



Bill Number: H.B. 2397

HOFFMAN Floor Amendment

Reference to: GOVERNMENT Committee Amendment

Amendment drafted by: Leg. Council

FLOOR AMENDMENT EXPLANATION

1. Removes the requirement that the association manager assigned to a capital or reserve account project for a condominium unit owner's association (COA) or a planned community association (HOA) must be on-site for specified periods of time.
2. Requires a COA or HOA with 50 units or more to transmit a disclosure packet as prescribed after receipt of the owner's written notice of a pending purchase offer, rather than a pending sale.
3. Removes the ability for a COA or HOA to charge the disclosure packet fee to a purchaser.
4. Requires the statement that a property is governed by multiple associations to identify that the property is subject to each association's disclosure report and corresponding disclosure fee.
5. Removes the requirement that the association manager assigned to a capital or reserve account project for a COA or HOA must be on-site for specified periods of time.
6. Makes technical and conforming changes.

HOFFMAN FLOOR AMENDMENT
SENATE AMENDMENTS TO H.B. 2397
(Reference to GOVERNMENT Committee amendment)

Amendment instruction key:

[GREEN UPPERCASE UNDERLINING IN BRACKETS] indicates that the amendment is adding text to statute or previously enacted session law.
[Green lowercase underlining in brackets] indicates that the amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~[GREEN UPPERCASE STRIKEOUT IN BRACKETS]~~ indicates that the amendment is removing new text from statute or previously enacted session law.
~~[Green lowercase strikeout in brackets]~~ indicates that the amendment is removing text from existing statute, previously enacted session law or new session law.
<<Double green carets enclosing an entire section>> indicates that the amendment is adding the section to the bill.
~~<<Green strikeout with double green carets enclosing an entire section>>~~ indicates that the amendment is removing the section to the bill.
{[ORANGE UPPERCASE UNDERLINING IN DOUBLE CURLY BRACKETS]} indicates that the amendment to an amendment is adding text to statute or previously enacted session law.
{[Orange lowercase underlining in double curly brackets]} indicates that the amendment to an amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~{[ORANGE UPPERCASE STRIKEOUT IN DOUBLE CURLY BRACKETS]}~~ indicates that the amendment to an amendment is removing new text from statute or previously enacted session law.
~~{[Orange lowercase strikeout in double curly brackets]}~~ indicates that the amendment to an amendment is removing text from existing statute, previously enacted session law or new session law.
>>Double orange underlined carets enclosing an entire section>> indicate that the amendment to an amendment is adding the section to the bill.
~~>>Orange strikeout with double orange underlined carets enclosing an entire section>>~~ indicates that the amendment to an amendment is removing the section from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 33-1260, Arizona Revised Statutes, is amended to
3 read:

4 33-1260. Sale of units; information required; fees; civil
5 penalty; applicability; definition

6 A. For condominiums with fewer than fifty units, a unit owner shall
7 ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser or a purchaser's
8 ~~authorized~~ DESIGNATED agent THE INFORMATION REQUIRED BY THIS SUBSECTION
9 within ten days after ~~receipt of a written notice of a pending sale of the~~
10 ~~unit, and~~ ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE. For
11 condominiums with fifty or more units, [~~{ON THE UNIT OWNER'S ACCEPTANCE~~
12 ~~OF THE PURCHASER'S OFFER TO PURCHASE,}~~] THE UNIT OWNER SHALL PROVIDE A
13 WRITTEN NOTICE TO THE ASSOCIATION OF THE UNIT OWNER'S ACCEPTANCE OF THE
14 PURCHASER'S OFFER TO PURCHASE ~~{AND}~~ ~~{THAT CONTAINS THE NAME, EMAIL~~
15 ~~ADDRESS AND MAILING ADDRESS OF THE PURCHASER OR THE PURCHASER'S DESIGNATED~~
16 ~~AGENT.}}~~ The association shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver
17 to ~~[a]~~ [THE] purchaser or ~~[a]~~ [THE] purchaser's ~~authorized~~ DESIGNATED

1 agent within ten days after receipt of ~~[a]~~ [THE] written notice of
2 ~~[a pending sale]~~ ~~{{[THE SELLER'S ACCEPTANCE OF THE PURCHASER'S OFFER TO~~
3 ~~PURCHASE]~~ that contains the name, EMAIL ADDRESS and MAILING address of the
4 ~~purchaser OR THE PURCHASER'S DESIGNATED AGENT}}~~ {{A PENDING PURCHASE
5 OFFER}} all of the following in either paper or electronic format:

6 1. A copy of the CURRENT bylaws and the CURRENT rules of the
7 association.

8 2. A copy of the CURRENT RECORDED declaration AND FINAL PLAT OR AN
9 ELECTRONIC COPY OF THE FINAL PLAT, IF AVAILABLE.

10 3. A COPY OF THE BOARD OF DIRECTORS-APPROVED MINUTES ~~[OF ALL OPEN]~~
11 ~~[FROM THE PREVIOUS THREE OPEN]~~ MEETINGS OF THE BOARD OF DIRECTORS ~~[FOR THE~~
12 ~~PREVIOUS THREE MEETINGS]~~.

13 ~~3.~~ 4. A dated statement containing:

14 (a) The telephone number and address of a principal contact for the
15 association, which may be an association manager, an association
16 management company, an officer of the association or any other person
17 designated by the board of directors.

18 (b) The amount of AND PAYMENT SCHEDULE FOR the ANNUAL common
19 expense assessment for the unit and THE REMAINING INSTALLMENTS AND PAYMENT
20 SCHEDULES ON ANY APPROVED AND ASSESSED SPECIAL ASSESSMENT, IF ANY.

21 (c) THE AMOUNT AND PURPOSE OF ANY SPECIAL ASSESSMENT APPROVED BY
22 THE BOARD OF DIRECTORS BUT NOT YET ASSESSED OR ANY SPECIAL ASSESSMENT
23 SUBMITTED BY THE BOARD OF DIRECTORS FOR UNIT OWNER APPROVAL WITHIN THE
24 PREVIOUS FOUR MONTHS, IF ANY.

25 (d) ANY KNOWN MATERIAL DEFICIENCY OR CONDITION OF THE LIMITED
26 COMMON ELEMENTS ASSOCIATED WITH THE UNIT OR COMMON ELEMENTS KNOWN BY THE
27 ASSOCIATION FOR WHICH THE PURCHASER WILL BE LIABLE FOR THE DIRECTLY
28 ASSESSED REPAIR COSTS WITHIN SIX MONTHS OF THE PURCHASE, IF ANY.

29 (e) THE CURRENT AMOUNT OF any unpaid common expense
30 assessment, ~~special assessment or other assessment, fee or charge~~
31 ~~currently due and payable from the selling unit owner. If the request is~~
32 ~~made by a lienholder, escrow agent, unit owner or person designated by a~~
33 ~~unit owner pursuant to section 33-1256, failure to provide the information~~
34 ~~pursuant to this subdivision within the time provided for in this~~
35 ~~subsection shall extinguish any lien for any unpaid assessment then due~~
36 ~~against that unit~~ LIEN OR JUDGMENT LIEN ON THE UNIT DUE TO THE ASSOCIATION
37 PURSUANT TO SECTION 33-1256 AND ANY LIS PENDENS RECORDED BY THE
38 ASSOCIATION AGAINST THE UNIT.

39 ~~(c) A statement as to whether a portion of the unit is covered by~~
40 ~~insurance maintained by the association.~~

41 ~~(d) The total amount of money held by the association as reserves.~~

42 ~~(e) If the statement is being furnished by the association, a~~
43 ~~statement as to whether the records of the association reflect any~~
44 ~~alterations or improvements to the unit that violate the declaration. The~~
45 ~~association is not obligated to provide information regarding alterations~~
46 ~~or improvements that occurred more than six years before the proposed~~
47 ~~sale. Nothing in this subdivision relieves the seller of a unit from the~~
48 ~~obligation to disclose alterations or improvements to the unit that~~
49 ~~violate the declaration, nor precludes the association from taking action~~

1 ~~against the purchaser of a unit for violations that are apparent at the~~
2 ~~time of purchase and that are not reflected in the association's records.~~

3 ~~(f) If the statement is being furnished by the unit owner, a~~
4 ~~statement as to whether the unit owner has any knowledge of any~~
5 ~~alterations or improvements to the unit that violate the declaration.~~

6 ~~(g) A statement of case names and case numbers for pending~~
7 ~~litigation with respect to the unit filed by the association against the~~
8 ~~unit owner or filed by the unit owner against the association. The unit~~
9 ~~owner or the association shall not be required to disclose information~~
10 ~~concerning the pending litigation that would violate any applicable rule~~
11 ~~of attorney-client privilege under Arizona law.~~

12 ~~(h) A statement that provides "I hereby acknowledge that the~~
13 ~~declaration, bylaws and rules of the association constitute a contract~~
14 ~~between the association and me (the purchaser). By signing this~~
15 ~~statement, I acknowledge that I have read and understand the association's~~
16 ~~contract with me (the purchaser). I also understand that as a matter of~~
17 ~~Arizona law, if I fail to pay my association assessments, the association~~
18 ~~may foreclose on my property." The statement shall also include a~~
19 ~~signature line for the purchaser and shall be returned to the association~~
20 ~~within fourteen calendar days.~~

21 (f) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER
22 SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION
23 ~~{{AND ESTABLISHED BY THE ASSOCIATION PURSUANT TO SECTION 33-442}}.~~

24 (g) A COPY OF THE ASSOCIATION'S MOST RECENT INCOME AND EXPENSES
25 FINANCIAL STATEMENT FOR ALL OPERATING AND RESERVE ACCOUNTS, AS APPLICABLE.

26 (h) ANY OUTSTANDING AND UNRESOLVED VIOLATION OF THE ASSOCIATION'S
27 CONDOMINIUM DOCUMENTS THAT WAS CITED AGAINST THE UNIT, IF ANY.

28 ~~4.~~ 5. A copy of the current operating budget of the association.

29 ~~5.~~ 6. A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR
30 COMPILATION report of the association PRESCRIBED BY SECTION 33-1243,
31 SUBSECTION J. If the report is more than ten pages, the association may
32 provide a summary of the report in lieu of the entire report.

33 ~~6.~~ 7. A copy of the most recent reserve study of the association,
34 if any. IF THE REPORT IS MORE THAN TEN PAGES, THE ASSOCIATION MAY PROVIDE
35 A SUMMARY OF THE REPORT IN LIEU OF THE ENTIRE REPORT.

36 ~~7.~~ 8. A statement summarizing any pending lawsuits, except those
37 relating to the collection of assessments owed by unit owners other than
38 the selling unit owner, in which the association is a named party,
39 including the amount of any money claimed.

40 9. A STATEMENT AS TO WHETHER A PORTION OF THE UNIT IS COVERED BY
41 INSURANCE MAINTAINED BY THE ASSOCIATION AND A COPY OF ALL INSURANCE
42 CERTIFICATES IDENTIFYING THE COVERAGE LIMITS AND DEDUCTIBLES MAINTAINED BY
43 THE ASSOCIATION PURSUANT TO SECTION 33-1253.

44 10. A STATEMENT AS TO WHETHER THE CONDOMINIUM IS UNDER DECLARANT
45 CONTROL AND THE APPROXIMATE PERCENTAGE OF UNITS IDENTIFIED ON THE RECORDED
46 PLAT THAT ARE CURRENTLY OWNED BY THE DECLARANT.

47 11. A STATEMENT IDENTIFYING WHETHER ANY CORPORATION OR LIMITED
48 LIABILITY COMPANY OWNS AND LEASES THIRTY-FIVE PERCENT OR MORE OF THE
49 UNITS.

1 12. A STATEMENT THAT, FOR ANY REPORT PROVIDED IN SUMMARY FORMAT
2 PURSUANT TO THIS SUBSECTION, THE PURCHASER MAY REQUEST TO VIEW THE ENTIRE
3 REPORT FROM THE ASSOCIATION DIRECTLY, AND THE ASSOCIATION SHALL PROVIDE
4 ACCESS TO THAT REPORT WITHIN TEN DAYS AFTER A WRITTEN REQUEST.

5 13. A STATEMENT TO BE SIGNED BY THE PURCHASER AT THE CLOSE OF
6 ESCROW THAT PROVIDES "I HEREBY ACKNOWLEDGE THAT WITH THE PURCHASE OF THIS
7 HOME OR PROPERTY, I WILL BE CONTRACTUALLY BOUND TO THE VALID COVENANTS,
8 CONDITIONS AND RESTRICTIONS OF THE RECORDED DECLARATION, AND WILL BE
9 CONTRACTUALLY BOUND TO PAY ALL COMMON EXPENSE ASSESSMENTS APPLIED TO MY
10 HOME OR PROPERTY AS AUTHORIZED IN THE DECLARATION AND TITLE 33, CHAPTER 9
11 OR 16, ARIZONA REVISED STATUTES, AS APPLICABLE. IF I FAIL TO PAY COMMON
12 EXPENSE ASSESSMENTS, I MAY BE SUBJECT TO COLLECTION ACTIVITY BY THE
13 ASSOCIATION UP TO AND INCLUDING FORECLOSURE ACTION, WITHOUT THE EQUITY
14 PROTECTION OF THE HOMESTEAD ACT PURSUANT TO TITLE 33, CHAPTER 8, ARIZONA
15 REVISED STATUTES."

16 14. IF THE UNIT IS GOVERNED BY MULTIPLE ASSOCIATIONS, A STATEMENT
17 ~~{{NOTIFYING THE PURCHASER}}~~ ~~{{IDENTIFYING}}~~ THAT THE UNIT IS SUBJECT TO
18 EACH ASSOCIATION'S ~~{{DISCLOSURE REPORT AND CORRESPONDING}}~~ RESALE
19 DISCLOSURE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION.

20 B. ALL INFORMATION THAT IS PROVIDED UNDER SUBSECTION A OF THIS
21 SECTION SHALL BE BASED ON THE GOOD FAITH RELIANCE ON ASSOCIATION RECORDS
22 OR INFORMATION, WITHOUT THE NEED FOR INDEPENDENT INVESTIGATION OR
23 VALIDATION.

24 ~~B.~~ C. A purchaser or seller who is damaged by ~~the failure of~~ the
25 unit owner or the association KNOWINGLY OR RECKLESSLY FAILING to disclose
26 the information required by subsection A of this section OR KNOWINGLY OR
27 RECKLESSLY PROVIDING MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE
28 DISCLOSURE may pursue all remedies at law or in equity against the unit
29 owner or the association, whichever failed to comply with subsection A of
30 this section, including the recovery of reasonable attorney fees AS
31 AWARDED BY THE COURT.

32 ~~C.~~ D. The association may charge the unit owner a fee of not more
33 than an aggregate of ~~four hundred dollars~~ \$400 to compensate the
34 association for the costs incurred in the preparation and delivery of a
35 ~~statement~~ REPORT or other documents furnished by the association pursuant
36 to this section for purposes of resale disclosure, lien estoppel and any
37 other services related to the transfer or use of the property. In
38 addition, the association may charge a rush fee of not more than ~~one~~
39 ~~hundred dollars~~ \$100 if the rush services are required to be performed
40 within seventy-two hours after the request for rush services. ~~, and~~ THE
41 UNIT OWNER may REQUEST THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS
42 OR MORE HAVE PASSED SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE
43 ASSOCIATION MAY charge a ~~statement or other documents~~ DOCUMENT update fee
44 of not more than ~~fifty dollars if thirty days or more have passed since~~
45 ~~the date of the original disclosure statement or the date the documents~~
46 ~~were delivered~~ \$50. The association shall make available to any
47 interested party the amount of any fee established from time to time by
48 the association. ~~If the aggregate fee for purposes of resale disclosure,~~
49 ~~lien estoppel and any other services related to the transfer or use of a~~

1 ~~property is less than four hundred dollars on January 1, 2010, the fee may~~
2 ~~increase at a rate of not more than twenty percent per year based on the~~
3 ~~immediately preceding fiscal year's amount not to exceed the four hundred~~
4 ~~dollar aggregate fee.~~ The association may charge the same fee without
5 regard to whether the association is furnishing the statement or other
6 documents in paper or electronic format.

7 ~~D.~~ E. The fees prescribed by this section shall be collected ~~no~~
8 NOT earlier than at the close of escrow and may only be charged once to a
9 unit owner ~~{{OR PURCHASER}}~~ for that transaction between the parties
10 ~~specified in the notice required pursuant to subsection A of this~~
11 ~~section.~~ An association shall not charge or collect a fee relating to
12 services for resale disclosure, lien estoppel and any other services
13 related to the transfer or use of a property except as specifically
14 authorized in this section. An association that charges or collects a fee
15 in violation of this section is subject to a civil penalty of not more
16 than ~~one thousand two hundred dollars~~ \$1,200.

17 ~~E.~~ F. This section applies to a managing agent for an association
18 that is acting on behalf of the association.

19 ~~F.~~ G. The following are exempt from this section:

20 1. A sale in which a public report is issued pursuant to section
21 32-2183 or 32-2197.02.

22 2. A sale pursuant to section 32-2181.02.

23 3. A conveyance by recorded deed that bears an exemption listed in
24 section 11-1134, subsection B, paragraph 3 or 7. On recordation of the
25 deed ~~and for no additional charge~~, the ~~unit owner~~ PURCHASER shall provide
26 the association with the changes in ownership, including the unit owner's
27 name, billing address and phone number. Failure to provide the
28 information shall not prevent the unit owner from qualifying for the
29 exemption pursuant to this section.

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

32 ~~H.~~ I. For the purposes of this section, unless the context
33 otherwise requires, "unit owner":

34 1. Means the seller of the condominium unit title. ~~and excludes~~

35 2. DOES NOT INCLUDE:

36 (a) Any real estate salesperson or real estate broker who is
37 licensed under title 32, chapter 20 and who is acting as a salesperson or
38 broker. , -

39 (b) Any escrow agent who is licensed under title 6, chapter 7 and
40 who is acting as an escrow agent. ~~and also excludes~~

41 (c) A trustee of a deed of trust who is selling the property in a
42 trustee's sale pursuant to chapter 6.1 of this title.

43 ~~§§§Sec. 2. Title 33, chapter 9, article 3, Arizona Revised~~
44 ~~Statutes, is amended by adding section 33-1262, to read:~~

45 ~~33-1262. Capital projects; reserve account; on-site manager~~

46 ~~[NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, FOR ANY~~
47 ~~CAPITAL OR RESERVE ACCOUNT PROJECT AUTHORIZED BY THE ASSOCIATION, THE~~
48 ~~ASSOCIATION MANAGER ASSIGNED TO THE PROJECT BY THE ASSOCIATION'S~~
49 ~~CONTRACTED MANAGEMENT COMPANY SHALL BE ON-SITE AS FOLLOWS:~~

1 ~~1. FOR AT LEAST THIRTY MINUTES BEFORE THE START OF WORK AND SHALL~~
2 ~~REMAIN ON SITE FOR AT LEAST TWO HOURS.~~

3 ~~2. FOR AT LEAST TWO HOURS EACH DAY THAT THE PROJECT CONTINUES.~~

4 ~~3. THE TIME REQUIRED TO COMPLETE AN ON-SITE JOB SITE INSPECTION~~
5 ~~WITH THE ASSOCIATION'S CONTRACTED VENDOR FOR THE PROJECT.~~

6 ~~4. FOR AT LEAST TWENTY-FIVE PERCENT OF THE TOTAL PROJECT TIME.>>>>~~

7 Sec. 2. Section 33-1806, Arizona Revised Statutes, is amended to
8 read:

9 33-1806. Sale of properties; information required; fees;
10 civil penalty; definition

11 A. For planned communities with fewer than fifty ~~units~~ PROPERTIES,
12 a member shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser or a
13 purchaser's ~~authorized~~ DESIGNATED agent THE INFORMATION REQUIRED BY THIS
14 SUBSECTION within ten days after ~~receipt of a written notice of a pending~~
15 ~~sale of the unit, and~~ ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE.
16 For planned communities with fifty or more ~~units~~ PROPERTIES, ~~[{ON THE~~
17 ~~MEMBER'S ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE,}]~~ THE MEMBER
18 SHALL PROVIDE A WRITTEN NOTICE TO THE ASSOCIATION OF THE MEMBER'S
19 ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE ~~{AND}~~ ~~{THAT CONTAINS~~
20 THE NAME, EMAIL ADDRESS AND MAILING ADDRESS OF THE PURCHASER OR THE
21 PURCHASER'S DESIGNATED AGENT.}] The association shall ~~mail~~ ELECTRONICALLY
22 TRANSMIT or deliver to ~~[a]~~ [THE] purchaser or ~~[a]~~ [THE] purchaser's
23 ~~authorized~~ DESIGNATED agent within ten days after receipt of ~~[a]~~ [THE]
24 written notice of ~~[a pending sale]~~ ~~{[THE SELLER'S ACCEPTANCE OF THE~~
25 ~~PURCHASER'S OFFER TO PURCHASE]~~ that contains the name, EMAIL ADDRESS and
26 MAILING address of the purchaser OR THE PURCHASER'S DESIGNATED AGENT}] ~~{[A~~
27 PENDING PURCHASE OFFER}] all of the following in either paper or
28 electronic format:

29 1. A copy of the CURRENT bylaws and the CURRENT rules of the
30 association.

31 2. A copy of the CURRENT declaration AND FINAL PLAT OR AN
32 ELECTRONIC COPY OF THE FINAL PLAT, IF AVAILABLE.

33 3. A COPY OF THE BOARD-APPROVED MINUTES ~~[OF ALL OPEN]~~ [FOR THE
34 PREVIOUS THREE OPEN] MEETINGS OF THE BOARD OF DIRECTORS ~~[FOR THE PREVIOUS~~
35 THREE MEETINGS].

36 ~~3.~~ 4. A dated statement containing:

37 (a) The telephone number and address of a principal contact for the
38 association, which may be an association manager, an association
39 management company, an officer of the association or any other person
40 designated by the board of directors.

41 (b) The amount of AND PAYMENT SCHEDULE FOR the ANNUAL common
42 regular assessment and the REMAINING INSTALLMENTS AND PAYMENT SCHEDULES ON
43 ANY APPROVED AND ASSESSED SPECIAL ASSESSMENT, IF ANY.

44 (c) THE AMOUNT AND PURPOSE OF ANY SPECIAL ASSESSMENT APPROVED BY
45 THE BOARD OF DIRECTORS BUT NOT YET ASSESSED OR ANY SPECIAL ASSESSMENT
46 SUBMITTED BY THE BOARD FOR MEMBER APPROVAL WITHIN THE PREVIOUS FOUR
47 MONTHS, IF ANY.

48 (d) THE CURRENT AMOUNT OF ANY unpaid common regular
49 assessment, ~~special assessment or other assessment, fee or charge~~

1 ~~currently due and payable from the selling member. If the request is made~~
2 ~~by a lienholder, escrow agent, member or person designated by a member~~
3 ~~pursuant to section 33-1807, failure to provide the information pursuant~~
4 ~~to this subdivision within the time provided for in this subsection shall~~
5 ~~extinguish any lien for any unpaid assessment then due against that~~
6 ~~property.~~ LIEN OR JUDGMENT LIEN ON THE PROPERTY DUE TO THE ASSOCIATION
7 PURSUANT TO SECTION 33-1807 AND ANY LIS PENDENS RECORDED BY THE
8 ASSOCIATION AGAINST THE PROPERTY.

9 ~~(c) A statement as to whether a portion of the unit is covered by~~
10 ~~insurance maintained by the association.~~

11 ~~(d) The total amount of money held by the association as reserves.~~

12 ~~(e) If the statement is being furnished by the association, a~~
13 ~~statement as to whether the records of the association reflect any~~
14 ~~alterations or improvements to the unit that violate the declaration. The~~
15 ~~association is not obligated to provide information regarding alterations~~
16 ~~or improvements that occurred more than six years before the proposed~~
17 ~~sale. Nothing in this subdivision relieves the seller of a unit from the~~
18 ~~obligation to disclose alterations or improvements to the unit that~~
19 ~~violate the declaration, nor precludes the association from taking action~~
20 ~~against the purchaser of a unit for violations that are apparent at the~~
21 ~~time of purchase and that are not reflected in the association's records.~~

22 ~~(f) If the statement is being furnished by the member, a statement~~
23 ~~as to whether the member has any knowledge of any alterations or~~
24 ~~improvements to the unit that violate the declaration.~~

25 ~~(g) A statement of case names and case numbers for pending~~
26 ~~litigation with respect to the unit filed by the association against the~~
27 ~~member or filed by the member against the association. The member shall~~
28 ~~not be required to disclose information concerning such pending litigation~~
29 ~~that would violate any applicable rule of attorney-client privilege under~~
30 ~~Arizona law.~~

31 ~~(h) A statement that provides "I hereby acknowledge that the~~
32 ~~declaration, bylaws and rules of the association constitute a contract~~
33 ~~between the association and me (the purchaser). By signing this~~
34 ~~statement, I acknowledge that I have read and understand the association's~~
35 ~~contract with me (the purchaser). I also understand that as a matter of~~
36 ~~Arizona law, if I fail to pay my association assessments, the association~~
37 ~~may foreclose on my property." The statement shall also include a~~
38 ~~signature line for the purchaser and shall be returned to the association~~
39 ~~within fourteen calendar days.~~

40 (e) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER
41 SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION
42 ~~{{AND ESTABLISHED BY THE ASSOCIATION PURSUANT TO SECTION 33-442}}.~~

43 (f) A COPY OF THE ASSOCIATION'S MOST RECENT INCOME AND EXPENSES
44 FINANCIAL STATEMENT FOR ALL OPERATING AND RESERVE ACCOUNTS, AS APPLICABLE.

45 (g) ANY OUTSTANDING AND UNRESOLVED VIOLATION OF THE ASSOCIATION'S
46 COMMUNITY DOCUMENTS THAT WAS CITED AGAINST THE PROPERTY, IF ANY.

47 ~~4-~~ 5. A copy of the current operating budget of the association.

48 ~~5-~~ 6. A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR
49 COMPILATION report of the association PURSUANT TO SECTION 33-1810. If the

1 report is more than ten pages, ~~the association may provide~~ a summary of
2 the report ~~in lieu~~ MAY BE PROVIDED IN PLACE of the entire report.

3 ~~6.~~ 7. A copy of the most recent reserve study of the association,
4 if any. IF THE REPORT IS MORE THAN TEN PAGES, THE ASSOCIATION MAY PROVIDE
5 A SUMMARY OF THE REPORT IN PLACE OF THE ENTIRE REPORT.

6 ~~7.~~ 8. A statement summarizing any pending lawsuits, except those
7 relating to the collection of assessments owed by members other than the
8 selling member, in which the association is a named party, including the
9 amount of any money claimed.

10 9. A STATEMENT AS TO WHETHER THE PLANNED COMMUNITY IS UNDER
11 DECLARANT CONTROL AND THE APPROXIMATE PERCENTAGE OF LOTS IDENTIFIED ON THE
12 RECORDED PLAT THAT ARE CURRENTLY OWNED BY THE DECLARANT.

13 10. A STATEMENT THAT, FOR ANY REPORT PROVIDED IN SUMMARY FORMAT
14 PURSUANT TO THIS SUBSECTION, THE PURCHASER MAY REQUEST TO VIEW THE ENTIRE
15 REPORT FROM THE ASSOCIATION DIRECTLY, AND THE ASSOCIATION SHALL PROVIDE
16 ACCESS TO THAT REPORT WITHIN TEN DAYS AFTER A WRITTEN REQUEST.

17 11. A STATEMENT TO BE SIGNED BY THE PURCHASER AT THE CLOSE OF
18 ESCROW THAT PROVIDES "I HEREBY ACKNOWLEDGE THAT WITH THE PURCHASE OF THIS
19 HOME OR PROPERTY, I WILL BE CONTRACTUALLY BOUND TO THE VALID COVENANTS,
20 CONDITIONS AND RESTRICTIONS OF THE RECORDED DECLARATION, AND WILL BE
21 CONTRACTUALLY BOUND TO PAY ALL COMMON EXPENSE ASSESSMENTS APPLIED TO MY
22 HOME OR PROPERTY AS AUTHORIZED IN THE DECLARATION AND TITLE 33, CHAPTER 9
23 OR 16, ARIZONA REVISED STATUTES, AS APPLICABLE. IF I FAIL TO PAY COMMON
24 EXPENSE ASSESSMENTS, I MAY BE SUBJECT TO COLLECTION ACTIVITY BY THE
25 ASSOCIATION UP TO AND INCLUDING FORECLOSURE ACTION, WITHOUT THE EQUITY
26 PROTECTION OF THE HOMESTEAD ACT PURSUANT TO TITLE 33, CHAPTER 8, ARIZONA
27 REVISED STATUTES."

28 12. IF THE PROPERTY IS GOVERNED BY MULTIPLE ASSOCIATIONS, A
29 STATEMENT ~~{{NOTIFYING THE PURCHASER}}~~ ~~{{IDENTIFYING}}~~ THAT THE PROPERTY IS
30 SUBJECT TO EACH ASSOCIATION'S ~~{{DISCLOSURE REPORT AND CORRESPONDING}}~~
31 RESALE DISCLOSURE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION.

32 B. ALL INFORMATION THAT IS PROVIDED UNDER SUBSECTION A OF THIS
33 SECTION SHALL BE BASED ON THE GOOD FAITH RELIANCE ON ASSOCIATION RECORDS
34 OR INFORMATION, WITHOUT THE NEED FOR INDEPENDENT INVESTIGATION OR
35 VALIDATION.

36 ~~B.~~ C. A purchaser or seller who is damaged by ~~the failure of~~ the
37 member or the association KNOWINGLY OR RECKLESSLY FAILING to disclose the
38 information required by subsection A of this section OR KNOWINGLY OR
39 RECKLESSLY PROVIDING MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE
40 DISCLOSURE may pursue all remedies at law or in equity against the member
41 or the association, whichever failed to comply with subsection A of this
42 section, including the recovery of reasonable attorney fees AS AWARDED BY
43 THE COURT.

44 ~~C.~~ D. The association may charge the member a fee of not more than
45 an aggregate of ~~four hundred dollars~~ \$400 to compensate the association
46 for the costs incurred in the preparation and delivery of a ~~statement~~
47 REPORT or other documents furnished by the association pursuant to this
48 section for purposes of resale disclosure, lien estoppel and any other
49 services related to the transfer or use of the property. In addition, the

1 association may charge a rush fee of not more than ~~one hundred dollars~~
2 \$100 if the rush services are required to be performed within seventy-two
3 hours after the request for rush services. ~~, and~~ THE MEMBER may REQUEST
4 THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS OR MORE HAVE PASSED
5 SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE ASSOCIATION MAY
6 charge a ~~statement or other documents~~ DOCUMENT update fee of not more than
7 ~~fifty dollars if thirty days or more have passed since the date of the~~
8 ~~original disclosure statement or the date the documents were delivered~~
9 \$50. The association shall make available to any interested party the
10 amount of any fee established from time to time by the association. ~~if~~
11 ~~the aggregate fee for purposes of resale disclosure, lien estoppel and any~~
12 ~~other services related to the transfer or use of a property is less than~~
13 ~~four hundred dollars on January 1, 2010, the fee may increase at a rate of~~
14 ~~not more than twenty percent per year based on the immediately preceding~~
15 ~~fiscal year's amount not to exceed the four hundred dollar aggregate fee.~~
16 The association may charge the same fee without regard to whether the
17 association is furnishing the statement or other documents in paper or
18 electronic format.

19 ~~D.~~ E. The fees prescribed by this section shall be collected ~~no~~
20 NOT earlier than at the close of escrow and may only be charged once to a
21 member ~~{{OR PURCHASER}}~~ for that transaction between the parties ~~specified~~
22 ~~in the notice required pursuant to subsection A of this section.~~ An
23 association shall not charge or collect a fee relating to services for
24 resale disclosure, lien estoppel and any other services related to the
25 transfer or use of a property except as specifically authorized in this
26 section. An association that charges or collects a fee in violation of
27 this section is subject to a civil penalty of not more than ~~one thousand~~
28 ~~two hundred dollars~~ \$1,200.

29 ~~E.~~ F. This section applies to a managing agent for an association
30 that is acting on behalf of the association.

31 ~~F.~~ G. The following are exempt from this section:

32 1. A sale in which a public report is issued pursuant to section
33 32-2183 or 32-2197.02.

34 2. A sale pursuant to section 32-2181.02.

35 3. A conveyance by recorded deed that bears an exemption listed in
36 section 11-1134, subsection B, paragraph 3 or 7. On recordation of the
37 deed ~~and for no additional charge~~, the ~~member~~ PURCHASER shall provide the
38 association with the changes in ownership, including the member's name,
39 billing address and phone number. Failure to provide the information
40 shall not prevent the member from qualifying for the exemption pursuant to
41 this section.

42 ~~G.~~ H. For the purposes of this section, unless the context
43 otherwise requires, "member":

44 1. Means the seller of the ~~unit~~ PROPERTY title. ~~and excludes~~

45 2. DOES NOT INCLUDE:

46 (a) Any real estate salesperson or real estate broker who is
47 licensed under title 32, chapter 20 and who is acting as a salesperson or
48 broker. ~~;~~

1 (b) Any escrow agent who is licensed under title 6, chapter 7 and
2 who is acting as an escrow agent. ~~and also excludes~~

3 (c) A trustee of a deed of trust who is selling the property in a
4 trustee's sale pursuant to chapter 6.1 of this title.

5 ~~<<<Sec. 4. Title 33, chapter 16, article 1, Arizona Revised~~
6 ~~Statutes, is amended by adding section 33-1821, to read:~~

7 ~~33-1821. Capital projects; reserve account; on-site manager~~

8 ~~[NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, FOR ANY~~
9 ~~CAPITAL OR RESERVE ACCOUNT PROJECT AUTHORIZED BY THE ASSOCIATION, THE~~
10 ~~ASSOCIATION MANAGER ASSIGNED TO THE PROJECT BY THE ASSOCIATION'S~~
11 ~~CONTRACTED MANAGEMENT COMPANY SHALL BE ON-SITE AS FOLLOWS:~~

12 ~~1. FOR AT LEAST THE INITIAL THIRTY MINUTES BEFORE THE START OF WORK~~
13 ~~AND SHALL REMAIN ON-SITE FOR AT LEAST TWO HOURS.~~

14 ~~2. FOR AT LEAST TWO HOURS EACH DAY THAT THE PROJECT CONTINUES.~~

15 ~~3. THE TIME REQUIRED TO COMPLETE AN ON-SITE JOB SITE INSPECTION~~
16 ~~WITH THE ASSOCIATION'S CONTRACTED VENDOR FOR THE PROJECT.~~

17 ~~4. FOR AT LEAST TWENTY-FIVE PERCENT OF THE TOTAL PROJECT TIME.]>>>~~

18 Enroll and engross to conform

19 Amend title to conform

JAKE HOFFMAN

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06/10/2026

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C: MR

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