PROPOSED AMENDMENT
SENATE AMENDMENTS TO H.B. 2614
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

   "Section 1. Section 33-1817, Arizona Revised Statutes, is amended to read:

   33-1817. Design, architectural committees; review; procedure
   Notwithstanding any provision in the community documents:
   1. Membership on a design review committee, an architectural committee
   or a committee that performs similar functions, however denominated, for the
   planned community shall include at least one member of the board of directors
   who shall serve as chairperson of the committee.

   2. For new construction of the main residential structure on a lot or
for rebuilds of the main residential structure on a lot and only in a planned
community that has enacted design guidelines, architectural guidelines or
other similar rules, however denominated, and if the association documents
permit the association to charge the member a security deposit and the
association requires the member to pay a security deposit to secure
completion of the member's construction project or compliance with approved
plans, all of the following apply:
   (a) The deposit shall be placed in a trust account with the following
   instructions:
   (i) The cost of the trust account shall be shared equally between the
   association and the member.
   (ii) If the construction project is abandoned, the board of directors
may determine the appropriate use of any deposit monies.
   (iii) Any interest earned on the refundable security deposit shall
become part of the security deposit."
(b) The association or the design review committee must hold a final design approval meeting for the purpose of issuing approval of the plans, and the member or member's agent must have the opportunity to attend the meeting. If the plans are approved, the association's design review representative shall provide written acknowledgement that the approved plans, including any approved amendments, are in compliance with all rules and guidelines in effect at the time of the approval and that the refund of the deposit requires that construction be completed in accordance with those approved plans.

(c) The association must provide for at least two on-site formal reviews during construction for the purpose of determining compliance with the approved plans. The member or member's agent shall be provided the opportunity to attend both formal reviews. Within five business days after the formal reviews, the association shall cause a written report to be provided to the member or member's agent specifying any deficiencies, violations or unapproved variations from the approved plans as amended that have come to the attention of the association.

(d) Within thirty business days after the second formal review, the association shall provide to the member a copy of the written report specifying any deficiencies, violations or unapproved variations from the approved plans as amended that have come to the attention of the association. If the written report does not specify any deficiencies, violations or unapproved variations from the approved plans, as amended, that have come to the attention of the association, the association shall promptly release the deposit monies to the member. If the report identifies any deficiencies, violations or unapproved variations from the approved plans, as amended, the association may hold the deposit for one hundred eighty days or until receipt of a subsequent report of construction compliance, whichever is less. If a report of construction compliance is received before the one hundred eightieth day, the association shall promptly release the deposit monies to the member. If a compliance report is not received within one hundred eighty
days, the association shall release the deposit monies promptly from the trust account to the association.

(e) Neither the approval of the plans nor the approval of the actual construction by the association or the design review committee shall constitute a representation or warranty that the plans or construction comply with applicable governmental requirements or applicable engineering, design or safety standards. The association in its discretion may release all or any part of the deposit to the member before receiving a compliance report. Release of the deposit to the member does not constitute a representation or warranty from the association that the construction complies with the approved plans.

3. AN ASSOCIATION MAY NOT REQUIRE THE REVIEW OR APPROVAL OF PLANS FOR THE INTERIOR PORTION OF ANY CONSTRUCTION OR REMODELING OR OTHER REVISION OF A RESIDENCE OR OTHER STRUCTURE IN THE COMMUNITY. AN ASSOCIATION MAY REQUIRE THE REVIEW OR APPROVAL OF THE EXTERIOR PORTION OF THE PLANS, INCLUDING THE EXTERIOR DIMENSIONS AND LOCATION OF THE RESIDENCE OR OTHER STRUCTURE."