



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 30, 2025

Honorable Sandra G. Scott
State Representative
611-A Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 62 0034)

Dear Representative Scott:

This bill establishes requirements pertaining to condominium and property owners' associations. The bill provides for the allocation of votes and use of proxies, applicability of quorums, board residency and size requirements, and board elections and elections contest processes. The bill assigns the Office of the Secretary of State (SOS) responsibility for certifying election results and maintaining election records, as well as reviewing and resolving elections contest petitions. The bill authorizes the SOS to enforce compliance with the bill's provisions, including investigating complaints and imposing penalties.

As shown in **Table 1**, SOS estimates the bill would have a first-year cost of \$5.6 million and \$1.6 million in recurring costs. First year costs are primarily associated with a new software program to replace the Corporation Division's existing system (\$4 million). Additional information is provided below the table.

Table 1. Estimated Cost of SOS Oversight and Enforcement

Category	One-time Costs	Annual Cost
Staffing ¹	\$33,000	\$1,602,000
IT System ²	\$4,000,000	
Total	\$4,033,000	\$1,602,000

¹ Annual cost includes two staff attorneys, four investigators, and five Corporation Division staff positions.

² Reflects cost to build a new system that would support all Corporations Division's functions, not just functions associated with condominium and property owners' associations.

- **Staffing Costs** – The estimate includes one-time costs for equipment (e.g., computers, workstations, uniforms) and recurring salary and benefits costs for 11 new attorney and staff positions that would assume the additional workload generated by the bill. New processes and duties would include creating filing forms and reviewing filings; establishing an administrative suspension process for non-compliance with registration requirements; certifying and filing election results; handling petitions contesting election results (e.g., including issuance of notices, reviewing and responding to petitions, and rendering

decisions); reviewing, processing, and investigating complaints; and imposing penalties. The estimate assumes approximately 11,000 associations would be subject to the bill's requirements.

- **Software Changes** – The estimate assumes a new software buildout would be needed to implement the changes proposed by the bill. According to SOS, new entity types, filing types and workflows, and statuses would need to be added to the existing system. However, the current system is aging and costly to maintain and modify.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

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