

Georgia HOA Reform – SB 406 (Georgia Property Owners' Bill of Rights Act)

SB 406, signed into law by Governor Brian Kemp on May 12, 2026, is Georgia's most comprehensive HOA reform bill, adding state oversight, clearer enforcement limits, and new dispute resolution tools fightmyhoa.com.

Key Provisions

1. Mandatory State Registration

- All qualifying HOAs must register annually with the Georgia Secretary of State and pay a \$100 fee fightmyhoa.com.
- Unregistered HOAs lose the ability to collect fines, issue liens, or foreclose williamsteusink.com+1.

2. Foreclosure Threshold Increase

- Raises the threshold for certain foreclosure actions from **\$2,000 to \$4,000 in unpaid dues** (assessments) williamsteusink.com+1.
- Fines and fees alone do not count toward this threshold.
- Separate provision allows foreclosure if dues are unpaid for 12 months and exceed \$2,000 fightmyhoa.com.

3. Ban on HOA Purchase at Foreclosure Sales

- Prohibits HOAs, their management companies, and related parties from buying properties at foreclosure auctions fightmyhoa.com.

4. New Oversight and Dispute Resolution

- Creates a **State Board for Review of Complaints** funded by registration fees fightmyhoa.com.
- Homeowners can file complaints with the Secretary of State's office, potentially triggering a hearing officer review williamsteusink.com+1.
- This is intended to be a less costly alternative to litigation.

5. Recordkeeping Requirements

- HOAs must maintain **10 years of financial records** and make them available to homeowners fightmyhoa.com.

6. Attorney Fee Transparency

- Effective **July 1, 2026**: HOAs cannot charge attorney fees without prior written notice and an itemized list fightmyhoa.com.

7. Effective Dates

- **July 1, 2026:** Attorney fee itemization rules take effect.
- **January 1, 2027:** All other provisions (registration, foreclosure threshold, complaint process, records requirement, purchase ban) take effect fightmyhoa.com.

Why It Matters

SB 406 is designed to:

- **Limit HOA overreach** by raising foreclosure thresholds and banning self-purchases at auctions fightmyhoa.com+1.
- **Increase transparency** through mandatory registration, recordkeeping, and public complaint processes williamsteusink.com+1.
- **Reduce litigation costs** by providing a state-level dispute resolution path Realtor.com.

For Georgia homeowners, this means more accountability for HOAs, clearer rules on enforcement, and a formalized way to challenge unfair actions without going to court. For HOAs, it means stricter compliance requirements and potential limits on enforcement powers.