

State of Arizona  
Senate  
Fifty-first Legislature  
First Regular Session  
2013

# SENATE BILL 1302

AN ACT

AMENDING SECTION 33-1817, ARIZONA REVISED STATUTES; RELATING TO PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 33-1817. Declaration amendment: design, architectural  
5 committees: review

6 Notwithstanding any provision in the community documents:

7 1. Membership on a design review committee, an architectural committee  
8 or a committee that performs similar functions, however denominated, for the  
9 planned community shall include at least one member of the board of directors  
10 who shall serve as chairperson of the committee.

11 2. For new construction of the main residential structure on a lot or  
12 for rebuilds of the main residential structure on a lot and only in a planned  
13 community that has enacted design guidelines, architectural guidelines or  
14 other similar rules, however denominated, ~~+~~

15 ~~(a)~~ **AND** if the association documents permit the association to charge  
16 the member a security deposit and ~~if~~ the association requires the member to  
17 pay a security deposit to secure completion of the member's construction  
18 project or compliance with approved plans, **ALL OF THE FOLLOWING APPLY:**

19 (a) The deposit shall be placed in a trust account with the following  
20 instructions:

21 (i) The cost of the trust account shall be shared equally between the  
22 association and the member.

23 (ii) If the construction project is abandoned, the board of directors  
24 may determine the appropriate use of any deposit monies.

25 (iii) Any interest earned on the refundable security deposit shall  
26 become part of the security deposit.

27 (b) The association or the design review committee must hold a final  
28 design approval meeting for the purpose of issuing approval of the plans, and  
29 the member or member's agent must have the opportunity to attend the meeting.  
30 If the plans are approved, the association's design review representative  
31 shall provide written acknowledgement that the approved plans, including any  
32 approved amendments, are in compliance with all rules and guidelines in  
33 effect at the time of the approval and that the refund of the deposit  
34 requires that construction be completed in accordance with those approved  
35 plans.

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

44 (d) Within thirty business days after the second formal review, the  
45 association shall provide to the member, ~~+~~ a copy of the written report

1 specifying any deficiencies, violations or unapproved variations from the  
2 approved plans as amended that have come to the attention of the association.  
3 If the written report does not specify any deficiencies, violations or  
4 unapproved variations from the approved plans, as amended, that have come to  
5 the attention of the association, the association shall promptly release the  
6 deposit monies to the member. If the report identifies any deficiencies,  
7 violations or unapproved variations from the approved plans, as amended, the  
8 association may hold the deposit for one hundred eighty days or until receipt  
9 of a subsequent report of construction compliance, whichever is less. If a  
10 report of construction compliance is received before the one hundred  
11 eightieth day, the association shall promptly release the deposit monies to  
12 the member. If a compliance report is not received within one hundred eighty  
13 days, the association shall release the deposit monies promptly from the  
14 trust account to the association.

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