

IC 32-25.5-4

Chapter 4. Attorney General Actions

IC 32-25.5-4-1

Attorney general's action against association or board member; misappropriation or fraud; proxy violations; budgeting violations

Sec. 1. The attorney general may bring an action against a board of a homeowners association or an individual member of a board of a homeowners association if the attorney general finds that any of the following apply:

- (1) The association's funds have been knowingly or intentionally misappropriated or diverted by a board member.
- (2) A board member has knowingly or intentionally used the board member's position on the board to commit fraud or a criminal act against the association or the association's members.
- (3) A proxy was exercised in violation of IC 32-25.5-3-10.
- (4) A violation of IC 32-25.5-3-3 has occurred.

As added by P.L.141-2015, SEC.13.

IC 32-25.5-4-2

Court remedies; imposition of civil penalties; limitations

Sec. 2. (a) A court in which an action is brought under this chapter may do the following:

- (1) Issue an injunction.
- (2) Order the board member to make restitution to the homeowners association or to a member of the homeowners association.
- (3) Order a board member to be removed from the board.
- (4) Order a board member to reimburse the state for the reasonable costs of the attorney general's investigation and prosecution of the violation.
- (5) Impose a civil penalty on a member of the board of a homeowners association determined by the court to have taken an action described in section 1(1) or 1(2) of this chapter.

(b) A civil penalty imposed under subsection (a)(5) may not exceed five hundred dollars (\$500) for each action described in section 1(1) or 1(2) of this chapter that the board member is determined by the court to have taken. The proceeds of a civil penalty imposed under subsection (a)(5) shall be deposited in the state general fund.

As added by P.L.141-2015, SEC.13.