

NOTICE OF PROPOSED RULEMAKING

Rule 590-13-7-.02. Good Faith of Owners' Association's Board

TO ALL INTERESTED PERSONS AND PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the Division of Securities and Business Registration of the Office of the Secretary of State (hereinafter "Office") proposes the above referenced and attached rule(s) (hereinafter "proposed rule(s)").

This notice, together with an exact copy of the proposed new rule(s) and a synopsis of the proposed rule(s), are being distributed to all persons who have requested, in writing, that they be placed on a distribution list. A copy of this notice, an exact copy of the proposed rule(s), and a synopsis of the proposed rule(s) may be reviewed during normal business hours of 8:00 A.M. to 5:00 P.M. EST, Monday through Friday, except official State of Georgia holidays, at the Office of the Secretary of State, 2 Martin Luther King Jr. Drive, S.E., West Tower, Suite 317, Atlanta, Georgia 30334. These documents will also be available for review on the Office's website. Copies may also be requested via email by contacting the Office at hoa@sos.ga.gov.

PUBLIC COMMENT: Interested parties affected by the rule(s) may submit written comments no later than close of business on **Monday, November 2, 2026** via the means below. The public will have the opportunity to comment upon and provide input into the proposed rule(s) verbally at a public hearing to be held on **Thursday, November 5, 2026 at 10:00 A.M. EST.** The hearing will take place in the **Floyd Conference Room, 2 Martin Luther King Jr. Drive, S.E., West Tower, 20th Floor, Atlanta, GA 30334.**

Verbal comments will be limited to 2 minutes per speaker. **The sign-up sheet will be made available 15 minutes before the hearing.**

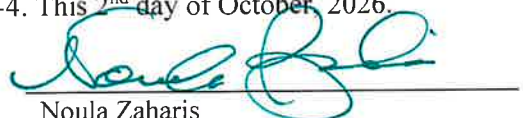
Written comments may be submitted:

Electronically by emailing: hoa@sos.ga.gov

Via hard copy by mailing comments to:

Division of Securities and Business Registration
2 Martin Luther King Jr. Drive SE
West Tower, Suite 341
Atlanta, Georgia 30334

This notice is given in compliance with O.C.G.A. §50-13-4. This 2nd day of October, 2026.



Noura Zaharis
Assistant Commissioner of Securities
Division Director

SYNOPSIS OF PROPOSED NEW RULE OF THE SECRETARY OF STATE
CHAPTER 590-13: OWNERS' ASSOCIATIONS
SUBJECT 590-13-7: OWNERS' BILL OF RIGHTS
RULE 590-13-7-.02: GOOD FAITH OF OWNERS' ASSOCIATION'S BOARD

Purpose: The purpose of this proposed rule is to set basic standards around actions that constitute good faith by board members and Owners' Associations under the Georgia Property Owners' Bill of Rights Act (O.C.G.A. §§ 43-17A-1, et seq., the "Act").

Main Features: The new proposed rule outlines actions of a board member and Owners' Associations that would constitute good faith, a requirement to safeguard an Owners' Association's assets, and proper transition planning

Economic Impact: There will be minimal economic impact as a result of this rule.

Proposed Adoption Date: Friday, January 1, 2027.

TEXT OF PROPOSED NEW RULE

Rule 590-13-7-.02: Good Faith of Owners' Association's Board

- (1) Every Board Member shall perform their duties in good faith and with the degree of care an ordinary, prudent person in a like position would exercise under similar circumstances. Subject to any other applicable law, requirements include but are not limited to:
- a. Making reasonable efforts to ensure Owners and residents are aware of their obligations while residing in the Owners' Development.
 - b. Not making materially misleading or false statements to Owners about or related to the Owners' Association.
 - c. Ensuring all payments or authorization of payment of charges on behalf of an Owner are in compliance with the Act and governing documents.
 - d. Providing written notice, including the method to resolve and challenge, when charging an Owner specific assessments or other fines or fees.
 - e. Properly segregating and accounting for an Owners' Association's funds.
 - f. Enforcing governing documents consistently. If an enforcement action is not consistent, a documented basis for the differential treatment must be maintained.
 - g. Disclosing conflicts of interest relating to an Owners' Association's transaction to the other board members prior to the execution of a contract or payment for goods or services, whichever occurs first.

- h. Ensuring they and their fellow board members do not direct or permit an Agent to engage in conduct that the Owners' Association could not lawfully undertake directly.
- (2) Board members must take reasonable steps to safeguard and maintain records, documents, and all other assets of an Owners' Association.
 - a. Owners' Associations must maintain control over their records and documents.
 - i. Failure of an Agent to remit records and documents shall not alleviate the Owners' Association of its duty to provide records and documents to a requesting Owner or the Secretary of State.
 - b. Board members or Agents acting on their behalf must take reasonable steps to preserve records, documents, and assets after notice of an election, resignation, termination, complaint, audit, investigation, litigation or other permissible request to ensure proper transition and compliance with Act.
- (3) Board members must timely transition all Owners' Association's assets to any newly elected board for the continued function and ongoing compliance of the Owners' Association with the Act and these rules.
 - a. Owners' Association records, documents, and administrative credentials are the Owners' Association's assets, not the personal property of any board member, director, officer, manager, Agent or vendor.
 - b. A digital asset or credential to manage such digital asset created, acquired, maintained, branded, promoted or used primarily to conduct an Owners' Association's business is an asset of an Owners' Association regardless of who opened the account, whose personal email address or telephone number was initially used, who paid an initial charge, or whose name appears as the original administrator.
 - c. Funds associated with an Owners' Association may not be transitioned or otherwise comingled with an individual's personal accounts.
 - d. Intentional deletion or diversion of an Owners' Association's asset is an act of bad faith.

Legal Authority:

O.C.G.A. §§ 43-17A-7, 43-17A-9

Public Hearing:

The proposed rule will be open for Public Comment by the Secretary of State's Office at its meeting scheduled on:

10:00 A.M. EST, Thursday, November 5, 2026

Floyd Conference Room
2 Martin Luther King Jr. Drive, S.E.
West Tower, 20th Floor
Atlanta, GA 30334

Deadline for Submission of Comments:

Written comments must be received by Monday, November 2, 2026.