

COMMITTEE ON GOVERNMENT

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

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

3 33-1242.01. Association authority; management company

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

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

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

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

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

19 (d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION
20 33-1256 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO
21 WHICH THE ASSOCIATION IS A PARTY.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 3. Lessees are entitled to notice of meetings, access to records and
25 other rights respecting those matters as if they were unit owners. Unit
26 owners shall also be given notice, in the manner prescribed in section
27 33-1248, of all meetings at which lessees may be entitled to vote.

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

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

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

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

6 33-1256. Lien for assessments; priority; mechanics' and
7 materialmen's liens; applicability

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

1 incurred with respect to those assessments may not be foreclosed and is
2 effective only on conveyance of any interest in the real property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 33-1260.01. Rental property; unit owner and agent information;
17 fee; disclosure

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

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

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

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

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

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

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

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

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

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

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

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

14 33-1807. Lien for assessments; priority; mechanics' and
15 materialmen's liens

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

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

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

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

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

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

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

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

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

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

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

6 G. This section does not prohibit:

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

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

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

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

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

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

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

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

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

19 Sec. 9. Section 33-1812, Arizona Revised Statutes, is amended to read:
20 33-1812. Proxies; absentee ballots; definition

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

- 29 1. The absentee ballot shall set forth each proposed action.
30 2. The absentee ballot shall provide an opportunity to vote for or
31 against each proposed action.

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

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

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

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

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

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

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

21 33-1818. Association authority; management company

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

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

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

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

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

6 (d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION
7 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO
8 WHICH THE ASSOCIATION IS A PARTY.

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

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

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

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

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

21 41-2198.01. Hearing; rights and procedures

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

29 B. For a dispute between an owner and a condominium association or
30 planned community association that is regulated pursuant to title 33, chapter
31 9 or 16, the owner or association may petition the department for a hearing
32 concerning violations of condominium documents or planned community documents

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

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

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

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

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

29 E. After receiving the response, the director or the director's
30 designee shall promptly review the petition for hearing and, if justified,
31 refer the petition to the office of administrative hearings. The director
32 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

and, as so amended, it do pass

MICHELLE UGENTI
Chairman

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