit owners' association or the managing agent shall make the proof available for inspection by a member of the condominium unit owners' association upon request of the member.

(3) The unit owners' association or the managing agent shall also provide every member of the unit owners' association with written or electronic notice of the bond as well as a statement notifying the member that the member has a right to inspect the proof of the bond required by this Section.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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