

REFERENCE TITLE: HOAs; complaints; dispositions; online access

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

SB 1260

Introduced by
Senator Kavanagh

AN ACT

AMENDING SECTIONS 33-1242 AND 33-1803, 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 33-1242, Arizona Revised Statutes, is amended to
3 read:
4 33-1242. Powers of unit owners' association; notice to unit
5 owner of violation; duties; maintenance of
6 violation records; civil penalties
7 A. Subject to the provisions of the declaration, the association
8 may:
9 1. Adopt and amend bylaws and rules.
10 2. Adopt and amend budgets for revenues, expenditures and reserves
11 and collect assessments for common expenses from unit owners.
12 3. Hire and discharge managing agents and other employees, agents
13 and independent contractors.
14 4. Institute, defend or intervene in litigation or administrative
15 proceedings in its own name on behalf of itself or two or more unit owners
16 on matters affecting the condominium.
17 5. Make contracts and incur liabilities.
18 6. Regulate the use, maintenance, repair, replacement and
19 modification of common elements.
20 7. Cause additional improvements to be made as a part of the common
21 elements.
22 8. Acquire, hold, encumber and convey in its own name any right,
23 title or interest to real or personal property, except that common
24 elements may be conveyed or subjected to a security interest only pursuant
25 to section 33-1252.
26 9. Grant easements, leases, licenses and concessions through or
27 over the common elements.
28 10. Impose and receive any payments, fees or charges for the use,
29 rental or operation of the common elements other than limited common
30 elements described in section 33-1212, paragraphs 2 and 4 and for services
31 provided to unit owners.
32 11. Impose charges for late payment of assessments after the
33 association has provided notice that the assessment is overdue or provided
34 notice that the assessment is considered overdue after a certain date and,
35 after notice and an opportunity to be heard, impose reasonable monetary
36 penalties on unit owners for violations of the declaration, bylaws and
37 rules of the association.
38 12. Impose reasonable charges for the preparation and recordation
39 of amendments to the declaration or statements of unpaid assessments.
40 13. Provide for the indemnification of its officers and executive
41 board of directors and maintain directors' and officers' liability
42 insurance.
43 14. Assign its right to future income, including the right to
44 receive common expense assessments, but only to the extent the declaration
45 expressly provides.

1 15. Be a member of a master association or other entity owning,
2 maintaining or governing in any respect any portion of the common elements
3 or other property benefitting or related to the condominium or the unit
4 owners in any respect.

5 16. Exercise any other powers conferred by the declaration or
6 bylaws.

7 17. Exercise all other powers that may be exercised in this state
8 by legal entities of the same type as the association.

9 18. Exercise any other powers necessary and proper for the
10 governance and operation of the association.

11 B. A unit owner who receives a written notice that the condition of
12 the property owned by the unit owner is in violation of a requirement of
13 the condominium documents without regard to whether a monetary penalty is
14 imposed by the notice may provide the association with a written response
15 by sending the response by certified mail within twenty-one calendar days
16 after the date of the notice. The response shall be sent to the address
17 identified in the notice.

18 C. Within ten business days after receipt of the certified mail
19 containing the response from the unit owner, the association shall respond
20 to the unit owner with a written explanation regarding the notice that
21 shall provide at least the following information unless previously
22 provided in the notice of violation:

23 1. The provision of the condominium documents that has allegedly
24 been violated.

25 2. The date of the violation or the date the violation was
26 observed.

27 3. The first and last name of the person or persons who observed
28 the violation.

29 4. The process the unit owner must follow to contest the notice.

30 D. Unless the information required in subsection C, paragraph 4 of
31 this section is provided in the notice of violation, the association shall
32 not proceed with any action to enforce the condominium documents,
33 including the collection of attorney fees, before or during the time
34 prescribed by subsection C of this section regarding the exchange of
35 information between the association and the unit owner and shall give the
36 unit owner written notice of the unit owner's option to petition for an
37 administrative hearing on the matter in the state real estate department
38 pursuant to section 32-2199.01. At any time before or after completion
39 of the exchange of information pursuant to this section, the unit owner
40 may petition for a hearing pursuant to section 32-2199.01 if the dispute
41 is within the jurisdiction of the state real estate department as
42 prescribed in section 32-2199.01.

43 E. EACH ASSOCIATION SHALL MAINTAIN A WRITTEN OR ELECTRONIC RECORD
44 OF ALL ALLEGED VIOLATIONS OF THE CONDOMINIUM DOCUMENTS THAT OCCURED WITHIN

1 THE PRECEDING TWO YEARS, INCLUDING BOTH RESOLVED AND UNRESOLVED
2 VIOLATIONS.

3 F. FOR EACH VIOLATION, THE RECORD MUST INCLUDE:

4 1. THE DATE OF THE ALLEGED VIOLATION.

5 2. A BRIEF DESCRIPTION OF THE RULE OR PROVISION VIOLATED.

6 3. THE DISPOSITION OF THE MATTER, INCLUDING WHETHER THE VIOLATION
7 WAS CURED, DISMISSED OR UPHELD.

8 4. THE DATE OF THE DISPOSITION OF THE MATTER.

9 5. ANY FINE OR PENALTY IMPOSED.

10 G. THE ASSOCIATION SHALL MAKE THE RECORD AVAILABLE TO ALL UNIT
11 OWNERS BY EITHER:

12 1. POSTING THE RECORD ON A WEBSITE THAT IS ACCESSIBLE TO ALL
13 MEMBERS OF THE ASSOCIATION.

14 2. IF THE ASSOCIATION DOES NOT MAINTAIN A WEBSITE, PROVIDING THE
15 RECORD EXPEDITIOUSLY ON WRITTEN OR ELECTRONIC REQUEST OF A UNIT OWNER.

16 H. THE ASSOCIATION SHALL UPDATE THE RECORD AT LEAST MONTHLY AND
17 SHALL CLEARLY DISTINGUISH BETWEEN UNRESOLVED AND RESOLVED VIOLATIONS.

18 I. THE ASSOCIATION SHALL REDACT FROM THE RECORD THE NAME AND UNIT
19 NUMBER OF AN OWNER OR RESIDENT TO PROTECT PERSONAL PRIVACY BUT MAY
20 IDENTIFY THE CONDOMINIUM BY STREET NAME OR GENERAL LOCATION SUFFICIENT TO
21 INFORM UNIT OWNERS OF THE NATURE AND SCOPE OF VIOLATIONS WITHIN THE
22 CONDOMINIUM.

23 J. AN ASSOCIATION THAT FAILS TO COMPLY WITH SUBSECTION E OF THIS
24 SECTION IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN \$500 FOR EACH MONTH
25 OF NONCOMPLIANCE. THE STATE REAL ESTATE DEPARTMENT, OR AN AFFECTED UNIT
26 OWNER THROUGH AN ADMINISTRATIVE HEARING, MAY ENFORCE THE CIVIL PENALTY.

27 Sec. 2. Section 33-1803, Arizona Revised Statutes, is amended to
28 read:

29 33-1803. Assessment limitation; penalties; notice to member
30 of violation; duties; maintenance of violation
31 records; civil penalties

32 A. Unless limitations in the community documents would result in a
33 lower limit for the assessment, the association shall not impose a regular
34 assessment that is more than twenty percent greater than the immediately
35 preceding fiscal year's assessment without the approval of the majority of
36 the members of the association. Unless reserved to the members of the
37 association, the board of directors may impose reasonable charges for the
38 late payment of assessments. A payment by a member is deemed late if it
39 is unpaid fifteen or more days after its due date, unless the community
40 documents provide for a longer period. Charges for the late payment of
41 assessments are limited to the greater of ~~fifteen dollars~~ \$15 or ten
42 percent of the amount of the unpaid assessment and may be imposed only
43 after the association has provided notice that the assessment is overdue
44 or provided notice that the assessment is considered overdue after a
45 certain date. Any monies paid by the member for an unpaid assessment

1 shall be applied first to the principal amount unpaid and then to the
2 interest accrued.

3 B. After notice and an opportunity to be heard, the board of
4 directors may impose reasonable monetary penalties on members for
5 violations of the declaration, bylaws and rules of the association.
6 Notwithstanding any provision in the community documents, the board of
7 directors shall not impose a charge for a late payment of a penalty that
8 exceeds the greater of ~~fifteen dollars~~ \$15 or ten percent of the amount of
9 the unpaid penalty. A payment is deemed late if it is unpaid fifteen or
10 more days after its due date, unless the declaration, bylaws or rules of
11 the association provide for a longer period. Any monies paid by a member
12 for an unpaid penalty shall be applied first to the principal amount
13 unpaid and then to the interest accrued. Notice pursuant to this
14 subsection shall include information pertaining to the manner in which the
15 penalty shall be enforced.

16 C. A member who receives a written notice that the condition of the
17 property owned by the member is in violation of the community documents
18 without regard to whether a monetary penalty is imposed by the notice may
19 provide the association with a written response by sending the response by
20 certified mail within twenty-one calendar days after the date of the
21 notice. The response shall be sent to the address identified in the
22 notice.

23 D. Within ten business days after receipt of the certified mail
24 containing the response from the member, the association shall respond to
25 the member with a written explanation regarding the notice that shall
26 provide at least the following information unless previously provided in
27 the notice of violation:

28 1. The provision of the community documents that has allegedly been
29 violated.

30 2. The date of the violation or the date the violation was
31 observed.

32 3. The first and last name of the person or persons who observed
33 the violation.

34 4. The process the member must follow to contest the notice.

35 E. Unless the information required in subsection D, paragraph 4 of
36 this section is provided in the notice of violation, the association shall
37 not proceed with any action to enforce the community documents, including
38 the collection of attorney fees, before or during the time prescribed by
39 subsection D of this section regarding the exchange of information between
40 the association and the member and shall give the member written notice of
41 the member's option to petition for an administrative hearing on the
42 matter in the state real estate department pursuant to section
43 32-2199.01. At any time before or after completion of the exchange of
44 information pursuant to this section, the member may petition for a
45 hearing pursuant to section 32-2199.01 if the dispute is within the

1 jurisdiction of the state real estate department as prescribed in section
2 32-2199.01.

3 F. EACH ASSOCIATION SHALL MAINTAIN A WRITTEN OR ELECTRONIC RECORD
4 OF ALL ALLEGED VIOLATIONS OF THE COMMUNITY DOCUMENTS THAT OCCURRED WITHIN
5 THE PRECEDING TWO YEARS, INCLUDING BOTH RESOLVED AND UNRESOLVED
6 VIOLATIONS.

7 G. FOR EACH VIOLATION, THE RECORD MUST INCLUDE:

8 1. THE DATE OF THE ALLEGED VIOLATION.

9 2. A BRIEF DESCRIPTION OF THE RULE OR PROVISION VIOLATED.

10 3. THE DISPOSITION OF THE MATTER, INCLUDING WHETHER THE VIOLATION
11 WAS CURED, DISMISSED OR UPHELD.

12 4. THE DATE OF THE DISPOSITION OF THE MATTER.

13 5. ANY FINE OR PENALTY IMPOSED.

14 H. THE ASSOCIATION SHALL MAKE THE RECORD AVAILABLE TO ALL MEMBERS
15 BY EITHER:

16 1. POSTING THE RECORD ON A WEBSITE THAT IS ACCESSIBLE TO ALL
17 MEMBERS OF THE ASSOCIATION.

18 2. IF THE ASSOCIATION DOES NOT MAINTAIN A WEBSITE, PROVIDING THE
19 RECORD EXPEDITIOUSLY ON WRITTEN OR ELECTRONIC REQUEST OF A MEMBER.

20 I. THE ASSOCIATION SHALL UPDATE THE RECORD AT LEAST MONTHLY AND
21 SHALL CLEARLY DISTINGUISH BETWEEN UNRESOLVED AND RESOLVED VIOLATIONS.

22 J. THE ASSOCIATION SHALL REDACT FROM THE RECORD THE NAME AND LOT
23 NUMBER OF A MEMBER TO PROTECT PERSONAL PRIVACY BUT MAY IDENTIFY THE
24 PROPERTY BY STREET NAME OR GENERAL LOCATION SUFFICIENT TO INFORM MEMBERS
25 OF THE NATURE AND SCOPE OF VIOLATIONS WITHIN THE COMMUNITY.

26 K. AN ASSOCIATION THAT FAILS TO COMPLY WITH SUBSECTION F OF THIS
27 SECTION IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN \$500 FOR EACH MONTH
28 OF NONCOMPLIANCE. THE STATE REAL ESTATE DEPARTMENT, OR AN AFFECTED MEMBER
29 THROUGH AN ADMINISTRATIVE HEARING, MAY ENFORCE THE CIVIL PENALTY.