

REFERENCE TITLE: homeowners' associations; open meetings

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SB 1151

Introduced by  
Senators Rogers: Finchem

## AN ACT

AMENDING SECTIONS 33-1202, 33-1243, 33-1248, 33-1249, 33-1802 AND 33-1804, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1804.01; AMENDING SECTION 33-1813, 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.

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

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

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

24 8. "Common elements" means all portions of a condominium other than  
25 the units.

26 9. "Common expense liability" means the liability for common  
27 expenses allocated to each unit pursuant to section 33-1217 or 33-1255.

28 10. "Common expense lien" means the lien for assessments, charges  
29 for late payment of assessments if authorized in the declaration,  
30 reasonable collection fees and costs incurred or applied by the  
31 association and reasonable attorney fees and costs that are incurred with  
32 respect to those assessments, if the attorney fees and costs are awarded  
33 by a court.

34 11. "Common expenses" means expenditures made by or financial  
35 liabilities of the association, together with any allocations to reserves.

36 12. "Condominium" means real estate, portions of which are  
37 designated for separate ownership and the remainder of which is designated  
38 for common ownership solely by the owners of the separate portions. Real  
39 estate is not a condominium unless the undivided interests in the common  
40 elements are vested in the unit owners.

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

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

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

5       16. "Development rights" means any right or combination of rights  
6 reserved by or granted to a declarant in the declaration to do any of the  
7 following:

8           (a) Add real estate to a condominium.

9           (b) Create easements, units, common elements or limited common  
10 elements within a condominium.

11           (c) Subdivide units, convert units into common elements or convert  
12 common elements into units.

13           (d) Withdraw real estate from a condominium.

14           (e) Make the condominium part of a larger condominium or planned  
15 community.

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

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

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

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

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

35       20. "MEETING" MEANS ANY GATHERING OR INTERACTION, IN PERSON OR  
36 THROUGH TECHNOLOGICAL MEANS, OF A QUORUM OF THE BOARD OF DIRECTORS, A  
37 DESIGNATED COMMITTEE OR THE UNIT OWNERS AT WHICH THEY PROPOSE, DISCUSS,  
38 DELIBERATE OR TAKE LEGAL ACTION ON ASSOCIATION BUSINESS.

39       ~~20.~~ 21. "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.~~ 22. "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.~~ 23. "Rules" means the provisions, if any, adopted pursuant to  
10 the declaration or bylaws governing maintenance and use of the units and  
11 common elements.

12       ~~23.~~ 24. "Special declarant rights" means any right or combination  
13 of rights reserved by or granted to a declarant in the declaration to do  
14 any 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.~~ 25. "Unit" means a portion of the condominium designated for  
25 separate ownership or occupancy.

26       ~~25.~~ 26. "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.~~ 27. "Unit owner expenses":

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

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

1           Sec. 2. Section 33-1243, Arizona Revised Statutes, is amended to  
2 read:

3           33-1243. Board of directors and officers; conflict; powers;  
4                   limitations; removal; annual audit; applicability

5           A. Except as provided in the declaration, the bylaws, subsection B  
6 of this section or other provisions of this chapter, the board of  
7 directors may act in all instances on behalf of the association.

8           B. The board of directors shall not act on behalf of the  
9 association to amend the declaration, terminate the condominium, elect  
10 members of the board of directors or determine the qualifications, powers  
11 and duties or terms of office of board of directors members. Except as  
12 provided in subsection H of this section, the board of directors may fill  
13 vacancies in its membership for the unexpired portion of any term.

14           C. If any contract, decision or other action for compensation taken  
15 by or on behalf of the board of directors would benefit any member of the  
16 board of directors or any person who is a parent, grandparent, spouse,  
17 child or sibling of a member of the board of directors or a parent or  
18 spouse of any of those persons, that member of the board of directors  
19 shall declare a conflict of interest for that issue. The member shall  
20 declare the conflict in an open meeting of the board OF DIRECTORS before  
21 the board OF DIRECTORS discusses or takes action on that issue and that  
22 member may then vote on that issue. Any contract entered into in  
23 violation of this subsection is void and unenforceable.

24           D. Except as provided in the declaration, within thirty days after  
25 adoption of any proposed budget for the condominium, the board of  
26 directors shall provide a summary of the budget to all the unit owners.  
27 Unless the board of directors is expressly authorized in the declaration  
28 to adopt and amend budgets from time to time, any budget or amendment  
29 shall be ratified by the unit owners in accordance with the procedures set  
30 forth in this subsection. If ratification is required, the board of  
31 directors shall set a date for a meeting of the unit owners to consider  
32 ratification of the budget not fewer than fourteen or more than thirty  
33 days after mailing of the summary. Unless at that meeting a majority of  
34 all the unit owners or any larger vote specified in the declaration  
35 rejects the budget, the budget is ratified, whether or not a quorum is  
36 present. If the proposed budget is rejected, the periodic budget last  
37 ratified by the unit owners shall be continued until such time as the unit  
38 owners ratify a subsequent budget proposed by the board of directors.

39           E. The declaration may provide for a period of declarant control of  
40 the association, during which period a declarant or persons designated by  
41 the declarant may appoint and remove the officers and members of the board  
42 of directors. Regardless of the period provided in the declaration, a  
43 period of declarant control terminates not later than the earlier of:

44           1. Ninety days after conveyance of seventy-five percent of the  
45 units that may be created to unit owners other than a declarant.

1           2. Four years after all declarants have ceased to offer units for  
2 sale in the ordinary course of business.

3           F. A declarant may voluntarily surrender the right to appoint and  
4 remove officers and members of the board of directors before termination  
5 of the period prescribed in subsection E of this section, but in that  
6 event the declarant may require, for the duration of the period of  
7 declarant control, that specified actions of the association or board of  
8 directors, as described in a recorded instrument executed by the  
9 declarant, be approved by the declarant before they become effective.

10           G. Not later than the termination of any period of declarant  
11 control the unit owners shall elect a board of directors of at least three  
12 members, at least a majority of whom must be unit owners. The board of  
13 directors shall elect the officers. The board ~~OF DIRECTORS~~ members and  
14 officers shall take office on election.

15           H. Notwithstanding any provision of the declaration or bylaws to  
16 the contrary, all of the following apply to a meeting at which a member of  
17 the board of directors, other than a member appointed by the declarant, is  
18 proposed to be removed from the board of directors:

19           1. The unit owners who are eligible to vote at the time of the  
20 meeting may remove any member of the board of directors, other than a  
21 member appointed by the declarant, by a majority vote of those voting on  
22 the matter at a meeting of the unit owners.

23           2. The meeting of the unit owners shall be called pursuant to this  
24 section and action may be taken only if a quorum is present.

25           3. The unit owners may remove any member of the board of directors  
26 with or without cause, other than a member appointed by the declarant.

27           4. For purposes of calling for removal of a member of the board of  
28 directors, other than a member appointed by the declarant, the following  
29 apply:

30           (a) In an association with one thousand or fewer ~~members~~ ~~UNIT~~  
31 ~~OWNERS~~, on receipt of a petition that calls for removal of a member of the  
32 board of directors and that is signed by the number of persons who are  
33 eligible to vote in the association at the time the person signs the  
34 petition equal to at least twenty-five percent of the votes in the  
35 association or by the number of persons who are eligible to vote in the  
36 association at the time the person signs the petition equal to at least  
37 one hundred votes in the association, whichever is less, the board ~~OF~~  
38 ~~DIRECTORS~~ shall call and provide written notice of a special meeting of  
39 the association as prescribed by section 33-1248, subsection ~~B-~~ C.

40           (b) Notwithstanding section 33-1248, subsection ~~B-~~ C, in an  
41 association with more than one thousand ~~members~~ ~~UNIT OWNERS~~, on receipt of  
42 a petition that calls for removal of a member of the board of directors  
43 and that is signed by the number of persons who are eligible to vote in  
44 the association at the time the person signs the petition equal to at  
45 least ten percent of the votes in the association or by the number of

1 persons who are eligible to vote in the association at the time the person  
2 signs the petition equal to at least one thousand votes in the  
3 association, whichever is less, the board OF DIRECTORS shall call and  
4 provide written notice of a special meeting of the association. The board  
5 OF DIRECTORS shall provide written notice of a special meeting as  
6 prescribed by section 33-1248, subsection ~~B~~ C.

7 (c) The special meeting shall be called, noticed and held within  
8 thirty days after receipt of the petition.

9 (d) If all of the requirements of this subsection for calling a  
10 special meeting are met and the board of directors fails to call, notice  
11 and hold a special meeting within thirty days after receipt of the  
12 petition, the members of the board of directors are deemed removed from  
13 office effective at midnight of the thirty-first day.

14 ~~(e) For purposes of a special meeting called pursuant to this~~  
15 ~~subsection, a quorum is present if the number of owners who are eligible~~  
16 ~~to vote in the association at the time the person attends the meeting~~  
17 ~~equal to at least twenty percent of the votes of the association or the~~  
18 ~~number of persons who are eligible to vote in the association at the time~~  
19 ~~the person attends the meeting equal to at least one thousand votes,~~  
20 ~~whichever is less, is present at the meeting in person or as otherwise~~  
21 ~~allowed by law.~~

22 ~~(f)~~ (e) If a civil action is filed regarding the removal of a  
23 board OF DIRECTORS member, the prevailing party in the civil action shall  
24 be awarded its reasonable attorney fees and costs.

25 ~~(g)~~ (f) The board of directors shall retain all documents and  
26 other records relating to the proposed removal of the member of the board  
27 of directors and any election or other action taken for that director's  
28 replacement for at least one year after the date of the special meeting  
29 and shall allow members to inspect those documents and records pursuant to  
30 section 33-1258.

31 ~~(h)~~ (g) A ~~petition that calls for the removal of the same~~ member  
32 of the board of directors shall not be ~~submitted~~ SUBJECT TO A RECALL VOTE  
33 more than once during each term of office for that member.

34 5. On removal of at least one but fewer than a majority of the  
35 members of the board of directors at a special meeting of the membership  
36 called pursuant to this subsection, the vacancies shall be filled as  
37 provided in the condominium documents FOR THE REMAINDER OF THE ORIGINAL  
38 TERMS.

39 6. On removal of a majority of the members of the board of  
40 directors at a special meeting of the membership called pursuant to this  
41 subsection, or if the condominium documents do not provide a method for  
42 filling board OF DIRECTORS vacancies, the association shall hold an  
43 election for the replacement of the removed directors FOR THE REMAINDER OF  
44 THE DIRECTORS' ORIGINAL TERMS at a separate meeting of the members of the

1 association that is held not later than thirty days after the meeting at  
2 which the members of the board of directors were removed.

3 7. A member of the board of directors who is removed pursuant to  
4 this subsection is not eligible to serve on the board of directors again  
5 until after the expiration of the removed board OF DIRECTORS member's term  
6 of office, unless the condominium documents specifically provide for a  
7 longer period of ineligibility.

8 I. For an association in which board OF DIRECTORS members are  
9 elected from separately designated voting districts, a member of the board  
10 of directors, other than a member appointed by the declarant, may be  
11 removed only by a vote of the members from that voting district, and only  
12 the members from that voting district are eligible to vote on the matter  
13 or be counted for purposes of determining a quorum.

14 J. Unless any provision in the condominium documents requires an  
15 annual audit by a certified public accountant, the board of directors  
16 shall provide for an annual financial audit, review or compilation of the  
17 association. The audit, review or compilation shall be completed ~~no~~ NOT  
18 later than one hundred eighty days after the end of the association's  
19 fiscal year and shall be made available on request to the unit owners  
20 within thirty days after its completion.

21 K. This section does not apply to timeshare plans or associations,  
22 or the period of declarant control under timeshare instruments, that are  
23 subject to chapter 20 of this title.

24 Sec. 3. Section 33-1248, Arizona Revised Statutes, is amended to  
25 read:

26 33-1248. Open meetings; exceptions; notice; agenda; policy  
27 statement

28 A. AFTER THE PERIOD OF DECLARANT CONTROL AND notwithstanding any  
29 provision in TITLE 10 OR the ~~declaration, bylaws or other~~ CONDOMINIUM  
30 documents to the contrary, all meetings of the unit owners' association  
31 and the board of directors, and any ~~regularly scheduled~~ COMMON ELEMENT  
32 MANAGEMENT OR FINANCIAL ADVISORY committee meetings, HOWEVER DENOMINATED,  
33 are open to all ~~members~~ UNIT OWNERS of the association or any person  
34 designated by a ~~member~~ UNIT OWNER in writing as the ~~member's~~ UNIT OWNER'S  
35 representative. ~~and~~ All ~~members~~ UNIT OWNERS or designated representatives  
36 so desiring shall be allowed to attend and speak at an appropriate time  
37 during the deliberations and proceedings. The board OF DIRECTORS,  
38 COMMITTEE OR UNIT OWNERS may place reasonable time restrictions on those  
39 persons speaking during the meeting but shall allow a ~~member~~ UNIT OWNER or  
40 a ~~member's~~ UNIT OWNER'S designated representative to speak once after the  
41 ~~board~~ BODY has discussed a specific agenda item but before the ~~board~~ BODY  
42 takes formal action on that item in addition to any other opportunities to  
43 speak. The ~~board~~ BODY shall provide for a reasonable number of persons to  
44 speak on each side of an issue. THE FOLLOWING APPLY TO MEETINGS OF THE  
45 BOARD OF DIRECTORS, COMMITTEE OR UNIT OWNERS:



1           1. Persons attending may ~~audiotape or videotape~~ RECORD those  
 2 portions of the meetings of the board of directors, DESIGNATED COMMITTEES  
 3 and ~~meetings of the members~~ UNIT OWNERS that are open. The board of  
 4 directors of the association shall not require advance notice of the  
 5 ~~audiotaping or videotaping~~ RECORDING and may adopt reasonable rules  
 6 governing the ~~audiotaping or videotaping~~ RECORDING of open portions of the  
 7 meetings ~~of the board and the membership~~, but such rules shall not  
 8 preclude such ~~audiotaping or videotaping~~ RECORDING by those  
 9 attending, ~~unless the board audiotapes or videotapes the meeting and makes~~  
 10 ~~the unedited audiotapes or videotapes available to members on request~~  
 11 ~~without restrictions on their use as evidence in any dispute resolution~~  
 12 ~~process. If a board records a meeting that is open to the members, the~~  
 13 ~~board shall keep a copy of the recording for at least six months and make~~  
 14 ~~the unedited recording available to any member on request in compliance~~  
 15 ~~with section 33-1258, subsection A.~~

16           2. THE ASSOCIATION MAY ESTABLISH RULES THAT PREVENT DISTRIBUTING  
 17 ANY RECORDING OF AN ASSOCIATION MEETING TO ANYONE WHO IS NOT A RESIDENT OR  
 18 UNIT OWNER OF THE CONDOMINIUM, EXCEPT FOR THE USE OF THOSE RECORDINGS AS  
 19 EVIDENCE IN ANY DISPUTE RESOLUTION PROCESS.

20           3. ANY RECORDING MADE BY THE BOARD OF DIRECTORS, A COMMITTEE  
 21 APPOINTED BY THE BOARD OF DIRECTORS OR ANY AGENTS OF THE BOARD OF  
 22 DIRECTORS OR SUCH COMMITTEE IS NOT A RECORD OF THE ASSOCIATION AND IS NOT  
 23 SUBJECT TO A RECORDS REQUEST PURSUANT TO SECTION 33-1258.

24           B. Any portion of a BOARD OF DIRECTORS OR COMMITTEE meeting may be  
 25 closed only if that portion of the meeting is limited to consideration  
 26 WITHOUT ACTION of one or more of the following:

27           1. Legal advice from an attorney for the board ~~or the association~~  
 28 ~~OF DIRECTORS OR THE COMMITTEE. On final resolution of any matter for which~~  
 29 ~~the board received legal advice or that concerned pending or contemplated~~  
 30 ~~litigation, the board may disclose information about that matter in an~~  
 31 ~~open meeting except for matters that are required to remain confidential~~  
 32 ~~by the terms of a settlement agreement or judgment.~~

33           2. Pending or contemplated litigation.

34           3. Personal, health or financial information about an individual  
 35 ~~member of the association~~ UNIT OWNER, an individual employee of the  
 36 association or an individual employee of a contractor for the association,  
 37 including THE REVIEW OF ANY records of the association directly related to  
 38 ~~the personal, health or financial information about an individual member~~  
 39 ~~of the association, an individual employee of the association or an~~  
 40 ~~individual employee of a contractor for the association~~ OR CONTAINING THAT  
 41 INFORMATION. CITED OR CONTEMPLATED CITATIONS FOR VIOLATIONS OF  
 42 CONDOMINIUM DOCUMENTS, ALONG WITH ANY SUBSEQUENT FINE OR PENALTY IMPOSED  
 43 BY THE ASSOCIATION, ARE NOT PERSONAL OR FINANCIAL INFORMATION PRESCRIBED  
 44 BY THIS PARAGRAPH.

4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.

5. ~~ON THE SPECIFIC REQUEST OF THE UNIT OWNER~~, discussion ~~AND DIRECT DISPOSITION~~ of a unit owner's appeal of any violation cited or penalty imposed by the association ~~except on request of the affected unit owner that the meeting be held in an open session~~ WITH THE UNIT OWNER PRESENT.

6. THE REVIEW, NEGOTIATION AND CONSIDERATION OF PROPRIETARY BID PROPOSALS FROM POTENTIAL CONTRACTORS OR FINANCING OPTIONS FROM ANY FINANCIAL INSTITUTION BEFORE AWARDING A CONTRACT FOR THE DESIRED GOODS OR SERVICES. ANY FINAL CONTRACT SHALL BE APPROVED IN OPEN SESSION.

~~B.~~ C. Notwithstanding any provision in the condominium documents, all meetings of the unit owners' association and the board OF DIRECTORS shall be held in this state. A FORMAL meeting of the unit owners' association shall be held at least once each year TO ELECT BOARD OF DIRECTORS MEMBERS TO FILL EXPIRED TERMS OR NEWLY CREATED POSITIONS AND TO CONDUCT ANY OTHER BUSINESS OF THE ASSOCIATION. Special meetings of the unit owners' association may be called by the president, by a majority of the board of directors or by unit owners having at least twenty-five percent, or any lower percentage specified in the bylaws, of the votes in the association. Not fewer than ten or more than fifty days in advance of any meeting of the unit owners, the ~~secretary~~ ASSOCIATION shall cause WRITTEN notice to be hand delivered or sent ~~prepaid~~ by United States mail to the mailing address OF RECORD of each unit or ~~to any other mailing TO BE SENT TO AN EMAIL~~ address IF AUTHORIZED AND designated in writing by the unit owner. The notice of any meeting of the unit owners shall state the date, time, METHOD and place of the meeting. The notice of any annual, ~~regular~~ or special meeting of the unit owners shall also state the purpose for which the meeting is called, including the general nature of any proposed amendment to the declaration or bylaws, any changes in assessments that require approval of the unit owners and any proposal to remove a director or officer. The ~~secretary~~ ASSOCIATION shall also provide an agenda for any meeting of the unit owners' association by hand delivery, mail, website posting, email or other electronic means or posting at a community center or other similar location. The failure of any unit owner to receive actual notice of a meeting of the unit owners or the meeting agenda does not affect the validity of any action taken at that meeting. WITH RESPECT TO ANY ANNUAL OR SPECIAL MEETING OF THE ASSOCIATION, THE FOLLOWING APPLY:

1. THE UNIT OWNERS OF THE ASSOCIATION PRESENT OR PARTICIPATING AT THE MEETING SHALL CONTROL AND CONDUCT THE ANNUAL OR SPECIAL MEETING OF THE ASSOCIATION. THE BOARD OF DIRECTORS SHALL FACILITATE THE MEETING AND PROVIDE FOR MINUTES TO BE TAKEN.

1           2. THE QUORUM FOR ANY ANNUAL OR SPECIAL MEETING OF THE ASSOCIATION  
2 SHALL BE DETERMINED PURSUANT TO SECTION 33-1249.

3           3. IF ANY ANNUAL OR SPECIAL MEETING OF THE ASSOCIATION IS CALLED TO  
4 ELECT BOARD OF DIRECTORS MEMBERS AND THE MEETING FAILS TO SATISFY THE  
5 REQUIRED QUORUM, THE ASSOCIATION SHALL RECONVENE THAT MEETING WITHIN  
6 FOURTEEN DAYS UNTIL A QUORUM IS SATISFIED AND THE MEETING AND ELECTION ARE  
7 HELD.

8           4. ALL DECISIONS REGARDING THE CONDUCT OF THE MEETING SHALL BE MADE  
9 BY UNIT OWNER MOTIONS AND DECIDED BY VOICE VOTE OR SHOW OF HANDS BY THOSE  
10 UNIT OWNERS PRESENT AT THE MEETING.

11           5. ALL BALLOT ACTIONS AT THE MEETING SHALL BE CONDUCTED PURSUANT TO  
12 SECTION 33-1250. ALL UNIT OWNERS PRESENT SHALL BE PROVIDED THE  
13 OPPORTUNITY TO SPEAK AS PRESCRIBED BY SUBSECTION A OF THIS SECTION BEFORE  
14 THE VOTE.

15           6. IF A MEETING IS BEING CONDUCTED BY REMOTE MEETING TECHNOLOGY,  
16 THE ASSOCIATION SHALL IDENTIFY ANY ELIGIBLE UNIT OWNER PRESENT IN THE  
17 VIRTUAL MEETING WHO HAS NOT SUBMITTED AN ABSENTEE BALLOT AND WISHES TO  
18 VOTE ON THE ISSUES BEING CONSIDERED BY THE UNIT OWNERS AND PROVIDE THOSE  
19 UNIT OWNERS THE OPPORTUNITY TO VOTE IN PERSON BY ROLL CALL, SHOW OF HANDS  
20 OR ANY OTHER APPROPRIATE MEANS OF VOTING. FOR ANY BALLOT ACTION TAKEN AT  
21 THE VIRTUAL MEETING, THE ASSOCIATION SHALL CREATE A TRUE WRITTEN RECORD OF  
22 THE VOTES CAST WITHOUT NAMES ATTACHED.

23           7. FOR THE ANNUAL MEETING OF THE ASSOCIATION, THE BOARD OF  
24 DIRECTORS SHALL PROVIDE A REPORT ON THE STATUS OF THE ASSOCIATION'S  
25 FINANCES, THE BUDGET FOR THE UPCOMING FISCAL YEAR AND THE SIGNIFICANT  
26 ACHIEVEMENTS AND CHALLENGES OF THE ASSOCIATION FROM THE LAST YEAR. THE  
27 BOARD OF DIRECTORS SHALL THEN OPEN THE FLOOR FOR ANY QUESTIONS OR CONCERNS  
28 RAISED BY THE UNIT OWNERS WHO ARE PRESENT.

29           8. FOR ANY SPECIAL MEETING OF THE ASSOCIATION THAT IS CALLED BY A  
30 PETITION SIGNED BY THE REQUIRED NUMBER OF UNIT OWNERS, THE AGENDA FOR THAT  
31 MEETING SHALL BE AS SPECIFIED IN THE PETITION.

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.~~

37           D. Notwithstanding any provision in the ~~declaration, bylaws or~~  
38 ~~other~~ condominium documents, for meetings of the board of directors OR  
39 DESIGNATED COMMITTEES that are held after the termination of declarant  
40 control of the association, notice to unit owners of OPEN meetings of the  
41 board of directors OR DESIGNATED COMMITTEE and meeting agendas shall be  
42 given at least forty-eight hours in advance of the meeting by newsletter,  
43 conspicuous posting or any other reasonable means as determined by the  
44 board of directors. An affidavit of notice by an officer of the  
45 association is prima facie evidence that notice was given as prescribed by

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

8 E. Notwithstanding any provision in the ~~declaration, bylaws or~~  
 9 ~~other~~ condominium documents, for OPEN meetings of the board of directors,  
 10 DESIGNATED COMMITTEES OR UNIT OWNERS that are held after the termination  
 11 of declarant control of the association, all of the following apply:

12 1. The agenda shall be available ~~in advance~~ for all unit owners  
 13 attending.

14 2. An emergency meeting of the board of directors may be called to  
 15 discuss business or take action that cannot be delayed for the forty-eight  
 16 hours required for notice. At any emergency meeting called by the board  
 17 of directors, the board of directors may act only on emergency matters.  
 18 The minutes of the emergency meeting shall state the reason necessitating  
 19 the emergency meeting. The minutes of the emergency meeting shall be read  
 20 and approved at the next regularly scheduled meeting of the board of  
 21 directors. EMERGENCY MEETINGS MAY BE CONDUCTED IN ANY FORMAT DETERMINED  
 22 BY THE BOARD OF DIRECTORS.

23 3. A quorum of the board of directors, A DESIGNATED COMMITTEE OR  
 24 THE UNIT OWNERS may meet IN PERSON OR by ~~means of a telephone conference~~  
 25 VOICE, VIDEO OR REMOTE MEETING TECHNOLOGY OR ANY COMBINATION OF THESE, if  
 26 a ~~speakerphone~~ SPEAKER is available in the ACTUAL OR VIRTUAL meeting room  
 27 that allows board OF DIRECTORS OR COMMITTEE members and unit owners to  
 28 hear all parties who are speaking during the meeting. IF REMOTE MEETING  
 29 TECHNOLOGY IS USED, ALL OF THE FOLLOWING APPLY:

30 (a) THE ASSOCIATION SHALL PROVIDE TO ALL UNIT OWNERS THE ACCESS  
 31 LINK TO THE MEETING IN THE MEETING NOTICE THAT IS POSTED ON A WEBSITE OR  
 32 EMAILED TO EACH UNIT OWNER OR SHALL PROVIDE THE LINK ON REQUEST AND SHALL  
 33 ALLOW ANY UNIT OWNER OR A UNIT OWNER'S DESIGNATED REPRESENTATIVE THE  
 34 OPPORTUNITY TO SPEAK AT THE MEETING, AS PRESCRIBED BY SUBSECTION A OF THIS  
 35 SECTION.

36 (b) THE ASSOCIATION SHALL ALLOW INDIVIDUAL UNIT OWNERS TO CONTROL  
 37 THE UNIT OWNER'S MICROPHONE BUT MAY ASK THAT ALL MICROPHONES BE MUTED  
 38 UNTIL THE PARTICIPANT REQUESTS TO SPEAK. PARTICIPANTS MAY SPEAK ON AN  
 39 ISSUE WHEN RECOGNIZED BY THE PRESIDING OFFICER.

40 (c) THE MEETING HOST SHALL ENABLE THE INDIVIDUAL RECORDING  
 41 CAPABILITY OF THE VIRTUAL MEETING PROGRAM FOR PARTICIPANTS, IF AVAILABLE.

42 4. ANY MOTION BROUGHT FORWARD FOR ACTION RELATED TO ANY CLOSED  
 43 SESSION MATTERS AUTHORIZED IN SUBSECTION B OF THIS SECTION IS NOT REQUIRED  
 44 TO BE IDENTIFIED ON THE PUBLISHED AGENDA AND SHALL BE MADE IN A MANNER  
 45 THAT DOES NOT DISCLOSE ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ANY

1 UNIT OWNERS PRESENT SHALL BE PROVIDED AN OPPORTUNITY TO SPEAK TO THE ISSUE  
2 AS PRESCRIBED BY SUBSECTION A OF THIS SECTION.

3 ~~4.~~ 5. Any quorum of the board of directors that meets informally  
4 to discuss association business, including workshops, shall comply with  
5 the open meeting and notice provisions of this section without regard to  
6 whether the board OF DIRECTORS votes or takes any action on any matter at  
7 that informal meeting. THIS PARAGRAPH DOES NOT APPLY TO ANY CASUAL  
8 DISCUSSION OF ASSOCIATION ISSUES IN SOCIAL OR PERSONAL GATHERINGS,  
9 TRAINING SESSIONS, CONDOMINIUM WALKDOWNS, INFORMAL MEETINGS OF UNIT OWNERS  
10 ACTING SIMPLY AS UNIT OWNERS OR COMMUNICATIONS TO ESTABLISH MEETING  
11 AGENDAS EVEN IF A QUORUM OF THE BOARD OF DIRECTORS PARTICIPATES.

12 6. THE MINUTES OF ANY OPEN OR EMERGENCY MEETING OF THE BOARD OF  
13 DIRECTORS AT A MINIMUM SHALL REPRESENT A TRUE AND ACCURATE RECORD OF ALL  
14 ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND THE VOTE TALLY ON THOSE  
15 ACTIONS.

16 7. DRAFT MINUTES OF ANY OPEN OR EMERGENCY MEETING OF THE BOARD OF  
17 DIRECTORS, A DESIGNATED COMMITTEE OR THE UNIT OWNERS SHALL BE EITHER  
18 POSTED OR MADE AVAILABLE TO ANY UNIT OWNER ON REQUEST WITHIN TEN BUSINESS  
19 DAYS AFTER THE DAY OF THE MEETING.

20 F. It is the policy of this state as reflected in this section that  
21 AFTER THE PERIOD OF DECLARANT CONTROL, all FORMAL meetings of a  
22 condominium, whether meetings of the unit owners' association or meetings  
23 of the board of directors of the association OR DESIGNATED COMMITTEES, be  
24 conducted openly and that notices and agendas be provided in advance for  
25 those meetings that contain the information that is reasonably necessary  
26 to inform the unit owners of the matters to be discussed or decided and to  
27 ensure that unit owners have the ability to speak after discussion of  
28 agenda items, but before a vote of the board of directors, THE DESIGNATED  
29 COMMITTEE or ~~members~~ THE UNIT OWNERS is taken. Toward this end, any  
30 person or entity that is charged with the interpretation of these  
31 provisions, including members of the board of directors and any community  
32 manager, shall take into account this declaration of policy and shall  
33 construe any provision of this section in favor of open meetings. ANY  
34 ACTION TAKEN BY THE BOARD OF DIRECTORS IN VIOLATION OF THIS POLICY IS VOID  
35 AS A MATTER OF LAW.

36 G. This section does not apply to timeshare plans or associations  
37 that are subject to chapter 20 of this title.

38 Sec. 4. Section 33-1249, Arizona Revised Statutes, is amended to  
39 read:

40 33-1249. Quorums; applicability

41 A. Unless the ~~bylaws provide otherwise~~ CONDOMINIUM DOCUMENTS  
42 SPECIFY A LOWER PERCENTAGE, a quorum is present throughout any meeting of  
43 the association if persons entitled to cast at least twenty-five ~~per cent~~  
44 PERCENT of the votes in the association are present in person or ~~by proxy~~  
45 AS OTHERWISE ALLOWED BY LAW at the beginning of the meeting.

B. Unless the bylaws specify a larger percentage, a quorum is deemed present throughout any meeting of the board of directors OR A COMMITTEE if persons entitled to cast at least fifty ~~per cent~~ PERCENT of the votes on that board OR COMMITTEE are present IN PERSON, REMOTELY OR BY WRITTEN PROXY HELD BY ANOTHER BOARD OR COMMITTEE MEMBER WHO IS PRESENT at the beginning of the meeting. A VACANCY ON THE BOARD OF DIRECTORS OR A COMMITTEE DOES NOT ALTER QUORUM REQUIREMENTS.

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

Sec. 5. Section 33-1802, Arizona Revised Statutes, is amended to read:

33-1802. Definitions

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

1. "Association":

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

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

2. "Common expense lien" means the lien for assessments, charges for late payment of assessments if authorized in the declaration, reasonable collection fees and costs THAT ARE incurred or applied by the association and reasonable attorney fees and costs that are incurred with respect to those assessments, if the attorney fees and costs are awarded by a court.

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

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

5. "MEETING" MEANS ANY GATHERING OR INTERACTION, IN PERSON OR THROUGH TECHNOLOGICAL MEANS OF A QUORUM OF THE BOARD OF DIRECTORS, A DESIGNATED COMMITTEE OR THE ASSOCIATION MEMBERS AT WHICH THEY PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON ASSOCIATION BUSINESS.

1 ~~5-~~ 6. "Member expenses":

2 (a) Means fees, charges, late charges and monetary penalties or  
3 interest.

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

6 ~~6-~~ 7. "Planned community":

7 (a) Means a real estate development that includes real estate owned  
8 and operated by or real estate on which an easement to maintain roadways  
9 or a covenant to maintain roadways is held by a nonprofit corporation or  
10 unincorporated association of owners, that is created for the purpose of  
11 managing, maintaining or improving the property and in which the  
12 declaration expressly states both that the owners of separately owned  
13 lots, parcels or units are mandatory members and that the owners are  
14 required to pay assessments to the association for these purposes.

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

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

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

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

21 Sec. 6. Section 33-1804, Arizona Revised Statutes, is amended to  
22 read:

23 33-1804. Open meetings; exceptions; notice; agenda; policy  
24 statement

25 A. AFTER THE PERIOD OF DECLARANT CONTROL AND notwithstanding any  
26 provision in TITLE 10 OR the ~~declaration, bylaws or other~~ COMMUNITY  
27 documents to the contrary, all meetings of the members' association and  
28 the board of directors, and any ~~regularly scheduled~~ DESIGN CONTROL OR  
29 FINANCIAL ADVISORY committee meetings, HOWEVER DENOMINATED, are open to  
30 all members of the association or any person designated by a member in  
31 writing as the member's representative and all members or designated  
32 representatives so desiring shall be allowed to attend and speak at an  
33 appropriate time during the deliberations and proceedings. The board, A  
34 COMMITTEE OR THE MEMBERS' ASSOCIATION may place reasonable time  
35 restrictions on those persons speaking during the meeting but shall allow  
36 a member or member's designated representative to speak once after the  
37 board, COMMITTEE OR MEMBERS' ASSOCIATION has discussed a specific agenda  
38 item but before the board, COMMITTEE OR MEMBERS' ASSOCIATION takes formal  
39 action on that item in addition to any other opportunities to speak. The  
40 board, COMMITTEE OR MEMBERS' ASSOCIATION shall provide for a reasonable  
41 number of persons to speak on each side of an issue. THE FOLLOWING APPLY  
42 TO MEETINGS OF THE BOARD, A COMMITTEE OR THE MEMBERS' ASSOCIATION:

43 1. Persons attending may ~~audiotape or videotape~~ RECORD those  
44 portions of the meetings of the board of directors, DESIGNATED COMMITTEES  
45 and meetings of the members that are open. The board of directors of the

1 association shall not require advance notice of the ~~audiotaping or~~  
 2 ~~videotaping~~ RECORDING and may adopt reasonable rules governing the  
 3 ~~audiotaping and videotaping~~ RECORDING of open portions of the meetings  
 4 ~~of the board and the membership~~, but such rules shall not preclude such  
 5 ~~audiotaping or videotaping~~ RECORDING by those attending, ~~unless the board~~  
 6 ~~audiotapes or videotapes the meeting and makes the unedited audiotapes or~~  
 7 ~~videotapes available to members on request without restrictions on their~~  
 8 ~~use as evidence in any dispute resolution process. If a board records a~~  
 9 ~~meeting that is open to the members, the board shall keep a copy of the~~  
 10 ~~recording for at least six months and make the unedited recording~~  
 11 ~~available to any member on request in compliance with section 33-1805,~~  
 12 ~~subsection A.~~

13 2. THE ASSOCIATION MAY ESTABLISH RULES THAT PREVENT DISTRIBUTING  
 14 ANY RECORDING OF AN ASSOCIATION MEETING TO ANYONE WHO IS NOT A RESIDENT OR  
 15 MEMBER OF THE ASSOCIATION, EXCEPT FOR THE USE OF THOSE RECORDINGS AS  
 16 EVIDENCE IN ANY DISPUTE RESOLUTION PROCESS.

17 3. ANY RECORDING MADE BY THE BOARD OF DIRECTORS, A COMMITTEE  
 18 APPOINTED BY THE BOARD OR ANY AGENTS OF THE BOARD OR SUCH COMMITTEE IS NOT  
 19 A RECORD OF THE ASSOCIATION AND IS NOT SUBJECT TO A RECORDS REQUEST  
 20 PURSUANT TO SECTION 33-1805.

21 B. Any portion of a BOARD OR COMMITTEE meeting may be closed only  
 22 if that closed portion of the meeting is limited to consideration WITHOUT  
 23 ACTION of one or more of the following:

24 1. Legal advice from an attorney for the board OF DIRECTORS or ~~the~~  
 25 ~~association~~ A COMMITTEE. ~~On final resolution of any matter for which the~~  
 26 ~~board received legal advice or that concerned pending or contemplated~~  
 27 ~~litigation, the board may disclose information about that matter in an~~  
 28 ~~open meeting except for matters that are required to remain confidential~~  
 29 ~~by the terms of a settlement agreement or judgment.~~

30 2. Pending or contemplated litigation.

31 3. Personal, health or financial information about an individual  
 32 member of the association, an individual employee of the association or an  
 33 individual employee of a contractor for the association, including THE  
 34 REVIEW OF records of the association directly related to ~~the personal,~~  
 35 ~~health or financial information about an individual member of the~~  
 36 ~~association, an individual employee of the association or an individual~~  
 37 ~~employee of a contractor for the association~~ OR CONTAINING THAT  
 38 INFORMATION. CITED OR CONTEMPLATED CITATIONS FOR VIOLATIONS OF THE  
 39 COMMUNITY DOCUMENTS, ALONG WITH ANY SUBSEQUENT FINE OR PENALTY IMPOSED BY  
 40 THE ASSOCIATION, ARE NOT PERSONAL OR FINANCIAL INFORMATION PRESCRIBED BY  
 41 THIS PARAGRAPH.

42 4. Matters relating to the job performance of, compensation of,  
 43 health records of or specific complaints against an individual employee of  
 44 the association or an individual employee of a contractor of the  
 45 association who works under the direction of the association.



5. ON THE SPECIFIC REQUEST OF THE MEMBER, discussion of a member's appeal of any violation cited or penalty imposed by the association ~~except on request of the affected member that the meeting be held in an open session~~ WITH THE MEMBER PRESENT.

6. THE REVIEW, NEGOTIATION AND CONSIDERATION OF PROPRIETARY BID PROPOSALS FROM POTENTIAL CONTRACTORS OR FINANCING OPTIONS FROM ANY FINANCIAL INSTITUTION BEFORE AWARDING A CONTRACT FOR THE DESIRED GOODS OR SERVICES. ANY FINAL CONTRACT SHALL BE APPROVED IN OPEN SESSION.

~~B.~~ C. Notwithstanding any provision in the community documents, all meetings of the members' association and the board shall be held in this state. A FORMAL meeting of the members' association shall be held at least once each year TO ELECT BOARD MEMBERS TO FILL EXPIRED TERMS OR FOR NEWLY CREATED POSITIONS AND TO CONDUCT ANY OTHER BUSINESS OF THE ASSOCIATION. Special meetings of the members' association may be called by the president, by a majority of the board of directors or by members having at least twenty-five percent, or any lower percentage specified in the bylaws, of the votes in the association. Not fewer than ten or more than fifty days in advance of any meeting of the members the ~~secretary~~ ASSOCIATION shall cause WRITTEN notice to be hand delivered or sent ~~prepaid~~ by United States mail to the mailing address OF RECORD for each lot, parcel or ~~unit owner~~ MEMBER or ~~to any other mailing~~ TO BE SENT TO AN EMAIL address IF AUTHORIZED AND designated in writing by a member. The notice shall state the date, time, METHOD and place of the meeting. A notice of any annual, ~~regular~~ or special meeting of the members shall also state the purpose for which the meeting is called, including the general nature of any proposed amendment to the declaration or bylaws, changes in assessments that require approval of the members and any proposal to remove a director or an officer. The ~~secretary~~ ASSOCIATION shall also provide an agenda for any meeting of the members' association by hand delivery, mail, website posting, email or other electronic means or posting at a community center or other similar location. The failure of any member to receive actual notice of a meeting of the members or the meeting agenda does not affect the validity of any action taken at that meeting. WITH RESPECT TO ANY ANNUAL OR SPECIAL MEETING OF THE ASSOCIATION, THE FOLLOWING APPLY:

1. THE MEMBERS OF THE ASSOCIATION PRESENT OR PARTICIPATING AT THE MEETING SHALL CONTROL AND CONDUCT OF THE ANNUAL OR SPECIAL MEETING OF THE MEMBERS. THE BOARD OF DIRECTORS SHALL FACILITATE THE MEETING AND PROVIDE FOR MINUTES TO BE TAKEN.

2. THE QUORUM FOR ANY ANNUAL OR SPECIAL MEETING OF THE MEMBERS SHALL BE DETERMINED PURSUANT TO SECTION 33-1804.01.

3. IF ANY ANNUAL OR SPECIAL MEETING OF THE UNIT OWNERS IS CALLED TO ELECT BOARD MEMBERS AND THE MEETING FAILS TO SATISFY THE REQUIRED QUORUM, THE ASSOCIATION SHALL RECONVENE THAT MEETING WITHIN FOURTEEN DAYS UNTIL A QUORUM IS SATISFIED AND THE MEETING AND ELECTION ARE HELD.

4. ALL DECISIONS REGARDING THE CONDUCT OF THE MEETING SHALL BE MADE BY MEMBER MOTIONS AND DECIDED BY VOICE VOTE OR SHOW OF HANDS BY THOSE MEMBERS PRESENT AT THE MEETING.

5. ALL BALLOT ACTIONS AT THE MEETING SHALL BE CONDUCTED PURSUANT TO SECTION 33-1812. ALL MEMBERS PRESENT SHALL BE PROVIDED THE OPPORTUNITY TO SPEAK AS PRESCRIBED BY SUBSECTION A OF THIS SECTION BEFORE THE VOTE.

6. IF A MEETING IS BEING CONDUCTED BY REMOTE MEETING TECHNOLOGY, THE ASSOCIATION SHALL IDENTIFY ANY MEMBER PRESENT IN THE VIRTUAL MEETING WHO HAS NOT SUBMITTED AN ABSENTEE BALLOT AND WISHES TO VOTE ON THE ISSUES BEING CONSIDERED BY THE MEMBERS AND PROVIDE THOSE MEMBERS THE OPPORTUNITY TO VOTE IN PERSON BY ROLL CALL, SHOW OF HANDS OR ANY OTHER APPROPRIATE MEANS OF VOTING. FOR ANY BALLOT ACTION TAKEN AT THE VIRTUAL MEETING, THE ASSOCIATION SHALL CREATE A TRUE WRITTEN RECORD OF THE VOTES CAST WITHOUT NAMES ATTACHED.

7. FOR THE ANNUAL MEETING OF THE MEMBERS, THE ASSOCIATION'S BOARD OF DIRECTORS SHALL PROVIDE A REPORT ON THE STATUS OF THE ASSOCIATION'S FINANCES, THE BUDGET FOR THE UPCOMING FISCAL YEAR AND THE SIGNIFICANT ACHIEVEMENTS AND CHALLENGES OF THE ASSOCIATION FROM THE LAST YEAR. THE BOARD SHALL THEN OPEN THE FLOOR FOR ANY QUESTIONS OR CONCERNS RAISED BY THE MEMBERS WHO ARE PRESENT.

8. FOR ANY SPECIAL MEETING OF THE MEMBERS THAT IS CALLED BY A PETITION SIGNED BY THE REQUIRED NUMBER OF MEMBERS, THE AGENDA FOR THAT MEETING SHALL BE AS SPECIFIED IN THE PETITION.

~~C. Before entering into any closed portion of a meeting of the board of directors, or on notice of a meeting under subsection D of this section that will be closed, the board shall identify the paragraph under subsection A of this section that authorizes the board to close the meeting.~~

D. Notwithstanding any provision in the ~~declaration, bylaws or other~~ community documents, for meetings of the board of directors OR DESIGNATED COMMITTEES that are held after the termination of declarant control of the association, notice to members of OPEN meetings of the board of directors OR A DESIGNATED COMMITTEE and meeting agendas shall be given at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the board of directors. An affidavit of notice by an officer of the corporation is prima facie evidence that notice was given as prescribed by this section. Notice to members of meetings of the board of directors is not required if emergency circumstances require action by the board before notice can be given. Any notice of a board meeting OR DESIGNATED COMMITTEE shall state the date, time, METHOD and place of the meeting. The failure of any member to receive actual notice of a meeting of the board of directors OR A DESIGNATED COMMITTEE or a meeting agenda does not affect the validity of any action taken at that meeting.

E. Notwithstanding any provision in the ~~declaration, bylaws or other~~ community documents, for OPEN meetings of the board of directors, DESIGNATED COMMITTEES OR MEMBERS that are held after the termination of declarant control of the association, all of the following apply:

1. THE QUORUM FOR ANY BOARD OF DIRECTORS' AND DESIGNATED COMMITTEES' MEETINGS SHALL BE DETERMINED PURSUANT TO SECTION 33-1804.01.

~~1.~~ 2. The agenda shall be available ~~in advance~~ for all members attending.

~~2.~~ 3. 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. EMERGENCY MEETINGS MAY BE CONDUCTED IN ANY FORMAT DETERMINED BY THE BOARD OF DIRECTORS.

~~3.~~ 4. A quorum of the board of directors, A DESIGNATED COMMITTEE OR THE MEMBERS may meet by ~~means of a telephone conference~~ VOICE, VIDEO OR REMOTE MEETING TECHNOLOGY OR AN COMBINATION OF THESE, if a ~~speakerphone~~ SPEAKER is available in the ACTUAL OR VIRTUAL meeting room that allows board OR COMMITTEE members and association members to hear all parties who are speaking during the meeting. IF REMOTE MEETING TECHNOLOGY IS USED, ALL OF THE FOLLOWING APPLY:

(a) THE ASSOCIATION SHALL PROVIDE TO ALL MEMBERS OWNERS THE ACCESS LINK TO THE MEETING IN THE MEETING NOTICE THAT IS POSTED ON A WEBSITE OR EMAILED TO EACH MEMBER OR SHALL PROVIDE THE LINK ON REQUEST AND SHALL ALLOW ANY MEMBER OR A MEMBER'S DESIGNATED REPRESENTATIVE THE OPPORTUNITY TO SPEAK AT THE MEETING, AS PRESCRIBED BY SUBSECTION A OF THIS SECTION.

(b) THE ASSOCIATION SHALL ALLOW INDIVIDUAL MEMBERS TO CONTROL THE MEMBER'S MICROPHONE BUT MAY ASK THAT ALL MICROPHONES BE MUTED UNTIL THE PARTICIPANT REQUESTS TO SPEAK. PARTICIPANTS MAY SPEAK ON AN ISSUE WHEN RECOGNIZED BY THE PRESIDING OFFICER.

(c) THE MEETING HOST SHALL ENABLE THE INDIVIDUAL RECORDING CAPABILITY OF THE VIRTUAL MEETING PROGRAM FOR PARTICIPANTS, IF AVAILABLE.

5. ANY MOTION BROUGHT FORWARD FOR ACTION RELATED TO ANY CLOSED SESSION MATTERS AUTHORIZED IN SUBSECTION B OF THIS SECTION IS NOT REQUIRED TO BE IDENTIFIED ON THE PUBLISHED AGENDA AND SHALL BE MADE IN A MANNER THAT DOES NOT DISCLOSE ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ANY MEMBERS PRESENT SHALL BE PROVIDED AN OPPORTUNITY TO SPEAK TO THE ISSUE AS PRESCRIBED BY SUBSECTION A OF THIS SECTION.

~~4.~~ 6. 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. THIS PARAGRAPH DOES NOT APPLY TO ANY CASUAL DISCUSSION OF ASSOCIATION ISSUES IN SOCIAL OR PERSONAL GATHERINGS, TRAINING SESSIONS, COMMUNITY WALKDOWNS, INFORMAL MEETINGS OF MEMBERS ACTING SIMPLY AS MEMBERS OR COMMUNICATIONS TO ESTABLISH MEETING AGENDAS EVEN IF A QUORUM OF THE BOARD PARTICIPATES.

7. THE MINUTES OF ANY OPEN OR EMERGENCY MEETING OF THE BOARD OF DIRECTORS AT A MINIMUM SHALL REPRESENT A TRUE AND ACCURATE RECORD OF ALL ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND THE VOTE TALLY ON THOSE ACTIONS.

8. DRAFT MINUTES OF ANY OPEN OR EMERGENCY MEETING OF THE BOARD OF DIRECTORS, A DESIGNATED COMMITTEE OR THE MEMBERS SHALL BE EITHER POSTED OR MADE AVAILABLE TO ANY MEMBER ON REQUEST WITHIN TEN BUSINESS DAYS AFTER THE DAY OF THE MEETING.

F. It is the policy of this state as reflected in this section that AFTER THE PERIOD OF DECLARANT CONTROL, all FORMAL meetings of a planned community, whether meetings of the members' association or meetings of the board of directors of the association OR DESIGNATED COMMITTEES, 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, THE DESIGNATED COMMITTEE 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. ANY ACTION TAKEN BY THE BOARD OF DIRECTORS IN VIOLATION OF THIS POLICY IS VOID AS A MATTER OF LAW.

Sec. 7. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1804.01, to read:

33-1804.01. Quorums: applicability

A. UNLESS THE COMMUNITY DOCUMENTS SPECIFY A LOWER PERCENTAGE, A QUORUM IS PRESENT THROUGHOUT ANY MEETING OF THE ASSOCIATION IF PERSONS ENTITLED TO CAST AT LEAST TWENTY-FIVE PERCENT OF THE VOTES IN THE ASSOCIATION ARE PRESENT IN PERSON OR AS OTHERWISE ALLOWED BY LAW AT THE BEGINNING OF THE MEETING.

B. UNLESS THE BYLAWS SPECIFY A LARGER PERCENTAGE, A QUORUM IS DEEMED PRESENT THROUGHOUT ANY MEETING OF THE BOARD OF DIRECTORS OR A COMMITTEE IF PERSONS ENTITLED TO CAST AT LEAST FIFTY PERCENT OF THE VOTES ON THAT BOARD OR COMMITTEE ARE PRESENT IN PERSON, REMOTELY OR BY WRITTEN PROXY HELD BY ANOTHER BOARD OR COMMITTEE MEMBER WHO IS PRESENT AT THE BEGINNING OF THE MEETING. A VACANCY ON THE BOARD OF DIRECTORS OR A COMMITTEE DOES NOT ALTER QUORUM REQUIREMENTS.

1           Sec. 8. Section 33-1813, Arizona Revised Statutes, is amended to  
2 read:

3           33-1813. Removal of board member; special meeting

4           A. Notwithstanding any provision of the declaration or bylaws to  
5 the contrary, all of the following apply to a meeting at which a member of  
6 the board of directors, other than a member appointed by the declarant, is  
7 proposed to be removed from the board of directors:

8           1. The members of the association who are eligible to vote at the  
9 time of the meeting may remove any member of the board of directors, other  
10 than a member appointed by the declarant, by a majority vote of those  
11 voting on the matter at a meeting of the members.

12           2. The meeting of the members shall be called pursuant to this  
13 section and action may be taken only if a quorum is present.

14           3. The members of the association may remove any member of the  
15 board of directors with or without cause, other than a member appointed by  
16 the declarant.

17           4. For purposes of calling for removal of a member of the board of  
18 directors, other than a member appointed by the declarant, the following  
19 apply:

20           (a) In an association with one thousand or fewer members, on  
21 receipt of a petition that calls for removal of a member of the board of  
22 directors and that is signed by the number of persons who are eligible to  
23 vote in the association at the time the person signs the petition equal to  
24 at least twenty-five percent of the votes in the association or by the  
25 number of persons who are eligible to vote in the association at the time  
26 the person signs the petition equal to at least one hundred votes in the  
27 association, whichever is less, the board shall call and provide written  
28 notice of a special meeting of the association as prescribed by section  
29 33-1804, subsection ~~B~~ C.

30           (b) Notwithstanding section 33-1804, subsection ~~B~~ C, in an  
31 association with more than one thousand members, on receipt of a petition  
32 that calls for removal of a member of the board of directors and that is  
33 signed by the number of persons who are eligible to vote in the  
34 association at the time the person signs the petition equal to at least  
35 ten percent of the votes in the association or by the number of persons  
36 who are eligible to vote in the association at the time the person signs  
37 the petition equal to at least one thousand votes in the association,  
38 whichever is less, the board shall call and provide written notice of a  
39 special meeting of the association. The board shall provide written  
40 notice of a special meeting as prescribed by section 33-1804,  
41 subsection ~~B~~ C.

42           (c) The special meeting shall be called, noticed and held within  
43 thirty days after receipt of the petition.

(d) If all of the requirements of this subsection for calling a special meeting are met and the board of directors fails to call, notice and hold a special meeting within thirty days after receipt of the petition, the members of the board of directors are deemed removed from office effective at midnight of the thirty-first day.

~~(e) For purposes of a special meeting called pursuant to this subsection, a quorum is present if the number of owners who are eligible to vote in the association at the time the person attends the meeting equal to at least twenty percent of the votes of the association or the number of persons who are eligible to vote in the association at the time the person attends the meeting equal to at least one thousand votes, whichever is less, is present at the meeting in person or as otherwise allowed by law.~~

~~(f)~~ (e) If a civil action is filed regarding the removal of a board member, the prevailing party in the civil action shall be awarded its reasonable attorney fees and costs.

~~(g)~~ (f) The board of directors shall retain all documents and other records relating to the proposed removal of the member of the board of directors and any election or other action taken for that director's replacement for at least one year after the date of the special meeting and shall allow members to inspect those documents and records pursuant to section 33-1805.

~~(h)~~ (g) A ~~petition that calls for the removal of the same~~ member of the board of directors shall not be ~~submitted~~ SUBJECT TO A RECALL VOTE more than once during each term of office for that member.

5. On removal of at least one but fewer than a majority of the members of the board of directors at a special meeting of the membership called pursuant to this subsection, the vacancies shall be filled as provided in the community documents FOR THE REMAINDER OF THE ORIGINAL TERMS.

6. On removal of a majority of the members of the board of directors at a special meeting of the membership called pursuant to this subsection, or if the community documents do not provide a method for filling board vacancies, the association shall hold an election for the replacement of the removed directors FOR THE REMAINDER OF THE DIRECTORS' ORIGINAL TERMS at a separate meeting of the members of the association that is held not later than thirty days after the meeting at which the members of the board of directors were removed.

7. A member of the board of directors who is removed pursuant to this subsection is not eligible to serve on the board of directors again until after the expiration of the removed board member's term of office, unless the community documents specifically provide for a longer period of ineligibility.

1           B. For an association in which board members are elected from  
2 separately designated voting districts, a member of the board of  
3 directors, other than a member appointed by the declarant, may be removed  
4 only by a vote of the members from that voting district, and only the  
5 members from that voting district are eligible to vote on the matter or be  
6 counted for purposes of determining a quorum.