

REFERENCE TITLE: homeowners' associations; foreclosure process.

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **HB 4050**

Introduced by  
Representative Carter P

AN ACT

AMENDING SECTIONS 33-1202, 33-1256, 33-1802 AND 33-1807, ARIZONA REVISED STATUTES; RELATING TO CONDOMINIUMS AND 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 33-1202, Arizona Revised Statutes, is amended to  
3 read:

4 33-1202. Definitions

5 In the condominium documents, unless specifically provided otherwise  
6 or the context otherwise requires, and in this chapter:

7 1. "Affiliate of a declarant" means any person who controls, is  
8 controlled by or is under common control with a declarant.

9 2. "Allocated interests" means the undivided interests in the  
10 common elements, the common expense liability and votes in the association  
11 allocated to each unit.

12 3. "Articles of incorporation" means the instrument by which an  
13 incorporated association or unit owners' association is formed and  
14 organized under this state's corporate statutes.

15 4. "Assessment" means the ~~share of monies that is required for the~~  
16 ~~payment of common expenses and that the association assesses periodically~~  
17 ~~against each unit~~ ASSOCIATION'S CHARGES THAT ARE APPLIED TO EACH UNIT  
18 OWNER TO FUND THE ACTUAL OR ANTICIPATED COMMON EXPENSES BASED ON EACH UNIT  
19 OWNER'S COMMON EXPENSE LIABILITY.

20 5. "Association" or "unit owners' association" means the unit  
21 owners' association organized under section 33-1241.

22 6. "Board of directors" means the body, regardless of its name,  
23 designated in the declaration and given general management powers to act  
24 on behalf of the association.

25 7. "Bylaws" means the bylaws required by section 33-1246.

26 8. "Common elements" means all portions of a condominium other than  
27 the units.

28 9. "Common expense liability" means the liability for common  
29 expenses allocated to each unit pursuant to ~~section~~ SECTIONS 33-1217 ~~or~~  
30 AND 33-1255.

31 10. "Common expense lien" means the lien for assessments, charges  
32 for late payment of assessments OR INTEREST ON THOSE ASSESSMENTS if  
33 authorized in the declaration, reasonable collection fees and costs  
34 incurred or applied by the association and reasonable attorney fees and  
35 costs that are incurred IN ANY ACTION with respect to those assessments,  
36 if the attorney fees and costs are awarded by a court.

37 11. "Common expenses" means expenditures made by or financial  
38 liabilities of the association, ~~together with any allocations to reserves~~  
39 FOR THE MAINTENANCE, OPERATION, USE, UPGRADE, REPLACEMENT OR ACQUISITION  
40 OF THE COMMON ELEMENTS, UTILITIES OR OTHER SERVICES REQUIRED BY THE  
41 DECLARATION AND THE ASSOCIATION'S REASONABLE ADMINISTRATIVE AND  
42 OPERATIONAL EXPENSES AS AUTHORIZED IN THE DECLARATION.

43 12. "Condominium" means real estate, portions of which are  
44 designated for separate ownership and the remainder of which is designated  
45 for common ownership solely by the owners of the separate portions. Real

1 estate is not a condominium unless the undivided interests in the common  
2 elements are vested in the unit owners.

3 13. "Condominium documents" means the declaration, bylaws, articles  
4 of incorporation, if any, and rules, if any.

5 14. "Declarant" means any person or group of persons who reserves,  
6 is granted or succeeds to any special declarant right.

7 15. "Declaration" means any instruments, however denominated, that  
8 create a condominium and any amendments to those instruments.

9 16. "Development rights" means any right or combination of rights  
10 reserved by or granted to a declarant in the declaration to do any of the  
11 following:

12 (a) Add real estate to a condominium.

13 (b) Create easements, units, common elements or limited common  
14 elements within a condominium.

15 (c) Subdivide units, convert units into common elements or convert  
16 common elements into units.

17 (d) Withdraw real estate from a condominium.

18 (e) Make the condominium part of a larger condominium or planned  
19 community.

20 (f) Amend the declaration during any period of declarant control,  
21 pursuant to section 33-1243, subsection E, to comply with applicable law  
22 or to correct any error or inconsistency in the declaration, if the  
23 amendment does not adversely affect the rights of any unit owner.

24 (g) Amend the declaration during any period of declarant control,  
25 pursuant to section 33-1243, subsection E, to comply with the rules or  
26 guidelines, in effect from time to time, of any governmental or  
27 quasi-governmental entity or federal corporation guaranteeing or insuring  
28 mortgage loans or governing transactions involving mortgage instruments.

29 17. "Identifying number" means a symbol or address that identifies  
30 one unit in a condominium.

31 18. "Leasehold condominium" means a condominium in which all or a  
32 portion of the real estate is subject to a lease the expiration or  
33 termination of which will terminate the condominium or reduce its size.

34 19. "Limited common element" means a portion of the common elements  
35 specifically designated as a limited common element in the declaration and  
36 allocated by the declaration or by operation of section 33-1212, paragraph  
37 2 or 4 for the exclusive use of one or more but fewer than all of the  
38 units.

39 20. "Person" means:

40 (a) A natural person, corporation, business trust, estate, trust,  
41 partnership, association, joint venture, government, governmental  
42 subdivision or agency, or other legal or commercial entity.

43 (b) In the case of a subdivision trust, as defined in section  
44 6-801, the beneficiary of the trust who holds the right to subdivide,  
45 develop or sell the real estate rather than the trust or trustee.

1           21. "Real estate":

2           (a) Means any legal, equitable, leasehold or other estate or  
3 interest in, over or under land, including structures, fixtures and other  
4 improvements and interests which by custom, usage or law pass with a  
5 conveyance of land though not described in the contract of sale or  
6 instrument of conveyance.

7           (b) Includes parcels with or without upper or lower boundaries and  
8 spaces that may be filled with air or water.

9           22. "Rules" means the provisions, if any, adopted pursuant to the  
10 declaration or bylaws governing maintenance and use of the units and  
11 common elements.

12           23. "Special declarant rights" means any right or combination of  
13 rights reserved by or granted to a declarant in the declaration to do any  
14 of the following:

15           (a) Construct improvements provided for in the declaration.

16           (b) Exercise any development right.

17           (c) Maintain sales offices, management offices, signs advertising  
18 the condominium, and models.

19           (d) Use easements through the common elements for the purpose of  
20 making improvements within the condominium or within real estate that may  
21 be added to the condominium.

22           (e) Appoint or remove any officer of the association or any board  
23 member during any period of declarant control.

24           24. "Unit" means a portion of the condominium designated for  
25 separate ownership or occupancy.

26           25. "Unit owner" means:

27           (a) A declarant or other person who owns a unit or, unless  
28 otherwise provided in the lease, a lessee of a unit in a leasehold  
29 condominium whose lease expires simultaneously with any lease the  
30 expiration or termination of which will remove the unit from the  
31 condominium but does not include a person having an interest in a unit  
32 solely as security for an obligation.

33           (b) In the case of a contract for conveyance, as defined in section  
34 33-741, of real property, the purchaser of the unit.

35           26. "Unit owner ~~expenses~~ CHARGES":

36           (a) Means fees, charges, ~~rate charges and~~ monetary penalties or  
37 interest that is imposed pursuant to section 33-1242, ~~subsection A,~~  
38 ~~paragraphs 10, 11 and 12~~ OR THE CONDOMINIUM DOCUMENTS.

39           (b) Does not include any amount that is included in a common  
40 expense lien.



1 F. Recording the declaration constitutes record notice and  
2 perfection of the common expense lien. Further recordation of any claim  
3 of common expense lien under this section is not required.

4 G. A common expense lien is extinguished unless proceedings to  
5 enforce the COMMON EXPENSE lien are instituted within six years after the  
6 full amount of the assessments becomes due.

7 H. This section does not prohibit:

8 1. Actions to recover sums for which subsection A or B of this  
9 section creates a PERFECTED AND OTHERWISE EFFECTIVE lien.

10 2. An association from taking a deed in lieu of foreclosure.

11 I. A judgment or decree in any action brought under this section  
12 may include costs and reasonable attorney fees for the prevailing party.

13 J. The association on written request shall furnish to a  
14 lienholder, escrow agent, unit owner or person designated by a unit owner  
15 a statement setting forth the amount of any unpaid liens prescribed by  
16 subsection A or B of this section against the unit. The statement shall  
17 be furnished within ten days after receipt of the request. The statement  
18 is binding on the association if the statement is requested by an escrow  
19 agency that is licensed pursuant to title 6, chapter 7. Failure to  
20 provide the statement to the escrow agent within the time provided for in  
21 this subsection extinguishes any lien for any unpaid assessment then due.

22 K. Notwithstanding any provision in the condominium documents or in  
23 any contract between the association and a management company or any other  
24 agent of the association, including any agreement or contract with any  
25 attorney, unless the unit owner directs otherwise, all payments received  
26 on a unit owner's account shall be applied first to any unpaid  
27 assessments, due but not delinquent assessments, unpaid charges for late  
28 payment of OR INTEREST ON those assessments if authorized in the  
29 declaration, unpaid reasonable collection fees and costs incurred or  
30 applied by the association and unpaid attorney fees and costs incurred IN  
31 ANY ACTION with respect to those assessments if awarded by a court, in  
32 that order, with any remaining amounts applied next to other unpaid fees,  
33 charges and monetary penalties or interest ~~and late charges~~ on any of  
34 those amounts.

35 L. For a delinquent account for unpaid common expense liens, the  
36 association shall ~~provide~~ DELIVER the following written notice to the unit  
37 owner at the unit owner's address ~~as provided to the association~~ OF RECORD  
38 at least thirty days before authorizing an attorney, or a collection  
39 agency that is not acting as the association's managing agent, to begin  
40 collection activity on behalf of the association:

41 Your account is delinquent. If you do not bring your account  
42 current or make arrangements that are approved by the  
43 association to bring your account current within thirty days  
44 after the date of this notice, your account will be turned  
45 over for further collection proceedings. Such collection

1 proceedings could include bringing a foreclosure action  
2 against your property.

3 The notice shall be in ~~boldfaced~~ BOLD-FACED type or all capital letters  
4 and shall include the contact information for the person that the unit  
5 owner may contact to discuss payment. The notice shall be sent by  
6 certified mail, return receipt requested, ~~and may be included within other~~  
7 ~~correspondence sent to the unit owner regarding the unit owner's~~  
8 ~~delinquent account.~~ IF THE ASSOCIATION DOES NOT COMPLY WITH THE NOTICE  
9 REQUIREMENTS PRESCRIBED BY THIS SUBSECTION, ALL SUBSEQUENT COLLECTION  
10 COSTS INCURRED BY THE ASSOCIATION ARE UNCOLLECTIBLE AGAINST THE UNIT  
11 OWNER.

12 ~~M. Except for condominiums that have fewer than fifty units and~~  
13 ~~that do not contract with a third party to perform management services on~~  
14 ~~behalf of the association, the association shall provide a statement of~~  
15 ~~account in lieu of a periodic payment book to the unit owner with the same~~  
16 ~~frequency that assessments are provided for in the declaration. The~~  
17 ~~statement of account shall include the current account balance due and the~~  
18 ~~immediately preceding ledger history. If the association offers the~~  
19 ~~statement of account by electronic means, a unit owner may opt to receive~~  
20 ~~the statement electronically. The association may stop providing any~~  
21 ~~further statements of account to a unit owner if collection activity~~  
22 ~~begins by an attorney, or a collection agency that is not acting as the~~  
23 ~~association's managing agent, regarding that unit owner's unpaid account.~~  
24 ~~After collection activity begins, a unit owner may request statements of~~  
25 ~~account by written request to the attorney or collection agency. Any~~  
26 ~~request by a unit owner for a statement of account after collection~~  
27 ~~activity begins by an attorney or a collection agency that is not acting~~  
28 ~~as the association's managing agent must be fulfilled by the attorney or~~  
29 ~~the collection agency responsible for the collection. The statement of~~  
30 ~~account provided by the attorney or collection agency responsible for the~~  
31 ~~collection shall include all amounts claimed to be owing to resolve the~~  
32 ~~delinquency through the date set forth in the statement, including~~  
33 ~~attorney fees and costs, regardless of whether such amounts have been~~  
34 ~~reduced to judgment.~~

35 M. THE ASSOCIATION SHALL MAINTAIN A TRUE AND ACCURATE RECORD OF  
36 ACCOUNTS FOR EACH UNIT IN THE CONDOMINIUM. THESE ACCOUNTS SHALL  
37 DISTINGUISH BETWEEN CHARGES THAT ARE INCLUDED IN THE COMMON EXPENSE LIEN  
38 AND OTHER UNIT OWNER CHARGES. WITH RESPECT TO THE ACCOUNTS:

39 1. THE ASSOCIATION MAY USE ANY PROCESS OR TOOL IT DEEMS APPROPRIATE  
40 FOR THE BILLING OF MONEY OWED ON THE UNIT OWNER'S ACCOUNTS, INCLUDING THE  
41 USE OF PERIODIC PAYMENT BOOKS. THE ASSOCIATION SHALL PROVIDE EITHER  
42 SECURE ONLINE VIEWING ACCESS TO THE INDIVIDUAL UNIT OWNER'S ACCOUNT OR, ON  
43 REQUEST BY THE UNIT OWNER, AN ELECTRONIC COPY OF THE STATEMENT OF ACCOUNT  
44 FOR THE CURRENT FISCAL YEAR, WITHOUT CHARGE.

1           2. THE ASSOCIATION OR ITS AGENTS SHALL MAKE GOOD FAITH EFFORTS TO  
2 EVALUATE AND RESOLVE ANY CHARGES ON THE UNIT OWNER'S ACCOUNT THAT ARE  
3 CONTESTED BY THE UNIT OWNER, INCLUDING A REQUEST FOR REVIEW AND CORRECTION  
4 BY THE BOARD OF DIRECTORS, IF NECESSARY.

5           3. ANY CHARGE ASSESSED IN VIOLATION OF THE DECLARATION OR THIS  
6 CHAPTER ON EITHER THE COMMON EXPENSE LIEN OR THE UNIT OWNER CHARGES IS  
7 INVALID AND UNENFORCEABLE.

8           4. ANY CONTESTED CHARGE FROM THE UNIT OWNER'S STATEMENT OF ACCOUNT  
9 MAY BE CHALLENGED IN A COURT OF COMPETENT JURISDICTION IN ANY ACTION BY  
10 THE ASSOCIATION TO ENFORCE OR APPLY THE COMMON EXPENSE LIEN OR JUDGMENT  
11 LIEN. IF THE COURT FINDS THE CHARGE TO BE INVALID, THE CHARGE AND ANY  
12 SUBSEQUENT RELATED COLLECTION COST OR FEES THAT ARE INCLUDED IN THE COMMON  
13 EXPENSE LIEN OR JUDGMENT LIEN BASED ON THAT CHARGE SHALL BE EXTINGUISHED  
14 AND EXCLUDED FROM THE COMMON EXPENSE LIEN OR JUDGMENT LIEN BY ORDER OF THE  
15 COURT.

16           N. An agent for the association may collect on behalf of the  
17 association directly from a unit owner the assessments and other amounts  
18 owed by cash or check, by mailed or hand-delivered bank drafts, checks,  
19 cashier's checks or money orders, by credit, charge or debit card or by  
20 other electronic means. For any form of payment other than for cash or  
21 for mailed or hand-delivered bank drafts, checks, cashier's checks or  
22 money orders, the agent may charge a convenience fee to the unit owner  
23 that is approximately the amount charged to the agent by a third-party  
24 service provider.

25           O. The association may not transfer ownership or control of debt  
26 for common expense liens or unit owner ~~expenses~~ CHARGES.

27           ~~P.~~ P. This section does not apply to timeshare plans or  
28 associations that are subject to chapter 20 of this title.

29           Sec. 3. Section 33-1802, Arizona Revised Statutes, is amended to  
30 read:

31           33-1802. Definitions

32           In this chapter and in the community documents, unless the context  
33 otherwise requires:

34           1. "ALLOCATED INTERESTS" MEANS THE COMMON EXPENSE LIABILITY AND  
35 VOTING RIGHTS THAT ARE ALLOCATED TO EACH MEMBER OF THE ASSOCIATION.

36           2. "ASSESSMENT" MEANS THE ASSOCIATION'S CHARGES THAT ARE APPLIED TO  
37 EACH MEMBER TO FUND THE ACTUAL OR ANTICIPATED COMMON EXPENSES BASED ON  
38 EACH MEMBER'S COMMON EXPENSE LIABILITY.

39           ~~3.~~ 3. "Association":

40           (a) Means a nonprofit corporation or unincorporated association of  
41 owners that is created pursuant to a declaration to own and operate  
42 portions of a planned community and that has the power under the  
43 declaration to assess association members to pay the costs and expenses  
44 incurred in the performance of the association's obligations under the  
45 declaration.

1 (b) Does not include a nonprofit corporation or unincorporated  
2 association of owners that is created or incorporated before January 1,  
3 1974 and that does not have authority to enforce covenants, conditions or  
4 restrictions related to the use, occupancy or appearance of the separately  
5 owned lots, parcels or units in a real estate development, unless the  
6 nonprofit corporation or unincorporated association of owners elects to be  
7 subject to this chapter pursuant to section 33-1801, subsection D.

8 4. "COMMON EXPENSE LIABILITY" MEANS THE SHARE OR ASSIGNMENT OF  
9 COMMON EXPENSES THAT ARE ALLOCATED TO EACH MEMBER BY THE DECLARATION.

10 ~~2.~~ 5. "Common expense lien" means the lien for assessments,  
11 charges for late payment of assessments OR INTEREST ON THOSE ASSESSMENTS  
12 if authorized in the declaration, reasonable collection fees and costs  
13 THAT ARE incurred or applied by the association and reasonable attorney  
14 fees and costs that are incurred IN ANY ACTION with respect to those  
15 assessments, if the attorney fees and costs are awarded by a court.

16 6. "COMMON EXPENSES" MEANS EXPENDITURES MADE BY OR FINANCIAL  
17 LIABILITIES OF THE ASSOCIATION FOR THE MAINTENANCE, OPERATION, USE,  
18 UPGRADE, REPLACEMENT OR ACQUISITION OF THE COMMON PROPERTY, THE  
19 MAINTENANCE OF MEMBER PROPERTY OR UTILITIES OR OTHER SERVICES REQUIRED BY  
20 THE DECLARATION AND THE ASSOCIATION'S REASONABLE ADMINISTRATIVE AND  
21 OPERATIONAL EXPENSES AS AUTHORIZED IN THE DECLARATION.

22 ~~3.~~ 7. "Community documents" means the declaration, bylaws,  
23 articles of incorporation, if any, and rules, if any.

24 ~~4.~~ 8. "Declaration" means any instruments, however denominated,  
25 that establish a planned community and any amendment to those instruments.

26 ~~5.~~ 9. "Member ~~expenses~~ CHARGES":

27 (a) Means fees, charges, ~~late charges~~ and monetary penalties or  
28 interest THAT ARE IMPOSED PURSUANT TO THE COMMUNITY DOCUMENTS.

29 (b) Does not include any amount that is included in a common  
30 expense lien.

31 ~~6.~~ 10. "Planned community":

32 (a) Means a real estate development that includes real estate owned  
33 and operated by or real estate on which an easement to maintain roadways  
34 or a covenant to maintain roadways is held by a nonprofit corporation or  
35 unincorporated association of owners, that is created ~~for the purpose of~~  
36 ~~managing, maintaining or improving~~ TO MANAGE, MAINTAIN OR IMPROVE the  
37 property and in which the declaration expressly states both that the  
38 owners of separately owned lots, parcels or units are mandatory members  
39 and that the owners are required to pay assessments to the association for  
40 these purposes.

1 (b) Does not include any of the following:

2 (i) A timeshare plan or a timeshare association that is governed by  
3 chapter 20 of this title.

4 (ii) A condominium that is governed by chapter 9 of this title.

5 (iii) A real estate development that is not managed or maintained  
6 by an association.

7 Sec. 4. Section 33-1807, Arizona Revised Statutes, is amended to  
8 read:

9 33-1807. Common expense liens; priority; mechanics' and  
10 materialmen's liens; notice

11 A. The association has a common expense lien on a property for any  
12 **VALID** assessment levied against that property from the time the assessment  
13 becomes due. The association's common expense lien may be foreclosed in  
14 the same manner as a mortgage on real estate but may be foreclosed only if  
15 the owner has been and remains delinquent in the payment of any assessment  
16 or portion of the assessment for a period of eighteen months or in the  
17 amount of \$10,000 or more, whichever occurs first, as determined on the  
18 date the action is filed. **FOR ANY SPECIAL ASSESSMENT WITH AN INITIAL**  
19 **VALUE OF \$10,000 OR MORE, ONLY THE EIGHTEEN-MONTH DELINQUENCY THRESHOLD**  
20 **APPLIES.** The association board of directors shall exercise reasonable  
21 efforts to communicate with the member and offer a reasonable payment plan  
22 before filing a foreclosure action. If an assessment is payable in  
23 installments, the full amount of the assessment is a common expense lien  
24 from the time the first installment of the assessment becomes due.

25 B. Notwithstanding any provision in the community documents, member  
26 ~~expenses~~ **CHARGES** are not enforceable as common expense liens under this  
27 section. The association has a judgment lien for member ~~expenses~~ **CHARGES**  
28 after the entry of a judgment in a civil suit for those member ~~expenses~~  
29 **CHARGES** from a court of competent jurisdiction and the recording of that  
30 judgment in the office of the county recorder as otherwise provided by  
31 law. The association's judgment lien for member ~~expenses~~ **CHARGES** may not  
32 be foreclosed and is effective only on conveyance of any interest in the  
33 real property.

34 C. A common expense lien under this section is prior to all other  
35 liens, interests and encumbrances on a property except:

36 1. Liens and encumbrances recorded before the recordation of the  
37 declaration.

38 2. A recorded first mortgage on the property, a seller's interest  
39 in a first contract for sale pursuant to chapter 6, article 3 of this  
40 title on the property recorded before the common expense lien arising  
41 pursuant to subsection A of this section or a recorded first deed of trust  
42 on the property.

43 3. Liens for real estate taxes and other governmental assessments  
44 or charges against the property.

1 D. Subsection C of this section does not affect the priority of  
2 mechanics' or materialmen's liens. The common expense lien under this  
3 section is not subject to chapter 8 of this title.

4 E. Unless the declaration otherwise provides, if two or more  
5 associations have common expense liens created at any time on the same  
6 real estate those common expense liens have equal priority.

7 F. Recording the declaration constitutes record notice and  
8 perfection of the common expense lien. Further recordation of any claim  
9 of common expense lien under this section is not required.

10 G. A common expense lien is extinguished unless proceedings to  
11 enforce the common expense lien are instituted within six years after the  
12 full amount of the assessment becomes due.

13 H. This section does not prohibit:

14 1. Actions to recover amounts for which subsection A or B of this  
15 section creates a PERFECTED AND OTHERWISE EFFECTIVE lien.

16 2. An association from taking a deed in lieu of foreclosure.

17 I. A judgment or decree in any action brought under this section  
18 may include costs and reasonable attorney fees for the prevailing party.

19 J. On written request, the association shall furnish to a  
20 lienholder, escrow agent, member or person designated by a member a  
21 statement setting forth the amount of any unpaid liens prescribed by  
22 subsection A or B of this section against the property. The association  
23 shall furnish the statement within ten days after receipt of the request.  
24 The statement is binding on the association if the statement is requested  
25 by an escrow agency that is licensed pursuant to title 6, chapter 7.  
26 Failure to provide the statement to the escrow agent within the time  
27 provided for in this subsection extinguishes any lien for any unpaid  
28 assessment then due.

29 K. Notwithstanding any provision in the community documents or in  
30 any contract between the association and a management company or any other  
31 agent of the association, including any agreement or contract with any  
32 attorney, unless the member directs otherwise, all payments received on a  
33 member's account shall be applied first to any unpaid assessments, due but  
34 not delinquent assessments, unpaid charges for late payment of OR INTEREST  
35 ON those assessments if authorized in the declaration, unpaid reasonable  
36 collection fees and costs incurred or applied by the association, and  
37 unpaid attorney fees and costs incurred IN ANY ACTION with respect to  
38 those assessments if awarded by a court, in that order, with any remaining  
39 amounts applied next to other unpaid fees, AND charges and monetary  
40 penalties or interest ~~and late charges~~ on any of those amounts.

41 L. For a delinquent account for unpaid common expense liens, the  
42 association shall provide DELIVER the following written notice to the  
43 member at the member's address ~~as provided to the association~~ OF RECORD at  
44 least thirty days before authorizing an attorney, or a collection agency

1 that is not acting as the association's managing agent, to begin  
2 collection activity on behalf of the association:

3 Your account is delinquent. If you do not bring your account  
4 current or make arrangements that are approved by the  
5 association to bring your account current within thirty days  
6 after the date of this notice, your account will be turned  
7 over for further collection proceedings. Such collection  
8 proceedings could include bringing a foreclosure action  
9 against your property.

10 The notice shall be in bold-faced type or all capital letters and shall  
11 include the contact information for the person that the member may contact  
12 to discuss payment. The notice shall be sent by certified mail, return  
13 receipt requested, ~~and may be included within other correspondence sent to~~  
14 ~~the member regarding the member's delinquent account.~~ IF THE ASSOCIATION  
15 DOES NOT COMPLY WITH THE NOTICE REQUIREMENTS PRESCRIBED BY THIS  
16 SUBSECTION, ALL SUBSEQUENT COLLECTION COSTS ARE UNCOLLECTIBLE AGAINST THE  
17 MEMBER.

18 ~~M. Except for planned communities that have fewer than fifty lots~~  
19 ~~and that do not contract with a third party to perform management services~~  
20 ~~on behalf of the association, the association shall provide a statement of~~  
21 ~~account in lieu of a periodic payment book to the member with the same~~  
22 ~~frequency that assessments are provided for in the declaration. The~~  
23 ~~statement of account shall include the current account balance due and the~~  
24 ~~immediately preceding ledger history. If the association offers the~~  
25 ~~statement of account by electronic means, a member may opt to receive the~~  
26 ~~statement electronically. The association may stop providing any further~~  
27 ~~statements of account to a member if collection activity begins by an~~  
28 ~~attorney, or a collection agency that is not acting as the association's~~  
29 ~~managing agent, regarding that member's unpaid account. After collection~~  
30 ~~activity begins, a member may request statements of account by written~~  
31 ~~request to the attorney or collection agency. Any request by a member for~~  
32 ~~a statement of account after collection activity begins by an attorney or~~  
33 ~~a collection agency that is not acting as the association's managing agent~~  
34 ~~must be fulfilled by the attorney or the collection agency responsible for~~  
35 ~~the collection. The statement of account provided by the attorney or~~  
36 ~~collection agency responsible for the collection shall include all amounts~~  
37 ~~claimed to be owing to resolve the delinquency through the date set forth~~  
38 ~~in the statement, including attorney fees and costs, regardless of whether~~  
39 ~~such amounts have been reduced to judgment.~~

40 M. THE ASSOCIATION SHALL MAINTAIN A TRUE AND ACCURATE RECORD OF  
41 ACCOUNTS FOR EACH PROPERTY IN THE PLANNED COMMUNITY. THESE ACCOUNTS SHALL  
42 DISTINGUISH BETWEEN CHARGES THAT ARE INCLUDED IN THE COMMON EXPENSE LIEN  
43 AND OTHER MEMBER CHARGES. WITH RESPECT TO THE ACCOUNTS:

44 1. THE ASSOCIATION MAY USE ANY PROCESS OR TOOL IT DEEMS APPROPRIATE  
45 FOR THE BILLING OF MONEY OWED ON THE MEMBER'S ACCOUNTS, INCLUDING THE USE

1 OF PERIODIC PAYMENT BOOKS. THE ASSOCIATION SHALL PROVIDE EITHER SECURE  
2 ONLINE VIEWING ACCESS TO THE INDIVIDUAL MEMBER'S ACCOUNT OR, ON REQUEST BY  
3 THE MEMBER, AN ELECTRONIC COPY OF THE STATEMENT OF ACCOUNT FOR THE CURRENT  
4 FISCAL YEAR, WITHOUT CHARGE.

5 2. THE ASSOCIATION OR ITS AGENTS SHALL MAKE GOOD FAITH EFFORTS TO  
6 EVALUATE AND RESOLVE ANY CHARGES ON THE MEMBER'S ACCOUNT THAT ARE  
7 CONTESTED BY THE MEMBER, INCLUDING A REQUEST FOR REVIEW AND CORRECTION BY  
8 THE BOARD OF DIRECTORS, IF NECESSARY.

9 3. ANY CHARGE ASSESSED IN VIOLATION OF THE DECLARATION OR THIS  
10 CHAPTER ON EITHER THE COMMON EXPENSE LIEN OR THE MEMBER CHARGES IS INVALID  
11 AND UNENFORCEABLE.

12 4. ANY CONTESTED CHARGE FROM THE MEMBER'S STATEMENT OF ACCOUNT MAY  
13 BE CHALLENGED IN A COURT OF COMPETENT JURISDICTION IN ANY ACTION BY THE  
14 ASSOCIATION TO ENFORCE OR APPLY THE COMMON EXPENSE LIEN OR JUDGMENT LIEN.  
15 IF THE COURT FINDS THE CHARGE TO BE INVALID, THE CHARGE AND ANY SUBSEQUENT  
16 RELATED COLLECTION COST OR FEES THAT ARE INCLUDED IN THE COMMON EXPENSE  
17 LIEN OR JUDGMENT LIEN BASED ON THAT CHARGE SHALL BE EXTINGUISHED AND  
18 EXCLUDED FROM THE COMMON EXPENSE LIEN OR JUDGMENT LIEN BY ORDER OF THE  
19 COURT.

20 N. An agent for the association may collect on behalf of the  
21 association directly from a member the assessments and other amounts owed  
22 by cash or check, by mailed or hand-delivered bank drafts, checks,  
23 cashier's checks or money orders, by credit, charge or debit card or by  
24 other electronic means. For any form of payment other than for cash or  
25 for mailed or hand-delivered bank drafts, checks, cashier's checks or  
26 money orders, the agent may charge a convenience fee to the member that is  
27 approximately the amount charged to the agent by a third-party service  
28 provider.

29 0. The association may not transfer ownership or control of debt  
30 for common expense liens or member ~~expenses~~ CHARGES.