PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2371

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:
2 "Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes,
3 is amended by adding section 9-461.15, to read:
4 9-461.15. Requirement of planned community prohibited
5 THE PLANNING AGENCY OF A MUNICIPALITY IN EXERCISING ITS AUTHORITY
6 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION REGULATION
7 OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER CONSTRUCT OR ENACT A
8 PLANNED COMMUNITY AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER
9 SHALL NOT BE PENALIZED BECAUSE OF A LACK OF A PLANNED COMMUNITY AS PART OF
10 THE PRELIMINARY PLAT OR SPECIFIC PLAN OF THE SUBDIVIDER OR DEVELOPER. A
11 MUNICIPALITY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO CONSTRUCT OR ENACT A
12 PLANNED COMMUNITY TO MAINTAIN PRIVATE IMPROVEMENTS THAT ARE PROPOSED AS PART
13 OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A REQUIRED PLANNED
14 COMMUNITY SHALL BE SPECIFICALLY LIMITED TO THE MAINTENANCE OF COMMUNITY OWNED
15 PROPERTY.
16 Sec. 2. Title 11, chapter 6, article 1, Arizona Revised Statutes, is
17 amended by adding section 11-810, to read:
18 11-810. Requirement of planned community prohibited
19 A COUNTY PLANNING AND ZONING COMMISSION IN EXERCISING ITS AUTHORITY
20 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION APPROVAL OR
21 ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER CONSTRUCT OR ENACT A PLANNED
22 COMMUNITY AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT
23 BE PENALIZED BECAUSE OF A LACK OF A PLANNED COMMUNITY AS PART OF THE
24 PRELIMINARY PLAT OR SPECIFIC PLAN OF THE SUBDIVIDER OR DEVELOPER. A COUNTY
25 MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO CONSTRUCT OR ENACT A PLANNED

COMMUNITY TO MAINTAIN PRIVATE IMPROVEMENTS THAT ARE PROPOSED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A REQUIRED PLANNED COMMUNITY SHALL BE SPECIFICALLY LIMITED TO THE MAINTENANCE OF COMMUNITY OWNED PROPERTY.

Sec. 3. Title 33, chapter 9, article 3, Arizona Revised Statutes, is amended by adding section 33-1242.01, to read:

33-1242.01. Association authority; management company

FOR AN ASSOCIATION THAT IS CONTRACTED WITH A CORPORATION THAT PROVIDES MANAGEMENT SERVICES TO THE ASSOCIATION, THE MANAGEMENT COMPANY AND ITS OFFICERS AND EMPLOYEES LAWFULLY MAY ACT ON BEHALF OF THE ASSOCIATION AND ITS BOARD OF DIRECTORS BY:

1. RECORDING A LIEN OF THE ASSOCIATION AGAINST A UNIT OWNER'S PROPERTY IN THE CONDOMINIUM IF ALL OF THE FOLLOWING APPLY:

(a) THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO RECORD LIENS ON BEHALF OF THE ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

(b) THE RECORDATION OF LIENS IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS THE ORIGINAL PARTY TO THE LIEN AND THE LIEN RIGHT IS NOT THE RESULT OF AN ASSIGNMENT OF RIGHTS.

(d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION 33-1256 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO WHICH THE ASSOCIATION IS A PARTY.

2. APPEARING ON BEHALF OF THE ASSOCIATION IN A SMALL CLAIMS COURT ACTION IF ALL OF THE FOLLOWING APPLY:

(a) THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO APPEAR ON BEHALF OF THE ASSOCIATION.

(b) APPEARING IN SMALL CLAIMS COURT ACTIONS IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS AN ORIGINAL PARTY TO THE SMALL CLAIMS COURT ACTION.

Sec. 4. Section 33-1250, Arizona Revised Statutes, is amended to read:

33-1250. Voting; proxies; absentee ballots; applicability; definition

A. If only one of the multiple owners of a unit is present at a meeting of the association, the owner is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners unless the declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

B. During the period of declarant control, votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. A unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same unit owner. A proxy terminates one year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable.

C. Notwithstanding any provision in the condominium documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and may provide for voting by ~~some other form of~~ USE OF ELECTRONIC MAIL AND BY USE OF FACSIMILE delivery. Notwithstanding section 10-3708 or the provisions of the condominium

documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots are used:

1. The absentee ballot shall set forth each proposed action.

2. The absentee ballot shall provide an opportunity to vote for or against each proposed action.

3. The absentee ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The absentee ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted absentee ballot to the member.

5. The absentee ballot does not authorize another person to cast votes on behalf of the member.

D. Votes cast by absentee ballot, ~~or other form of~~ BY ELECTRONIC MAIL AND BY FACSIMILE delivery are valid for the purpose of establishing a quorum.

E. Notwithstanding subsection C of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

F. If the declaration requires that votes on specified matters affecting the condominium be cast by lessees rather than unit owners of leased units all of the following apply:

1. The provisions of subsections A and B of this section apply to lessees as if they were unit owners.

2. Unit owners who have leased their units to other persons shall not cast votes on those specified matters.

3. Lessees are entitled to notice of meetings, access to records and other rights respecting those matters as if they were unit owners. Unit owners shall also be given notice, in the manner prescribed in section 33-1248, of all meetings at which lessees may be entitled to vote.

G. Unless the declaration provides otherwise, votes allocated to a unit owned by the association shall not be cast.

H. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

I. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the condominium documents or by virtue of superior voting power.

Sec. 5. Section 33-1256, Arizona Revised Statutes, is amended to read:

33-1256. Lien for assessments; priority; mechanics' and materialmen's liens; applicability

A. The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. The association's lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may be foreclosed in the same manner as a mortgage on real estate but may be foreclosed only if the owner has been delinquent in the payment of monies secured by the lien, excluding reasonable collection fees, reasonable attorney fees and charges for late payment of and costs incurred with respect to those assessments, for a period of one year or in the amount of one thousand two hundred dollars or more, whichever occurs first. Fees, charges, late charges, monetary penalties and interest charged pursuant to section 33-1242, subsection A, paragraphs 10, 11 and 12, other than charges for late payment of assessments, are not enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment of the assessment becomes due. The association has a lien for fees, charges, late charges, other than charges for late payment of assessments, monetary penalties or interest charged pursuant to section 33-1242, subsection A, paragraphs 10, 11 and 12 after the entry of a judgment in a civil suit for those fees, charges, late charges, monetary penalties or interest from a court of competent jurisdiction and the recording of that judgment in the office of the county recorder as otherwise provided by law. The association's lien for monies other than for

assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may not be foreclosed and is effective only on conveyance of any interest in the real property.

B. A lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments under this section is prior to all other liens, interests and encumbrances on a unit except:

1. Liens and encumbrances recorded before the recordation of the declaration.

2. A recorded first mortgage on the unit, a seller's interest in a first contract for sale pursuant to chapter 6, article 3 of this title on the unit recorded prior to the lien arising pursuant to subsection A of this section or a recorded first deed of trust on the unit.

3. Liens for real estate taxes and other governmental assessments or charges against the unit.

C. Subsection B of this section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the association. The lien under this section is not subject to chapter 8 of this title.

D. Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same real estate, those liens have equal priority.

E. Recording of the declaration constitutes record notice and perfection of the lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments. Further recordation of any claim of lien for assessments under this section is not required.

F. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the assessments becomes due.

G. This section does not prohibit actions to recover sums for which subsection A of this section creates a lien or does not prohibit an association from taking a deed in lieu of foreclosure.

H. A judgment or decree in any action brought under this section shall include costs and reasonable attorney fees for the prevailing party.

I. The association on written request shall furnish to a lienholder, escrow agent, unit owner or person designated by a unit owner a statement setting forth the amount of unpaid assessments against the unit. The statement shall be furnished within ten days after receipt of the request and the statement is binding on the association, the board of directors and every unit owner if the statement is requested by an escrow agency that is licensed pursuant to title 6, chapter 7. Failure to provide the statement to the escrow agent within the time provided for in this subsection shall extinguish any lien for any unpaid assessment then due.

J. UNTIL JANUARY 1, 2015, the association shall record in the office of the county recorder in the county in which the condominium is located a notice stating the name of the association or designated agent or management company for the association, the address for the association and the telephone number of the association or its designated agent or management company. The notice shall include the name of the condominium community, the date of the recording and the recorded instrument number or book and page for the main document that constitutes the declaration. If an association's address, designated agent or management company changes, the association shall amend its notice or record a new notice within ninety days after the change. BEGINNING JANUARY 1, 2015, THE ASSOCIATION SHALL INCLUDE WITH ITS ANNUAL CORPORATE FILING AN ADDENDUM ENTITLED "CONDOMINIUM DISCLOSURE STATEMENT" THAT THE CORPORATION COMMISSION SHALL MAKE AVAILABLE TO THE PUBLIC. THE CORPORATION COMMISSION SHALL PROVIDE ACCESS TO THE FILED DISCLOSURE STATEMENTS ON THE COMMISSION'S WEBSITE. THE DISCLOSURE STATEMENT SHALL PROVIDE COMPLETE AND ACCURATE INFORMATION AND SHALL INCLUDE ALL OF THE FOLLOWING:

(a) ALL OF THE INFORMATION PREVIOUSLY REQUIRED TO BE RECORDED AS PRESCRIBED BY THIS SUBSECTION.

(b) IF THE CONDOMINIUM COMMUNITY HAS MULTIPLE ASSOCIATIONS, THE NAMES AND ADDRESSES OF THOSE ASSOCIATIONS AND THE TELEPHONE NUMBER OF EACH ASSOCIATION OR ITS DESIGNATED AGENT OR MANAGEMENT COMPANY.

K. Notwithstanding any provision in the condominium documents or in any contract between the association and a management company, unless the member directs otherwise, all payments received on a member's account shall be applied first to any unpaid assessments, for unpaid charges for late payment of those assessments, for reasonable collection fees and for unpaid attorney fees and costs incurred with respect to those assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

L. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

Sec. 6. Title 33, chapter 9, article 3, Arizona Revised Statutes, is amended by adding section 33-1260.01, to read:

33-1260.01. Rental property; unit owner and agent information; fee; disclosure

A. UNLESS PROHIBITED IN THE DECLARATION, A UNIT OWNER MAY USE THE UNIT OWNER'S UNIT AS A RENTAL PROPERTY.

B. A UNIT OWNER MAY MAKE A WRITTEN DESIGNATION OF A THIRD PARTY TO ACT AS THE UNIT OWNER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL UNIT. THE UNIT OWNER SHALL PROVIDE THE ASSOCIATION A COPY OF THE WRITTEN DESIGNATION OF THE AGENT THAT SHALL BE SIGNED BY THE UNIT OWNER OF RECORD FOR THE RENTAL UNIT. ON DELIVERY OF THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE UNIT OWNER'S RENTAL UNIT THROUGH THE DESIGNATED AGENT. NOTICE BY THE ASSOCIATION TO A UNIT OWNER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT CONSTITUTES NOTICE TO THE OWNER.

C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME PERIOD OF THE LEASE, THE NAMES OF ANY MINOR CHILDREN OCCUPYING THE UNIT AND A DESCRIPTION AND THE LICENSE PLATE NUMBER OF THE TENANTS' VEHICLES. IF THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR ITS MANAGING AGENT MAY CHARGE A FEE THAT IS LIMITED TO NO MORE THAN TWENTY-FIVE DOLLARS. THE ADMINISTRATIVE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S RENTAL UNIT ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM EITHER OF THE FOLLOWING:

1. REQUIRING A UNIT OWNER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION REGARDING THE TENANT EXCEPT AS PRESCRIBED BY THIS SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S CIVIL RIGHTS OF DUE PROCESS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL UNIT.

1 Sec. 7. Title 33, chapter 16, article 1, Arizona Revised Statutes, is
2 amended by adding section 33-1806.01, to read:
3 33-1806.01. Rental property; member and agent information; fee;
4 disclosure
5 A. UNLESS PROHIBITED IN THE DECLARATION, A MEMBER MAY USE THE MEMBER'S
6 PROPERTY AS A RENTAL PROPERTY.
7 B. A MEMBER MAY MAKE A WRITTEN DESIGNATION OF A THIRD PARTY TO ACT AS
8 THE MEMBER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE
9 RENTAL PROPERTY. THE MEMBER SHALL PROVIDE THE ASSOCIATION A COPY OF THE
10 WRITTEN DESIGNATION OF THE AGENT THAT SHALL BE SIGNED BY THE MEMBER OF RECORD
11 FOR THE RENTAL PROPERTY. ON DELIVERY OF THE WRITTEN DESIGNATION, THE
12 ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE
13 MEMBER'S RENTAL PROPERTY THROUGH THE DESIGNATED AGENT. NOTICE BY THE
14 ASSOCIATION TO A MEMBER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE
15 MEMBER'S RENTAL PROPERTY CONSTITUTES NOTICE TO THE MEMBER.
16 C. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, ON RENTAL
17 OF A MEMBER'S PROPERTY AN ASSOCIATION SHALL NOT REQUIRE A MEMBER OR A
18 MEMBER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE
19 NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE PROPERTY, THE TIME
20 PERIOD OF THE LEASE, THE NAMES OF ANY MINOR CHILDREN OCCUPYING THE PROPERTY
21 AND A DESCRIPTION AND THE LICENSE PLATE NUMBER OF THE TENANTS' VEHICLES. IF
22 THE PLANNED COMMUNITY IS AN AGE RESTRICTED COMMUNITY, THE MEMBER, THE
23 MEMBER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION
24 THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE
25 COMMUNITY'S AGE RESTRICTIONS OR REQUIREMENTS.
26 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
27 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
28 ITS MANAGING AGENT MAY CHARGE A FEE THAT IS LIMITED TO NO MORE THAN
29 TWENTY-FIVE DOLLARS. THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT
30 PROPERTY BUT MAY NOT BE CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE
31 PERMITTED BY THIS SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT
32 ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A

MEMBER'S RENTAL PROPERTY ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED PROPERTY IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM EITHER OF THE FOLLOWING:

1. REQUIRING A MEMBER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION REGARDING THE TENANT EXCEPT AS PRESCRIBED BY THIS SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S CIVIL RIGHTS OF DUE PROCESS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL PROPERTY.

Sec. 8. Section 33-1807, Arizona Revised Statutes, is amended to read:

33-1807. Lien for assessments; priority; mechanics' and materialmen's liens

A. The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. The association's lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may be foreclosed in the same manner as a mortgage on real estate but may be foreclosed only if the owner has been delinquent in the payment of monies secured by the lien, excluding reasonable collection fees, reasonable attorney fees and charges for late payment of and costs incurred with respect to those assessments, for a period of one year or in the amount of one thousand two hundred dollars or more, whichever occurs first. Fees, charges, late charges, monetary penalties and interest charged pursuant to section 33-1803, other than charges for late payment of assessments are not enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment of the assessment becomes due. The association has a lien for fees, charges, late charges, other than charges for late payment of assessments, monetary

penalties or interest charged pursuant to section 33-1803 after the entry of a judgment in a civil suit for those fees, charges, late charges, monetary penalties or interest from a court of competent jurisdiction and the recording of that judgment in the office of the county recorder as otherwise provided by law. The association's lien for monies other than for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may not be foreclosed and is effective only on conveyance of any interest in the real property.

B. A lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments under this section is prior to all other liens, interests and encumbrances on a unit except:

1. Liens and encumbrances recorded before the recordation of the declaration.

2. A recorded first mortgage on the unit, a seller's interest in a first contract for sale pursuant to chapter 6, article 3 of this title on the unit recorded prior to the lien arising pursuant to subsection A of this section or a recorded first deed of trust on the unit.

3. Liens for real estate taxes and other governmental assessments or charges against the unit.

C. Subsection B of this section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the association. The lien under this section is not subject to chapter 8 of this title.

D. Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same real estate those liens have equal priority.

E. Recording of the declaration constitutes record notice and perfection of the lien for assessments, for charges for late payment of assessments, for reasonable collection fees and for reasonable attorney fees

and costs incurred with respect to those assessments. Further recordation of any claim of lien for assessments under this section is not required.

F. A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the assessment becomes due.

G. This section does not prohibit:

1. Actions to recover amounts for which subsection A of this section creates a lien.

2. An association from taking a deed in lieu of foreclosure.

H. A judgment or decree in any action brought under this section shall include costs and reasonable attorney fees for the prevailing party.

I. On written request, the association shall furnish to a lienholder, escrow agent, unit owner or person designated by a unit owner a statement setting forth the amount of any unpaid assessment against the unit. The association shall furnish the statement within ten days after receipt of the request, and the statement is binding on the association, the board of directors and every unit owner if the statement is requested by an escrow agency that is licensed pursuant to title 6, chapter 7. Failure to provide the statement to the escrow agent within the time provided for in this subsection shall extinguish any lien for any unpaid assessment then due.

J. UNTIL JANUARY 1, 2015, the association shall record in the office of the county recorder in the county in which the planned community is located a notice stating the name of the association or designated agent or management company for the association, the address for the association and the telephone number of the association or its designated agent or management company. The notice shall include the name of the planned community, the date of the recording and the recorded instrument number or book and page for the main document that constitutes the declaration. If an association's address, designated agent or management company changes, the association shall amend its notice or record a new notice within ninety days after the change. BEGINNING JANUARY 1, 2015, THE ASSOCIATION SHALL INCLUDE WITH ITS ANNUAL CORPORATE FILING AN ADDENDUM ENTITLED "PLANNED COMMUNITY DISCLOSURE

STATEMENT" THAT THE CORPORATION COMMISSION SHALL MAKE AVAILABLE TO THE PUBLIC. THE CORPORATION COMMISSION SHALL PROVIDE ACCESS TO THE FILED DISCLOSURE STATEMENTS ON THE COMMISSION'S WEBSITE. THE DISCLOSURE STATEMENT SHALL PROVIDE COMPLETE AND ACCURATE INFORMATION AND SHALL INCLUDE ALL OF THE FOLLOWING:

(a) ALL OF THE INFORMATION PREVIOUSLY REQUIRED TO BE RECORDED AS PRESCRIBED BY THIS SUBSECTION.

(b) IF THE PLANNED COMMUNITY HAS MULTIPLE ASSOCIATIONS, THE NAMES AND ADDRESSES OF THOSE ASSOCIATIONS AND THE TELEPHONE NUMBER OF EACH ASSOCIATION OR ITS DESIGNATED AGENT OR MANAGEMENT COMPANY.

K. Notwithstanding any provision in the community documents or in any contract between the association and a management company, unless the member directs otherwise, all payments received on a member's account shall be applied first to any unpaid assessments, for unpaid charges for late payment of those assessments, for reasonable collection fees and for unpaid attorney fees and costs incurred with respect to those assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

Sec. 9. Section 33-1812, Arizona Revised Statutes, is amended to read:

33-1812. Proxies; absentee ballots; definition

A. Notwithstanding any provision in the community documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and may provide for voting by ~~some other form of~~ USE OF ELECTRONIC MAIL AND BY USE OF FACSIMILE delivery. Notwithstanding section 10-3708 or the provisions of the community documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots are used:

1. The absentee ballot shall set forth each proposed action.

2. The absentee ballot shall provide an opportunity to vote for or against each proposed action.

3. The absentee ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The absentee ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted absentee ballot to the member.

5. The absentee ballot does not authorize another person to cast votes on behalf of the member.

B. Votes cast by absentee ballot, ~~or other form of~~ BY ELECTRONIC MAIL AND BY FACSIMILE delivery are valid for the purpose of establishing a quorum.

C. Notwithstanding subsection A of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

D. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the community documents or by virtue of superior voting power.

Sec. 10. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1818, to read:

33-1818. Association authority; management company

FOR AN ASSOCIATION THAT IS CONTRACTED WITH A CORPORATION THAT PROVIDES MANAGEMENT SERVICES TO THE ASSOCIATION, THE MANAGEMENT COMPANY AND ITS OFFICERS AND EMPLOYEES LAWFULLY MAY ACT ON BEHALF OF THE ASSOCIATION AND ITS BOARD OF DIRECTORS BY:

1. RECORDING A LIEN OF THE ASSOCIATION AGAINST A MEMBER'S PROPERTY IN THE PLANNED COMMUNITY IF ALL OF THE FOLLOWING APPLY:

(a) THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO RECORD LIENS ON BEHALF OF THE ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

(b) THE RECORDATION OF LIENS IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS THE ORIGINAL PARTY TO THE LIEN AND THE LIEN RIGHT IS NOT THE RESULT OF AN ASSIGNMENT OF RIGHTS.

(d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO WHICH THE ASSOCIATION IS A PARTY.

2. APPEARING ON BEHALF OF THE ASSOCIATION IN A SMALL CLAIMS COURT ACTION IF ALL OF THE FOLLOWING APPLY:

(a) THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO APPEAR ON BEHALF OF THE ASSOCIATION.

(b) APPEARING IN SMALL CLAIMS COURT ACTIONS IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS AN ORIGINAL PARTY TO THE SMALL CLAIMS COURT ACTION.

Sec. 11. Section 41-2198.01, Arizona Revised Statutes, is amended to read:

41-2198.01. Hearing; rights and procedures

A. A person who is subject to title 33, chapter 11 or a party to a rental agreement entered into pursuant to title 33, chapter 11 may petition the department for a hearing concerning violations of the Arizona mobile home parks residential landlord and tenant act by filing a petition with the department and paying a nonrefundable filing fee in an amount to be established by the director. All monies collected shall be deposited in the state general fund and are not refundable.

B. For a dispute between an owner and a condominium association or planned community association that is regulated pursuant to title 33, chapter 9 or 16, the owner or association may petition the department for a hearing concerning violations of condominium documents or planned community documents

or violations of the statutes that regulate condominiums or planned communities. The petitioner shall file a petition with the department and pay a ~~nonrefundable~~ filing fee in an amount to be established by the director. The filing fee shall be deposited in the condominium and planned community hearing office fund established by section 41-2198.05. ON DISMISSAL OF A PETITION AT THE REQUEST OF THE PETITIONER BEFORE A HEARING IS SCHEDULED OR BY STIPULATION OF THE PARTIES BEFORE A HEARING IS SCHEDULED, THE FILING FEE SHALL BE REFUNDED TO THE PETITIONER. The department does not have jurisdiction to hear:

1. Any dispute among or between owners to which the association is not a party.

2. Any dispute between an owner and any person, firm, partnership, corporation, association or other organization that is engaged in the business of designing, constructing or selling a condominium as defined in section 33-1202 or any property or improvements within a planned community as defined in section 33-1802, including any person, firm, partnership, corporation, association or other organization licensed pursuant to title 32, chapter 20, arising out of or related to the design, construction, condition or sale of the condominium or any property or improvements within a planned community.

C. The petition shall be in writing on a form approved by the department, shall list the complaints and shall be signed by or on behalf of the persons filing and include their addresses, stating that a hearing is desired, and shall be filed with the department.

D. On receipt of the petition and the filing fee the department shall mail by certified mail a copy of the petition along with notice to the named respondent that a response is required within twenty days of mailing of the petition showing cause, if any, why the petition should be dismissed.

E. After receiving the response, the director or the director's designee shall promptly review the petition for hearing and, if justified, refer the petition to the office of administrative hearings. The director may dismiss a petition for hearing if it appears to the director's

1 satisfaction that the disputed issue or issues have been resolved by the
2 parties.
3 F. Failure of the respondent to answer is deemed an admission of the
4 allegations made in the petition, and the director shall issue a default
5 decision.
6 G. Informal disposition may be made of any contested case.
7 H. Either party or the party's authorized agent may inspect any file
8 of the department that pertains to the hearing, if ~~such~~ THE authorization is
9 filed in writing with the department.
10 I. At a hearing conducted pursuant to this section, a corporation may
11 be represented by a corporate officer, employee or contractor of the
12 corporation who is not a member of the state bar if:
13 1. The corporation has specifically authorized the officer, employee
14 or contractor of the corporation to represent it.
15 2. The representation is not the officer's, employee's or contractor
16 of the corporation's primary duty to the corporation but is secondary or
17 incidental to the officer's, ~~or~~ employee's OR CONTRACTOR OF THE CORPORATION'S
18 duties relating to the management or operation of the corporation."
19 Amend title to conform

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