homeowner's associations; meetings; recordings

State of Arizona Senate Fifty-seventh Legislature First Regular Session 2025

CHAPTER 13

SENATE BILL 1039

AN ACT

AMENDING SECTIONS 33-1248 AND 33-1804, ARIZONA REVISED STATUTES; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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33-1248. <u>Open meetings; exceptions; notice; agenda; policy</u> statement

- Notwithstanding any provision in the declaration, bylaws or 7 other documents to the contrary, all meetings of the unit owners' 8 association and the board of directors, and any regularly scheduled 9 committee meetings, are open to all members of the association or any 10 person designated by a member in writing as the member's representative 11 and all members or designated representatives so desiring shall be allowed 12 to attend and speak at an appropriate time during the deliberations and 13 proceedings. The board may place reasonable time restrictions on those 14 persons speaking during the meeting but shall allow a member or a member's 15 designated representative to speak once after the board has discussed a 16 specific agenda item but before the board takes formal action on that item 17 in addition to any other opportunities to speak. The board shall provide 18 for a reasonable number of persons to speak on each side of an issue. 19 Persons attending may audiotape or videotape those portions of the 20 meetings of the board of directors and meetings of the members that are 21 open. The board of directors of the association shall not require advance 22 notice of the audiotaping or videotaping and may adopt reasonable rules 23 governing the audiotaping or videotaping of open portions of the meetings 24 of the board and the membership, but such rules shall not preclude such 25 audiotaping or videotaping by those attending, unless the board audiotapes 26 or videotapes the meeting and makes the unedited audiotapes or videotapes 27 available to members on request without restrictions on their use as 28 evidence in any dispute resolution process. IF A BOARD RECORDS A MEETING 29 THAT IS OPEN TO THE MEMBERS, THE BOARD SHALL KEEP A COPY OF THE RECORDING 30 FOR AT LEAST SIX MONTHS AND MAKE THE UNEDITED RECORDING AVAILABLE TO ANY 31 MEMBER ON REQUEST IN COMPLIANCE WITH SECTION 33-1258, SUBSECTION A. Any 32 portion of a meeting may be closed only if that portion of the meeting is 33 limited to consideration of one or more of the following:
- 1. Legal advice from an attorney for the board or the association.
 35 On final resolution of any matter for which the board received legal
 36 advice or that concerned pending or contemplated litigation, the board may
 37 disclose information about that matter in an open meeting except for
 38 matters that are required to remain confidential by the terms of a
 39 settlement agreement or judgment.
 - 2. Pending or contemplated litigation.
- 3. Personal, health or financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association, including records of the association directly related to the personal, health or financial information about an individual member of the association, an individual

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1 employee of the association or an individual employee of a contractor for 2 the association.

- 4. Matters relating to the job performance of, compensation of, 4 health records of or specific complaints against an individual employee of 5 the association or an individual employee of a contractor of the 6 association who works under the direction of the association.
- 5. Discussion of a unit owner's appeal of any violation cited or 8 penalty imposed by the association except on request of the affected unit 9 owner that the meeting be held in an open session.
- B. Notwithstanding any provision in the condominium documents, all 11 meetings of the unit owners' association and the board shall be held in A meeting of the unit owners' association shall be held at 12 this state. 13 least once each year. Special meetings of the unit owners' association 14 may be called by the president, by a majority of the board of directors or 15 by unit owners having at least twenty-five percent, or any lower 16 percentage specified in the bylaws, of the votes in the association. 17 fewer than ten or more than fifty days in advance of any meeting of the 18 unit owners, the secretary shall cause notice to be hand delivered or sent 19 prepaid by United States mail to the mailing address of each unit or to 20 any other mailing address designated in writing by the unit owner. The 21 notice of any meeting of the unit owners shall state the date, time and 22 place of the meeting. The notice of any annual, regular or special 23 meeting of the unit owners shall also state the purpose for which the 24 meeting is called, including the general nature of any proposed amendment 25 to the declaration or bylaws, any changes in assessments that require 26 approval of the unit owners and any proposal to remove a director or 27 officer. The secretary shall also provide an agenda for any meeting of 28 the unit owners' association by hand delivery, mail, website posting, 29 email or other electronic means or posting at a community center or other 30 similar location. The failure of any unit owner to receive actual notice 31 of a meeting of the unit owners or the meeting agenda does not affect the 32 validity of any action taken at that meeting.
- 33 C. Before entering into any closed portion of a meeting of the 34 board of directors, or on notice of a meeting under subsection D of this 35 section that will be closed, the board shall identify the paragraph under 36 subsection A of this section that authorizes the board to close the 37 meeting.
- D. Notwithstanding any provision in the declaration, bylaws or 39 other condominium documents, for meetings of the board of directors that 40 are held after the termination of declarant control of the association, 41 notice to unit owners of meetings of the board of directors and meeting 42 agendas shall be given at least forty-eight hours in advance of the 43 meeting by newsletter, conspicuous posting or any other reasonable means 44 as determined by the board of directors. An affidavit of notice by an 45 officer of the association is prima facie evidence that notice was given

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1 as prescribed by this section. Notice to unit owners of meetings of the 2 board of directors is not required if emergency circumstances require 3 action by the board before notice can be given. Any notice of a board 4 meeting shall state the date, time and place of the meeting. The failure 5 of any unit owner to receive actual notice of a meeting of the board of 6 directors or a meeting agenda does not affect the validity of any action 7 taken at that meeting.

- 8 E. Notwithstanding any provision in the declaration, bylaws or 9 other condominium documents, for meetings of the board of directors that 10 are held after the termination of declarant control of the association, 11 all of the following apply:
- 12 1. The agenda shall be available in advance for all unit owners 13 attending.
- 2. An emergency meeting of the board of directors may be called to discuss business or take action that cannot be delayed for the forty-eight hours required for notice. At any emergency meeting called by the board of directors, the board of directors may act only on emergency matters. The minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of the emergency meeting shall be read and approved at the next regularly scheduled meeting of the board of directors.
- 3. A quorum of the board of directors may meet by means of a 23 telephone conference if a speakerphone is available in the meeting room 24 that allows board members and unit owners to hear all parties who are 25 speaking during the meeting.
- 4. Any quorum of the board of directors that meets informally to discuss association business, including workshops, shall comply with the 28 open meeting and notice provisions of this section without regard to 29 whether the board votes or takes any action on any matter at that informal 30 meeting.
- F. It is the policy of this state as reflected in this section that all meetings of a condominium, whether meetings of the unit owners' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided in advance for those meetings that contain the information that is reasonably necessary to inform the unit owners of the matters to be discussed or decided and to ensure that unit owners have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken. Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings.
- G. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

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Sec. 2. Section 33-1804, Arizona Revised Statutes, is amended to 2 read:

33-1804. Open meetings; exceptions; notice; agenda; policy statement

- Notwithstanding any provision in the declaration, bylaws or 6 other documents to the contrary, all meetings of the members' association 7 and the board of directors, and any regularly scheduled committee 8 meetings, are open to all members of the association or any person 9 designated by a member in writing as the member's representative and all 10 members or designated representatives so desiring shall be allowed to 11 attend and speak at an appropriate time during the deliberations and 12 proceedings. The board may place reasonable time restrictions on those 13 persons speaking during the meeting but shall allow a member or member's 14 designated representative to speak once after the board has discussed a 15 specific agenda item but before the board takes formal action on that item 16 in addition to any other opportunities to speak. The board shall provide 17 for a reasonable number of persons to speak on each side of an issue. 18 Persons attending may audiotape or videotape those portions of the 19 meetings of the board of directors and meetings of the members that are 20 open. The board of directors of the association shall not require advance 21 notice of the audiotaping or videotaping and may adopt reasonable rules 22 governing the audiotaping and videotaping of open portions of the meetings 23 of the board and the membership, but such rules shall not preclude such 24 audiotaping or videotaping by those attending, unless the board audiotapes 25 or videotapes the meeting and makes the unedited audiotapes or videotapes 26 available to members on request without restrictions on their use as 27 evidence in any dispute resolution process. IF A BOARD RECORDS A MEETING 28 THAT IS OPEN TO THE MEMBERS, THE BOARD SHALL KEEP A COPY OF THE RECORDING 29 FOR AT LEAST SIX MONTHS AND MAKE THE UNEDITED RECORDING AVAILABLE TO ANY 30 MEMBER ON REQUEST IN COMPLIANCE WITH SECTION 33-1805, SUBSECTION A. Any 31 portion of a meeting may be closed only if that closed portion of the 32 meeting is limited to consideration of one or more of the following:
- 1. Legal advice from an attorney for the board or the association. 34 On final resolution of any matter for which the board received legal 35 advice or that concerned pending or contemplated litigation, the board may 36 disclose information about that matter in an open meeting except for 37 matters that are required to remain confidential by the terms of a 38 settlement agreement or judgment.
 - 2. Pending or contemplated litigation.
- 40 3. Personal, health or financial information about an individual 41 member of the association, an individual employee of the association or an 42 individual employee of a contractor for the association, including records 43 of the association directly related to the personal, health or financial 44 information about an individual member of the association, an individual

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1 employee of the association or an individual employee of a contractor for 2 the association.

- 4. Matters relating to the job performance of, compensation of, 4 health records of or specific complaints against an individual employee of 5 the association or an individual employee of a contractor of the 6 association who works under the direction of the association.
- 7 5. Discussion of a member's appeal of any violation cited or 8 penalty imposed by the association except on request of the affected 9 member that the meeting be held in an open session.
- B. Notwithstanding any provision in the community documents, all 11 meetings of the members' association and the board shall be held in this 12 state. A meeting of the members' association shall be held at least once 13 each year. Special meetings of the members' association may be called by 14 the president, by a majority of the board of directors or by members 15 having at least twenty-five percent, or any lower percentage specified in 16 the bylaws, of the votes in the association. Not fewer than ten or more 17 than fifty days in advance of any meeting of the members the secretary 18 shall cause notice to be hand delivered or sent prepaid by United States 19 mail to the mailing address for each lot, parcel or unit owner or to any 20 other mailing address designated in writing by a member. The notice shall 21 state the date, time and place of the meeting. A notice of any annual, 22 regular or special meeting of the members shall also state the purpose for 23 which the meeting is called, including the general nature of any proposed 24 amendment to the declaration or bylaws, changes in assessments that 25 require approval of the members and any proposal to remove a director or 26 an officer. The secretary shall also provide an agenda for any meeting of 27 the members' association by hand delivery, mail, website posting, email or 28 other electronic means or posting at a community center or other similar 29 location. The failure of any member to receive actual notice of a meeting 30 of the members or the meeting agenda does not affect the validity of any 31 action taken at that meeting.
- 32 C. Before entering into any closed portion of a meeting of the 33 board of directors, or on notice of a meeting under subsection D of this 34 section that will be closed, the board shall identify the paragraph under 35 subsection A of this section that authorizes the board to close the 36 meeting.
- D. Notwithstanding any provision in the declaration, bylaws or 38 other community documents, for meetings of the board of directors that are 39 held after the termination of declarant control of the association, notice 40 to members of meetings of the board of directors and meeting agendas shall 41 be given at least forty-eight hours in advance of the meeting by 42 newsletter, conspicuous posting or any other reasonable means as 43 determined by the board of directors. An affidavit of notice by an 44 officer of the corporation is prima facie evidence that notice was given 45 as prescribed by this section. Notice to members of meetings of the board

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1 of directors is not required if emergency circumstances require action by 2 the board before notice can be given. Any notice of a board meeting shall 3 state the date, time and place of the meeting. The failure of any member 4 to receive actual notice of a meeting of the board of directors or a 5 meeting agenda does not affect the validity of any action taken at that 6 meeting.

- 7 E. Notwithstanding any provision in the declaration, bylaws or 8 other community documents, for meetings of the board of directors that are 9 held after the termination of declarant control of the association, all of 10 the following apply:
- 11 1. The agenda shall be available in advance for all members 12 attending.
- 2. An emergency meeting of the board of directors may be called to 14 discuss business or take action that cannot be delayed for the forty-eight 15 hours required for notice. At any emergency meeting called by the board 16 of directors, the board of directors may act only on emergency matters. 17 The minutes of the emergency meeting shall state the reason necessitating 18 the emergency meeting. The minutes of the emergency meeting shall be read 19 and approved at the next regularly scheduled meeting of the board of 20 directors.
- 3. A quorum of the board of directors may meet by means of a 22 telephone conference if a speakerphone is available in the meeting room 23 that allows board members and association members to hear all parties who 24 are speaking during the meeting.
- 4. Any quorum of the board of directors that meets informally to discuss association business, including workshops, shall comply with the open meeting and notice provisions of this section without regard to whether the board votes or takes any action on any matter at that informal meeting.
- F. It is the policy of this state as reflected in this section that all meetings of a planned community, whether meetings of the members' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided in advance for those meetings that contain the information that is reasonably necessary to inform the members of the matters to be discussed or decided and to ensure that members have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken. Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings.

APPROVED BY THE GOVERNOR MARCH 31, 2025. FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2025.

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