

Senate Engrossed House Bill

homeowners' associations; property covenants; disclosures

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

CHAPTER 249

HOUSE BILL 2397

AN ACT

AMENDING SECTIONS 33-1260 AND 33-1806, ARIZONA REVISED STATUTES; RELATING
TO REAL PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

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

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

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

20 1. A copy of the CURRENT bylaws and the CURRENT rules of the
21 association.

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

24 3. A COPY OF THE BOARD OF DIRECTORS-APPROVED MINUTES FROM THE
25 PREVIOUS THREE OPEN MEETINGS OF THE BOARD OF DIRECTORS.

26 ~~3.~~ 4. A dated statement containing:

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

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

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

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

42 (e) THE CURRENT AMOUNT OF any unpaid common expense
43 assessment, ~~special assessment or other assessment, fee or charge~~
44 ~~currently due and payable from the selling unit owner. If the request is~~
45 ~~made by a lienholder, escrow agent, unit owner or person designated by a~~

1 ~~unit owner pursuant to section 33-1256, failure to provide the information~~
2 ~~pursuant to this subdivision within the time provided for in this~~
3 ~~subsection shall extinguish any lien for any unpaid assessment then due~~
4 ~~against that unit~~ LIEN OR JUDGMENT LIEN ON THE UNIT DUE TO THE ASSOCIATION
5 PURSUANT TO SECTION 33-1256 AND ANY LIS PENDENS RECORDED BY THE
6 ASSOCIATION AGAINST THE UNIT.

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

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

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

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

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

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

38 (f) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER
39 SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION.

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

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

44 ~~4.~~ 5. A copy of the current operating budget of the association.

1 ~~5.~~ 6. A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR
2 COMPILATION report of the association PRESCRIBED BY SECTION 33-1243,
3 SUBSECTION J. If the report is more than ten pages, the association may
4 provide a summary of the report in lieu of the entire report.

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

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

12 9. A STATEMENT AS TO WHETHER A PORTION OF THE UNIT IS COVERED BY
13 INSURANCE MAINTAINED BY THE ASSOCIATION AND A COPY OF ALL INSURANCE
14 CERTIFICATES IDENTIFYING THE COVERAGE LIMITS AND DEDUCTIBLES MAINTAINED BY
15 THE ASSOCIATION PURSUANT TO SECTION 33-1253.

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

19 11. A STATEMENT IDENTIFYING WHETHER ANY CORPORATION OR LIMITED
20 LIABILITY COMPANY OWNS AND LEASES THIRTY-FIVE PERCENT OR MORE OF THE
21 UNITS.

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

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

37 14. IF THE UNIT IS GOVERNED BY MULTIPLE ASSOCIATIONS, A STATEMENT
38 IDENTIFYING THAT THE UNIT IS SUBJECT TO EACH ASSOCIATION'S DISCLOSURE
39 REPORT AND CORRESPONDING RESALE DISCLOSURE FEE AUTHORIZED UNDER SUBSECTION
40 D OF THIS SECTION.

41 B. ALL INFORMATION THAT IS PROVIDED UNDER SUBSECTION A OF THIS
42 SECTION SHALL BE BASED ON THE GOOD FAITH RELIANCE ON ASSOCIATION RECORDS
43 OR INFORMATION, WITHOUT THE NEED FOR INDEPENDENT INVESTIGATION OR
44 VALIDATION.

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

~~C.~~ D. The association may charge the unit owner a fee of not more than an aggregate of ~~four hundred dollars~~ \$400 to compensate the association for the costs incurred in the preparation and delivery of a ~~statement~~ REPORT or other documents furnished by the association pursuant to this section for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of the property. In addition, the association may charge a rush fee of not more than ~~one hundred dollars~~ \$100 if the rush services are required to be performed within seventy-two hours after the request for rush services. ~~, and THE UNIT OWNER may REQUEST THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS OR MORE HAVE PASSED SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE ASSOCIATION MAY charge a statement or other documents DOCUMENT update fee of not more than fifty dollars if thirty days or more have passed since the date of the original disclosure statement or the date the documents were delivered \$50.~~ The association shall make available to any interested party the amount of any fee established from time to time by the association. ~~If the aggregate fee for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of a property is less than four hundred dollars on January 1, 2010, the fee may increase at a rate of not more than twenty percent per year based on the immediately preceding fiscal year's amount not to exceed the four hundred dollar aggregate fee.~~ The association may charge the same fee without regard to whether the association is furnishing the statement or other documents in paper or electronic format.

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

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

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

1 1. A sale in which a public report is issued pursuant to section
2 32-2183 or 32-2197.02.

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

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

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

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

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

16 2. DOES NOT INCLUDE:

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

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

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

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

26 33-1806. Sale of properties; information required; fees;
27 civil penalty; definition

28 A. For planned communities with fewer than fifty ~~units~~ PROPERTIES,
29 a member shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser or a
30 purchaser's ~~authorized~~ DESIGNATED agent THE INFORMATION REQUIRED BY THIS
31 SUBSECTION within ten days after ~~receipt of a written notice of a pending~~
32 ~~sale of the unit, and~~ ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE.
33 For planned communities with fifty or more ~~units~~ PROPERTIES, THE MEMBER
34 SHALL PROVIDE A WRITTEN NOTICE TO THE ASSOCIATION OF THE MEMBER'S
35 ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE THAT CONTAINS THE NAME,
36 EMAIL ADDRESS AND MAILING ADDRESS OF THE PURCHASER OR THE PURCHASER'S
37 DESIGNATED AGENT. The association shall ~~mail~~ ELECTRONICALLY TRANSMIT or
38 deliver to ~~a~~ THE purchaser or ~~a~~ THE purchaser's ~~authorized~~ DESIGNATED
39 agent within ten days after receipt of ~~a~~ THE written notice of ~~a pending~~
40 ~~sale that contains the name and address of the purchaser~~ A PENDING
41 PURCHASE OFFER all of the following in either paper or electronic format:

42 1. A copy of the CURRENT bylaws and the CURRENT rules of the
43 association.

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

1 3. A COPY OF THE BOARD-APPROVED MINUTES FOR THE PREVIOUS THREE OPEN
2 MEETINGS OF THE BOARD OF DIRECTORS.

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

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

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

11 (c) THE AMOUNT AND PURPOSE OF ANY SPECIAL ASSESSMENT APPROVED BY
12 THE BOARD OF DIRECTORS BUT NOT YET ASSESSED OR ANY SPECIAL ASSESSMENT
13 SUBMITTED BY THE BOARD FOR MEMBER APPROVAL WITHIN THE PREVIOUS FOUR
14 MONTHS, IF ANY.

15 (d) THE CURRENT AMOUNT OF ANY unpaid common regular
16 assessment, ~~special assessment or other assessment, fee or charge~~
17 ~~currently due and payable from the selling member. If the request is made~~
18 ~~by a lienholder, escrow agent, member or person designated by a member~~
19 ~~pursuant to section 33-1807, failure to provide the information pursuant~~
20 ~~to this subdivision within the time provided for in this subsection shall~~
21 ~~extinguish any lien for any unpaid assessment then due against that~~
22 ~~property~~ LIEN OR JUDGMENT LIEN ON THE PROPERTY DUE TO THE ASSOCIATION
23 PURSUANT TO SECTION 33-1807 AND ANY LIS PENDENS RECORDED BY THE
24 ASSOCIATION AGAINST THE PROPERTY.

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

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

28 ~~(e) If the statement is being furnished by the association, a~~
29 ~~statement as to whether the records of the association reflect any~~
30 ~~alterations or improvements to the unit that violate the declaration. The~~
31 ~~association is not obligated to provide information regarding alterations~~
32 ~~or improvements that occurred more than six years before the proposed~~
33 ~~sale. Nothing in this subdivision relieves the seller of a unit from the~~
34 ~~obligation to disclose alterations or improvements to the unit that~~
35 ~~violate the declaration, nor precludes the association from taking action~~
36 ~~against the purchaser of a unit for violations that are apparent at the~~
37 ~~time of purchase and that are not reflected in the association's records.~~

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

41 ~~(g) A statement of case names and case numbers for pending~~
42 ~~litigation with respect to the unit filed by the association against the~~
43 ~~member or filed by the member against the association. The member shall~~
44 ~~not be required to disclose information concerning such pending litigation~~

1 ~~that would violate any applicable rule of attorney-client privilege under~~
2 ~~Arizona law.~~

3 ~~(h) A statement that provides "I hereby acknowledge that the~~
4 ~~declaration, bylaws and rules of the association constitute a contract~~
5 ~~between the association and me (the purchaser). By signing this~~
6 ~~statement, I acknowledge that I have read and understand the association's~~
7 ~~contract with me (the purchaser). I also understand that as a matter of~~
8 ~~Arizona law, if I fail to pay my association assessments, the association~~
9 ~~may foreclose on my property." The statement shall also include a~~
10 ~~signature line for the purchaser and shall be returned to the association~~
11 ~~within fourteen calendar days.~~

12 (e) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER
13 SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION.

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

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

18 ~~4.~~ 5. A copy of the current operating budget of the association.

19 ~~5.~~ 6. A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR
20 COMPILATION report of the association PURSUANT TO SECTION 33-1810. If the
21 report is more than ten pages, ~~the association may provide~~ a summary of
22 the report ~~in lieu~~ MAY BE PROVIDED IN PLACE of the entire report.

23 ~~6.~~ 7. A copy of the most recent reserve study of the association,
24 if any. IF THE REPORT IS MORE THAN TEN PAGES, THE ASSOCIATION MAY PROVIDE
25 A SUMMARY OF THE REPORT IN PLACE OF THE ENTIRE REPORT.

26 ~~7.~~ 8. A statement summarizing any pending lawsuits, except those
27 relating to the collection of assessments owed by members other than the
28 selling member, in which the association is a named party, including the
29 amount of any money claimed.

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

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

37 11. A STATEMENT TO BE SIGNED BY THE PURCHASER AT THE CLOSE OF
38 ESCROW THAT PROVIDES "I HEREBY ACKNOWLEDGE THAT WITH THE PURCHASE OF THIS
39 HOME OR PROPERTY, I WILL BE CONTRACTUALLY BOUND TO THE VALID COVENANTS,
40 CONDITIONS AND RESTRICTIONS OF THE RECORDED DECLARATION, AND WILL BE
41 CONTRACTUALLY BOUND TO PAY ALL COMMON EXPENSE ASSESSMENTS APPLIED TO MY
42 HOME OR PROPERTY AS AUTHORIZED IN THE DECLARATION AND TITLE 33, CHAPTER 9
43 OR 16, ARIZONA REVISED STATUTES, AS APPLICABLE. IF I FAIL TO PAY COMMON
44 EXPENSE ASSESSMENTS, I MAY BE SUBJECT TO COLLECTION ACTIVITY BY THE
45 ASSOCIATION UP TO AND INCLUDING FORECLOSURE ACTION, WITHOUT THE EQUITY

1 PROTECTION OF THE HOMESTEAD ACT PURSUANT TO TITLE 33, CHAPTER 8, ARIZONA
2 REVISED STATUTES."

3 12. IF THE PROPERTY IS GOVERNED BY MULTIPLE ASSOCIATIONS, A
4 STATEMENT IDENTIFYING THAT THE PROPERTY IS SUBJECT TO EACH ASSOCIATION'S
5 DISCLOSURE REPORT AND CORRESPONDING RESALE DISCLOSURE FEE AUTHORIZED UNDER
6 SUBSECTION D OF THIS SECTION.

7 B. ALL INFORMATION THAT IS PROVIDED UNDER SUBSECTION A OF THIS
8 SECTION SHALL BE BASED ON THE GOOD FAITH RELIANCE ON ASSOCIATION RECORDS
9 OR INFORMATION, WITHOUT THE NEED FOR INDEPENDENT INVESTIGATION OR
10 VALIDATION.

11 ~~B.~~ C. A purchaser or seller who is damaged by ~~the failure of~~ the
12 member or the association KNOWINGLY OR RECKLESSLY FAILING to disclose the
13 information required by subsection A of this section OR KNOWINGLY OR
14 RECKLESSLY PROVIDING MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE
15 DISCLOSURE may pursue all remedies at law or in equity against the member
16 or the association, whichever failed to comply with subsection A of this
17 section, including the recovery of reasonable attorney fees AS AWARDED BY
18 THE COURT.

19 ~~C.~~ D. The association may charge the member a fee of not more than
20 an aggregate of ~~four hundred dollars~~ \$400 to compensate the association
21 for the costs incurred in the preparation and delivery of a ~~statement~~
22 REPORT or other documents furnished by the association pursuant to this
23 section for purposes of resale disclosure, lien estoppel and any other
24 services related to the transfer or use of the property. In addition, the
25 association may charge a rush fee of not more than ~~one hundred dollars~~
26 \$100 if the rush services are required to be performed within seventy-two
27 hours after the request for rush services. ~~, and~~ THE MEMBER may REQUEST
28 THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS OR MORE HAVE PASSED
29 SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE ASSOCIATION MAY
30 charge a ~~statement or other documents~~ DOCUMENT update fee of not more than
31 ~~fifty dollars if thirty days or more have passed since the date of the~~
32 ~~original disclosure statement or the date the documents were delivered~~
33 \$50. The association shall make available to any interested party the
34 amount of any fee established from time to time by the association. ~~If the~~
35 ~~aggregate fee for purposes of resale disclosure, lien estoppel and any~~
36 ~~other services related to the transfer or use of a property is less than~~
37 ~~four hundred dollars on January 1, 2010, the fee may increase at a rate of~~
38 ~~not more than twenty percent per year based on the immediately preceding~~
39 ~~fiscal year's amount not to exceed the four hundred dollar aggregate fee.~~
40 The association may charge the same fee without regard to whether the
41 association is furnishing the statement or other documents in paper or
42 electronic format.

43 ~~D.~~ E. The fees prescribed by this section shall be collected ~~no~~
44 NOT earlier than at the close of escrow and may only be charged once to a
45 member for that transaction between the parties ~~specified in the notice~~

1 ~~required pursuant to subsection A of this section.~~ An association shall
2 not charge or collect a fee relating to services for resale disclosure,
3 lien estoppel and any other services related to the transfer or use of a
4 property except as specifically authorized in this section. An
5 association that charges or collects a fee in violation of this section is
6 subject to a civil penalty of not more than ~~one thousand two hundred~~
7 ~~dollars~~ \$1,200.

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

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

11 1. A sale in which a public report is issued pursuant to section
12 32-2183 or 32-2197.02.

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

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

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

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

24 2. DOES NOT INCLUDE:

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

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

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

APPROVED BY THE GOVERNOR JUNE 22, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 22, 2026.