

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

HOUSE BILL 2518

AN ACT

AMENDING SECTION 9-231, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-461.15; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-810; AMENDING TITLE 16, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.2; AMENDING SECTIONS 22-512 AND 33-1250, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1260.01; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1806.01; AMENDING SECTIONS 33-1812 AND 41-2198.01, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 16-559, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; RELATING TO POLITICAL SUBDIVISIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-231, Arizona Revised Statutes, is amended to
3 read:

4 9-231. Common council

5 A. The corporate powers of a town incorporated under ~~the provisions of~~
6 section 9-101 shall be vested in a common council. The first common council
7 shall be appointed by the board of supervisors, ~~upon~~ ON declaring the town
8 incorporated, and the members shall continue in office until their successors
9 are elected and qualified. The successors shall be elected by qualified
10 electors residing in the town at an election held for that purpose on the
11 third Tuesday in May following, and on the third Tuesday in May each two
12 years thereafter, ~~unless and until the date of such election is changed~~
13 ~~pursuant to the provisions of subsection C of this~~ PURSUANT TO section
14 16-204.

15 B. The common council of every town shall consist of five members if
16 the population is fifteen hundred persons or less, or seven members if the
17 population exceeds fifteen hundred persons at the time of incorporation. If
18 thereafter the population of ~~such~~ THE town exceeds fifteen hundred persons as
19 determined by the latest official United States census, the council may pass
20 an ordinance increasing the membership to seven, with the additional two
21 members to be elected at the first election subsequent to the passage of the
22 ordinance.

23 ~~C. A city or town may only hold a general election on a date~~
24 ~~prescribed by section 16-204.~~

25 Sec. 2. Title 9, chapter 4, article 6, Arizona Revised Statutes, is
26 amended by adding section 9-461.15, to read:

27 9-461.15. Requirement of planned community prohibited

28 A. THE PLANNING AGENCY OF A MUNICIPALITY IN EXERCISING ITS AUTHORITY
29 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION REGULATION
30 OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER CONSTRUCT OR ENACT A
31 PLANNED COMMUNITY AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER
32 SHALL NOT BE PENALIZED BECAUSE A PLANNED COMMUNITY IS NOT PART OF THE
33 PRELIMINARY PLAT OR SPECIFIC PLAN OF THE SUBDIVIDER OR DEVELOPER.

34 B. A MUNICIPALITY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO CONSTRUCT
35 OR ENACT A PLANNED COMMUNITY TO MAINTAIN PRIVATE IMPROVEMENTS THAT ARE
36 APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC
37 PLAN. A PLANNED COMMUNITY THAT IS REQUIRED BY A MUNICIPALITY PURSUANT TO
38 THIS SUBSECTION SHALL BE LIMITED TO THE MAINTENANCE OF COMMUNITY OWNED
39 PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE
40 ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

41 C. THIS SECTION DOES NOT LIMIT THE ESTABLISHMENT OR AUTHORITY OF ANY
42 PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A
43 SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION FROM REQUESTING AND ENTERING INTO A
44 MAINTENANCE AGREEMENT WITH A MUNICIPALITY.

1 Sec. 3. Title 11, chapter 6, article 1, Arizona Revised Statutes, is
2 amended by adding section 11-810, to read:

3 11-810. Requirement of planned community prohibited

4 A. A COUNTY PLANNING AND ZONING COMMISSION IN EXERCISING ITS AUTHORITY
5 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION APPROVAL OR
6 ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER CONSTRUCT OR ENACT A PLANNED
7 COMMUNITY AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT
8 BE PENALIZED BECAUSE A PLANNED COMMUNITY IS NOT PART OF THE PRELIMINARY PLAT
9 OR SPECIFIC PLAN OF THE SUBDIVIDER OR DEVELOPER.

10 B. A COUNTY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO CONSTRUCT OR
11 ENACT A PLANNED COMMUNITY TO MAINTAIN PRIVATE IMPROVEMENTS THAT ARE APPROVED
12 AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A
13 PLANNED COMMUNITY THAT IS REQUIRED BY A COUNTY PURSUANT TO THIS SUBSECTION
14 SHALL BE LIMITED TO THE MAINTENANCE OF COMMUNITY OWNED PROPERTY. THIS
15 SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE ESTABLISHED IN PLATS
16 RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

17 C. THIS SECTION DOES NOT LIMIT THE ESTABLISHMENT OR AUTHORITY OF ANY
18 PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A
19 SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION FROM REQUESTING AND ENTERING INTO A
20 MAINTENANCE AGREEMENT WITH A COUNTY.

21 Sec. 4. Title 16, chapter 4, Arizona Revised Statutes, is amended by
22 adding article 8.2, to read:

23 ARTICLE 8.2. OPTIONAL CITY AND TOWN APPROVAL VOTING

24 16-559. City and town approval voting study committee;
25 membership; duties

26 A. THE CITY AND TOWN APPROVAL VOTING STUDY COMMITTEE IS ESTABLISHED
27 CONSISTING OF THE FOLLOWING MEMBERS:

28 1. THREE MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF
29 THE SENATE, NOT MORE THAN TWO OF WHOM ARE MEMBERS OF THE SAME POLITICAL
30 PARTY. THE PRESIDENT OF THE SENATE SHALL DESIGNATE ONE OF THESE MEMBERS AS
31 COCHAIRPERSON OF THE COMMITTEE.

32 2. THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY
33 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE
34 MEMBERS OF THE SAME POLITICAL PARTY. THE SPEAKER OF THE HOUSE OF
35 REPRESENTATIVES SHALL DESIGNATE ONE OF THESE MEMBERS AS COCHAIRPERSON OF THE
36 COMMITTEE.

37 B. THE COMMITTEE SHALL MEET AND CONSIDER ISSUES RELATING TO A CITY OR
38 TOWN IN THIS STATE ESTABLISHING AND USING A SYSTEM OF APPROVAL VOTING IN THAT
39 CITY'S OR TOWN'S PRIMARY OR FIRST ELECTION. AN APPROVAL VOTING SYSTEM SHALL
40 PROVIDE FOR THE FOLLOWING:

41 1. THE VOTER IN THE PRIMARY OR FIRST ELECTION SHALL BE PERMITTED TO
42 VOTE FOR AS MANY CANDIDATES FOR A SINGLE OFFICE AS THE VOTER CHOOSES TO
43 APPROVE.

44 2. THE TWO CANDIDATES WHO RECEIVE THE HIGHEST AND SECOND HIGHEST
45 NUMBER OF VOTES IN THE PRIMARY OR FIRST ELECTION SHALL ADVANCE TO THE GENERAL

1 OR RUNOFF ELECTION FOR THAT CITY OR TOWN WITHOUT REGARD TO WHETHER ANY ONE
2 CANDIDATE HAS RECEIVED A MAJORITY OF THE VOTES CAST FOR THAT OFFICE.

3 3. THE BALLOT AND ALL OTHER VOTING MATERIALS SHALL CLEARLY INDICATE
4 THAT THE VOTER MAY VOTE FOR AS MANY CANDIDATES IN THAT ELECTION AS THE VOTER
5 CHOOSES, AND THAT THE CANDIDATES WHO RECEIVE THE TWO HIGHEST NUMBER OF VOTES
6 SHALL ADVANCE TO THE GENERAL OR RUNOFF ELECTION.

7 Sec. 5. Section 22-512, Arizona Revised Statutes, is amended to read:

8 ~~22-512.~~ Parties; representation

9 A. Any natural person, corporation, partnership, association, marital
10 community or other organization may commence or defend a small claims action,
11 but no assignee or other person not a real party to the original transaction
12 giving rise to the action may commence such an action except as a personal
13 representative duly appointed pursuant to a proceeding as provided in
14 title 14.

15 B. ~~Notwithstanding section 32-261,~~ In a small claims action:

16 1. An individual shall represent himself.

17 2. Either spouse or both may represent a marital community.

18 3. An active general partner or an authorized full-time employee shall
19 represent a partnership.

20 4. A full-time officer or authorized employee shall represent a
21 corporation.

22 5. An active member or an authorized full-time employee shall
23 represent an association.

24 6. Any other organization or entity shall be represented by one of its
25 active members or authorized full-time employees.

26 7. An attorney-at-law shall not appear or take any part in the filing
27 or prosecution or defense of any matter designated as a small claim.

28 C. FOR AN ASSOCIATION AS DEFINED IN SECTION 33-1202 OR 33-1802 THAT IS
29 CONTRACTED WITH A CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
30 PARTNERSHIP, SOLE PROPRIETOR OR OTHER LAWFULLY FORMED AND OPERATING ENTITY
31 THAT PROVIDES MANAGEMENT SERVICES TO THE ASSOCIATION, THE MANAGEMENT COMPANY
32 AND ITS OFFICERS AND EMPLOYEES MAY LAWFULLY ACT ON BEHALF OF THE ASSOCIATION
33 AND ITS BOARD OF DIRECTORS BY:

34 1. RECORDING A NOTICE OF LIEN OR NOTICE OF CLAIM OF LIEN OF THE
35 ASSOCIATION AGAINST AN OWNER'S PROPERTY IN A CONDOMINIUM OR PLANNED COMMUNITY
36 IF ALL OF THE FOLLOWING APPLY:

37 (a) THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY
38 AUTHORIZED IN WRITING BY THE ASSOCIATION TO RECORD NOTICES OF LIEN OR NOTICES
39 OF CLAIM OF LIEN ON BEHALF OF THE ASSOCIATION AND THE OFFICER OR EMPLOYEE IS
40 A CERTIFIED LEGAL DOCUMENT PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF
41 JUDICIAL ADMINISTRATION.

42 (b) THE RECORDATION OF NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN IS
43 NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE
44 ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

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

3 (d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION
4 33-1256 OR 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN
5 ACTION TO WHICH THE ASSOCIATION IS A PARTY.

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

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

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

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

15 ~~E.~~ D. Notwithstanding subsection B of this section, at any time ~~prior~~
16 ~~to~~ BEFORE THE hearing, the parties may stipulate by written agreement to the
17 participation of attorneys in actions designated as small claims.

18 ~~D.~~ E. This section is not intended to limit or otherwise interfere
19 with a party's right to assign or to employ counsel to pursue ~~his~~ THE PARTY'S
20 rights and remedies subsequent to the entry of judgment in a small claims
21 action.

22 ~~E.~~ F. Attorneys-at-law may represent themselves in propria persona.
23 Sec. 6. Section 33-1250, Arizona Revised Statutes, is amended to read:
24 33-1250. Voting; proxies; absentee ballots; applicability;
25 definition

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

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

1 C. Notwithstanding any provision in the condominium documents, after
2 termination of the period of declarant control, votes allocated to a unit may
3 not be cast pursuant to a proxy. The association shall provide for votes to
4 be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION
5 may provide for voting by some other form of delivery, INCLUDING THE USE OF
6 ELECTRONIC MAIL AND FACSIMILE DELIVERY. Notwithstanding section 10-3708 or
7 the provisions of the condominium documents, any action taken at an annual,
8 regular or special meeting of the members shall comply with all of the
9 following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF
10 DELIVERY are used:

- 11 1. The ~~absentee~~ ballot shall set forth each proposed action.
- 12 2. The ~~absentee~~ ballot shall provide an opportunity to vote for or
13 against each proposed action.
- 14 3. The ~~absentee~~ ballot is valid for only one specified election or
15 meeting of the members and expires automatically after the completion of the
16 election or meeting.
- 17 4. The ~~absentee~~ ballot specifies the time and date by which the ballot
18 must be delivered to the board of directors in order to be counted, which
19 shall be at least seven days after the date that the board delivers the
20 unvoted ~~absentee~~ ballot to the member.
- 21 5. The ~~absentee~~ ballot does not authorize another person to cast votes
22 on behalf of the member.

23 D. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING
24 THE USE OF ELECTRONIC MAIL AND FACSIMILE delivery, are valid for the purpose
25 of establishing a quorum.

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

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

- 32 1. The provisions of subsections A and B of this section apply to
33 lessees as if they were unit owners.
- 34 2. Unit owners who have leased their units to other persons shall not
35 cast votes on those specified matters.
- 36 3. Lessees are entitled to notice of meetings, access to records and
37 other rights respecting those matters as if they were unit owners. Unit
38 owners shall also be given notice, in the manner prescribed in section
39 33-1248, of all meetings at which lessees may be entitled to vote.

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

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

44 I. For the purposes of this section, "period of declarant control"
45 means the time during which the declarant or persons designated by the

1 declarant may elect or appoint the members of the board of directors pursuant
2 to the condominium documents or by virtue of superior voting power.

3 Sec. 7. Title 33, chapter 9, article 3, Arizona Revised Statutes, is
4 amended by adding section 33-1260.01, to read:

5 33-1260.01. Rental property: unit owner and agent information:
6 fee: disclosure

7 A. A UNIT OWNER MAY USE THE UNIT OWNER'S UNIT AS A RENTAL PROPERTY
8 UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE
9 DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

10 B. A UNIT OWNER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE
11 UNIT OWNER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE
12 RENTAL UNIT. THE UNIT OWNER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL
13 PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF
14 THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL
15 ASSOCIATION BUSINESS RELATING TO THE UNIT OWNER'S RENTAL UNIT THROUGH THE
16 DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A UNIT OWNER'S
17 DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT
18 CONSTITUTES NOTICE TO THE UNIT OWNER.

19 C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON
20 RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT
21 OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE
22 NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME
23 PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY,
24 AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF
25 THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT
26 OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION
27 THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE
28 CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

29 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
30 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
31 ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS.
32 THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE
33 CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS
34 SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR
35 CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S
36 RENTAL UNIT ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE
37 ASSOCIATION.

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

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

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

4 3. PROHIBITING OR OTHERWISE RESTRICTING A UNIT OWNER FROM SERVING ON
5 THE BOARD OF DIRECTORS BASED ON THE OWNER'S NOT BEING AN OCCUPANT OF THE
6 UNIT.

7 4. IMPOSING ON A UNIT OWNER OR MANAGING AGENT ANY FEE, ASSESSMENT,
8 PENALTY, LATE CHARGE OR OTHER CHARGE FOR INCOMPLETE OR LATE INFORMATION
9 REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION
10 OTHER THAN THE FEE AUTHORIZED BY SUBSECTION D OF THIS SECTION. ANY ATTEMPT
11 BY AN ASSOCIATION TO CHARGE A FEE, ASSESSMENT, PENALTY OR LATE CHARGE THAT IS
12 NOT AUTHORIZED BY THIS SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF
13 THIS SECTION AND VOIDS THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE
14 ASSOCIATION THAT IS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

15 Sec. 8. Title 33, chapter 16, article 1, Arizona Revised Statutes, is
16 amended by adding section 33-1806.01, to read:

17 33-1806.01. Rental property; member and agent information; fee;
18 disclosure

19 A. A MEMBER MAY USE THE MEMBER'S PROPERTY AS A RENTAL PROPERTY UNLESS
20 PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE
21 DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

22 B. A MEMBER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE
23 MEMBER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL
24 PROPERTY. THE MEMBER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL PROVIDE A
25 COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF THE
26 WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION
27 BUSINESS RELATING TO THE MEMBER'S RENTAL PROPERTY THROUGH THE DESIGNATED
28 AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A MEMBER'S DESIGNATED AGENT ON
29 ANY MATTER RELATING TO THE MEMBER'S RENTAL PROPERTY CONSTITUTES NOTICE TO THE
30 MEMBER.

31 C. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, ON RENTAL
32 OF A MEMBER'S PROPERTY AN ASSOCIATION SHALL NOT REQUIRE A MEMBER OR A
33 MEMBER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE
34 NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE PROPERTY, THE TIME
35 PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY,
36 AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF
37 THE PLANNED COMMUNITY IS AN AGE RESTRICTED COMMUNITY, THE MEMBER, THE
38 MEMBER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION
39 THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE
40 COMMUNITY'S AGE RESTRICTIONS OR REQUIREMENTS.

41 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
42 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
43 ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS.
44 THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT PROPERTY BUT MAY NOT BE
45 CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS

1 SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR
2 CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A MEMBER'S RENTAL
3 PROPERTY ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED PROPERTY IN THE
4 ASSOCIATION.

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

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

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

15 3. PROHIBITING OR OTHERWISE RESTRICTING A MEMBER FROM SERVING ON THE
16 BOARD OF DIRECTORS BASED ON THE MEMBER'S NOT BEING AN OCCUPANT OF THE
17 PROPERTY.

18 4. IMPOSING ON A MEMBER OR MANAGING AGENT ANY FEE, ASSESSMENT,
19 PENALTY, LATE CHARGE OR OTHER CHARGE FOR INCOMPLETE OR LATE INFORMATION
20 REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION
21 OTHER THAN THE FEE AUTHORIZED BY SUBSECTION D OF THIS SECTION. ANY ATTEMPT
22 BY AN ASSOCIATION TO CHARGE A FEE, ASSESSMENT, PENALTY OR LATE CHARGE THAT IS
23 NOT AUTHORIZED BY THIS SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF
24 THIS SECTION AND VOIDS THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE
25 ASSOCIATION THAT IS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

26 Sec. 9. Section 33-1812, Arizona Revised Statutes, is amended to read:
27 33-1812. Proxies; absentee ballots; definition

28 A. Notwithstanding any provision in the community documents, after
29 termination of the period of declarant control, votes allocated to a unit may
30 not be cast pursuant to a proxy. The association shall provide for votes to
31 be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION
32 may provide for voting by some other form of delivery, INCLUDING THE USE OF
33 ELECTRONIC MAIL AND FACSIMILE DELIVERY. Notwithstanding section 10-3708 or
34 the provisions of the community documents, any action taken at an annual,
35 regular or special meeting of the members shall comply with all of the
36 following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF
37 DELIVERY are used:

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

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

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

44 4. The ~~absentee~~ ballot specifies the time and date by which the ballot
45 must be delivered to the board of directors in order to be counted, which

1 shall be at least seven days after the date that the board delivers the
2 unvoted ~~absentee~~ ballot to the member.

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

5 B. Votes cast by absentee ballot or other form of **DELIVERY, INCLUDING**
6 **THE USE OF ELECTRONIC MAIL AND FACSIMILE** delivery, are valid for the purpose
7 of establishing a quorum.

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

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

15 Sec. 10. Section 41-2198.01, Arizona Revised Statutes, is amended to
16 read:

17 **41-2198.01. Hearing; rights and procedures**

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

25 B. For a dispute between an owner and a condominium association or
26 planned community association that is regulated pursuant to title 33, chapter
27 9 or 16, the owner or association may petition the department for a hearing
28 concerning violations of condominium documents or planned community documents
29 or violations of the statutes that regulate condominiums or planned
30 communities. The petitioner shall file a petition with the department and
31 pay a ~~nonrefundable~~ filing fee in an amount to be established by the
32 director. The filing fee shall be deposited in the condominium and planned
33 community hearing office fund established by section 41-2198.05. **ON**
34 **DISMISSAL OF A PETITION AT THE REQUEST OF THE PETITIONER BEFORE A HEARING IS**
35 **SCHEDULED OR BY STIPULATION OF THE PARTIES BEFORE A HEARING IS SCHEDULED, THE**
36 **FILING FEE SHALL BE REFUNDED TO THE PETITIONER.** The department does not have
37 jurisdiction to hear:

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

40 2. Any dispute between an owner and any person, firm, partnership,
41 corporation, association or other organization that is engaged in the
42 business of designing, constructing or selling a condominium as defined in
43 section 33-1202 or any property or improvements within a planned community as
44 defined in section 33-1802, including any person, firm, partnership,
45 corporation, association or other organization licensed pursuant to title 32,

1 chapter 20, arising out of or related to the design, construction, condition
2 or sale of the condominium or any property or improvements within a planned
3 community.

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

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

12 E. After receiving the response, the director or the director's
13 designee shall promptly review the petition for hearing and, if justified,
14 refer the petition to the office of administrative hearings. The director
15 may dismiss a petition for hearing if it appears to the director's
16 satisfaction that the disputed issue or issues have been resolved by the
17 parties.

18 F. Failure of the respondent to answer is deemed an admission of the
19 allegations made in the petition, and the director shall issue a default
20 decision.

21 G. Informal disposition may be made of any contested case.

22 H. Either party or the party's authorized agent may inspect any file
23 of the department that pertains to the hearing, if ~~such~~ **THE** authorization is
24 filed in writing with the department.

25 I. At a hearing conducted pursuant to this section, a corporation may
26 be represented by a corporate officer, employee or contractor of the
27 corporation who is not a member of the state bar if:

28 1. The corporation has specifically authorized the officer, employee
29 or contractor of the corporation to represent it.

30 2. The representation is not the officer's, employee's or contractor
31 of the corporation's primary duty to the corporation but is secondary or
32 incidental to the officer's, ~~or~~ employee's **OR CONTRACTOR OF THE**
33 **CORPORATION'S, LIMITED LIABILITY COMPANY'S, LIMITED LIABILITY PARTNERSHIP'S,**
34 **SOLE PROPRIETOR'S OR OTHER LAWFULLY FORMED AND OPERATING ENTITY'S** duties
35 relating to the management or operation of the corporation.

36 Sec. 11. Implementation of consolidated elections; expenditure
37 limitations

38 Notwithstanding section 16-204, Arizona Revised Statutes, for any city
39 or town whose alternate expenditure limit is scheduled to expire in 2014 or
40 2015, the following apply:

41 1. For a limitation that is scheduled to expire in the spring of 2014,
42 the penalties prescribed in section 41-1279.07, Arizona Revised Statutes,
43 shall not apply to that city or town in fiscal year 2015 if the city or town
44 seeks voter approval of an alternative expenditure limit in the fall of 2014.

1 2. For a limitation that is scheduled to expire in the spring of 2015,
2 the penalties prescribed in section 41-1279.07, Arizona Revised Statutes,
3 shall not apply to that city or town in fiscal year 2015, 2016 or 2017 and
4 the amount of the expenditure limitation remains at the level established for
5 2015 if the city or town seeks voter approval of an alternate expenditure
6 limitation at the next eligible regular election in the fall of 2014 or in
7 the fall of 2016.

8 Sec. 12. Delayed repeal

9 Section 16-559, Arizona Revised Statutes, as added by this act, is
10 repealed from and after December 31, 2013.