

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2128
(Reference to printed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<Green strikeout in carets>> indicates a section removed from the bill.

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

2 Section 1. Section 10-3821, Arizona Revised Statutes, is amended to
3 read:

4 10-3821. Action without meeting; exception

5 A. Unless the articles of incorporation or bylaws provide
6 otherwise, action required or ~~permitted~~ ALLOWED by chapters 24 through 40
7 of this title to be taken at a directors' meeting may be taken without a
8 meeting if the action is taken by all of the directors. The action must
9 be evidenced by one or more written consents describing the action taken,
10 signed by each director and included in the minutes filed with the
11 corporate records reflecting the action taken.

12 B. Action taken under this section is effective when the last
13 director signs the consent, unless the consent specifies a different
14 effective date.

15 C. The consent signed under this section has the effect of a
16 meeting vote and may be described as such in any document.

17 D. Any director may revoke a consent by delivering a signed
18 revocation of the consent to the president or secretary before the date
19 the last director signs the consent.

20 E. For the purposes of this section, a consent may be signed using
21 an electronic signature as defined in section 44-7002.

22 F. THIS SECTION DOES NOT APPLY TO AN ENTITY THAT IS SUBJECT TO
23 SECTION 33-1248 OR 33-1804 [AFTER TERMINATION OF THE PERIOD OF DECLARANT
24 CONTROL].

25 Sec. 2. Section 33-1248, Arizona Revised Statutes, is amended to
26 read:

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

29 A. Notwithstanding any provision in the declaration, bylaws or
30 other documents to the contrary, all meetings of the unit owners'

1 association and the board of directors, and any regularly scheduled
2 committee meetings, are open to all members of the association or any
3 person designated by a member in writing as the member's representative
4 and all members or designated representatives so desiring shall be allowed
5 to attend and speak at an appropriate time during the deliberations and
6 proceedings. The board may place reasonable time restrictions on those
7 persons speaking during the meeting but shall allow a member or a member's
8 designated representative to speak once after the board has discussed a
9 specific agenda item but before the board takes formal action on that item
10 in addition to any other opportunities to speak. The board shall provide
11 for a reasonable number of persons to speak on each side of an issue.
12 Persons attending may audiotape or videotape those portions of the
13 meetings of the board of directors and meetings of the members that are
14 open. The board of directors of the association shall not require advance
15 notice of the audiotaping or videotaping and may adopt reasonable rules
16 governing the audiotaping or videotaping of open portions of the meetings
17 of the board and the membership, but such rules shall not preclude such
18 audiotaping or videotaping by those attending, unless the board audiotapes
19 or videotapes the meeting and makes the unedited audiotapes or videotapes
20 available to members on request without restrictions on their use as
21 evidence in any dispute resolution process. If a board records a meeting
22 that is open to the members, the board shall keep a copy of the recording
23 for at least six months and make the unedited recording available to any
24 member on request in compliance with section 33-1258, subsection A. Any
25 portion of a meeting may be closed only if that portion of the meeting is
26 limited to consideration of one or more of the following:

27 1. Legal advice from an attorney for the board or the association.
28 On final resolution of any matter for which the board received legal
29 advice or that concerned pending or contemplated litigation, the board may
30 disclose information about that matter in an open meeting except for
31 matters that are required to remain confidential by the terms of a
32 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, an individual employee of the association or an
36 individual employee of a contractor for the association, including records
37 of the association directly related to the personal, health or financial
38 information about an individual member of the association, an individual
39 employee of the association or an individual employee of a contractor for
40 the association.

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

45 5. Discussion of a unit owner's appeal of any violation cited or
46 penalty imposed by the association except on request of the affected unit
47 owner that the meeting be held in an open session.

1 B. Notwithstanding any provision in the condominium documents, all
2 meetings of the unit owners' association and the board shall be held in
3 this state. A meeting of the unit owners' association shall be held at
4 least once each year. Special meetings of the unit owners' association
5 may be called by the president, by a majority of the board of directors or
6 by unit owners having at least twenty-five percent, or any lower
7 percentage specified in the bylaws, of the votes in the association. Not
8 fewer than ten or more than fifty days in advance of any meeting of the
9 unit owners, the secretary shall cause notice to be hand delivered or sent
10 prepaid by United States mail to the mailing address of each unit or to
11 any other mailing address designated in writing by the unit owner. The
12 notice of any meeting of the unit owners shall state the date, time and
13 place of the meeting. The notice of any annual, regular or special
14 meeting of the unit owners shall also state the purpose for which the
15 meeting is called, including the general nature of any proposed amendment
16 to the declaration or bylaws, any changes in assessments that require
17 approval of the unit owners and any proposal to remove a director or
18 officer. The secretary shall also provide an agenda for any meeting of
19 the unit owners' association by hand delivery, mail, website posting,
20 email or other electronic means or posting at a community center or other
21 similar location. The failure of any unit owner to receive actual notice
22 of a meeting of the unit owners or the meeting agenda does not affect the
23 validity of any action taken at that meeting.

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

29 D. Notwithstanding any provision in the declaration, bylaws or
30 other condominium documents, for meetings of the board of directors that
31 are held after the termination of declarant control of the association,
32 notice to unit owners of meetings of the board of directors and meeting
33 agendas shall be given at least forty-eight hours in advance of the
34 meeting by newsletter, conspicuous posting or any other reasonable means
35 as determined by the board of directors. An affidavit of notice by an
36 officer of the association is prima facie evidence that notice was given
37 as prescribed by this section. Notice to unit owners of meetings of the
38 board of directors is not required if emergency circumstances require
39 action by the board before notice can be given. Any notice of a board
40 meeting shall state the date, time and place of the meeting. The failure
41 of any unit owner to receive actual notice of a meeting of the board of
42 directors or a meeting agenda does not affect the validity of any action
43 taken at that meeting.

44 E. Notwithstanding any provision in the declaration, bylaws or
45 other condominium documents, for meetings of the board of directors that
46 are held after the termination of declarant control of the association,
47 all of the following apply:

1 proceedings. The board may place reasonable time restrictions on those
2 persons speaking during the meeting but shall allow a member or member's
3 designated representative to speak once after the board has discussed a
4 specific agenda item but before the board takes formal action on that item
5 in addition to any other opportunities to speak. The board shall provide
6 for a reasonable number of persons to speak on each side of an issue.
7 Persons attending may audiotape or videotape those portions of the
8 meetings of the board of directors and meetings of the members that are
9 open. The board of directors of the association shall not require advance
10 notice of the audiotaping or videotaping and may adopt reasonable rules
11 governing the audiotaping and videotaping of open portions of the meetings
12 of the board and the membership, but such rules shall not preclude such
13 audiotaping or videotaping by those attending, unless the board audiotapes
14 or videotapes the meeting and makes the unedited audiotapes or videotapes
15 available to members on request without restrictions on their use as
16 evidence in any dispute resolution process. If a board records a meeting
17 that is open to the members, the board shall keep a copy of the recording
18 for at least six months and make the unedited recording available to any
19 member on request in compliance with section 33-1805, subsection A. Any
20 portion of a meeting may be closed only if that closed portion of the
21 meeting is limited to consideration of one or more of the following:

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

28 2. Pending or contemplated litigation.

29 3. Personal, health or financial information about an individual
30 member of the association, an individual employee of the association or an
31 individual employee of a contractor for the association, including records
32 of the association directly related to the personal, health or financial
33 information about an individual member of the association, an individual
34 employee of the association or an individual employee of a contractor for
35 the association.

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

40 5. Discussion of a member's appeal of any violation cited or
41 penalty imposed by the association except on request of the affected
42 member that the meeting be held in an open session.

43 B. Notwithstanding any provision in the community documents, all
44 meetings of the members' association and the board shall be held in this
45 state. A meeting of the members' association shall be held at least once
46 each year. Special meetings of the members' association may be called by
47 the president, by a majority of the board of directors or by members
48 having at least twenty-five percent, or any lower percentage specified in

1 the bylaws, of the votes in the association. Not fewer than ten or more
2 than fifty days in advance of any meeting of the members the secretary
3 shall cause notice to be hand delivered or sent prepaid by United States
4 mail to the mailing address for each lot, parcel or unit owner or to any
5 other mailing address designated in writing by a member. The notice shall
6 state the date, time and place of the meeting. A notice of any annual,
7 regular or special meeting of the members shall also state the purpose for
8 which the meeting is called, including the general nature of any proposed
9 amendment to the declaration or bylaws, changes in assessments that
10 require approval of the members and any proposal to remove a director or
11 an officer. The secretary shall also provide an agenda for any meeting of
12 the members' association by hand delivery, mail, website posting, email or
13 other electronic means or posting at a community center or other similar
14 location. The failure of any member to receive actual notice of a meeting
15 of the members or the meeting agenda does not affect the validity of any
16 action taken at that meeting.

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

22 D. Notwithstanding any provision in the declaration, bylaws or
23 other community documents, for meetings of the board of directors that are
24 held after the termination of declarant control of the association, notice
25 to members of meetings of the board of directors and meeting agendas shall
26 be given at least forty-eight hours in advance of the meeting by
27 newsletter, conspicuous posting or any other reasonable means as
28 determined by the board of directors. An affidavit of notice by an
29 officer of the corporation is prima facie evidence that notice was given
30 as prescribed by this section. Notice to members of meetings of the board
31 of directors is not required if emergency circumstances require action by
32 the board before notice can be given. Any notice of a board meeting shall
33 state the date, time and place of the meeting. The failure of any member
34 to receive actual notice of a meeting of the board of directors or a
35 meeting agenda does not affect the validity of any action taken at that
36 meeting.

37 E. Notwithstanding any provision in the declaration, bylaws or
38 other community documents, for meetings of the board of directors that are
39 held after the termination of declarant control of the association, all of
40 the following apply:

41 1. The agenda shall be available in advance for all members
42 attending.

43 2. An emergency meeting of the board of directors may be called to
44 discuss business or take action that cannot be delayed for the forty-eight
45 hours required for notice. At any emergency meeting called by the board
46 of directors, the board of directors may act only on emergency matters.
47 The minutes of the emergency meeting shall state the reason necessitating
48 the emergency meeting. The minutes of the emergency meeting shall be read

1 and approved at the next regularly scheduled meeting of the board of
2 directors.

3 3. A quorum of the board of directors may meet by means of a
4 telephone conference if a speakerphone is available in the meeting room
5 that allows board members and association members to hear all parties who
6 are speaking during the meeting.

7 4. Any quorum of the board of directors that meets informally to
8 discuss association business, including workshops, shall comply with the
9 open meeting and notice provisions of this section without regard to
10 whether the board votes or takes any action on any matter at that informal
11 meeting.

12 F. It is the policy of this state as reflected in this section that
13 all meetings of a planned community, whether meetings of the members'
14 association or meetings of the board of directors of the association, be
15 conducted openly and that notices and agendas be provided in advance for
16 those meetings that contain the information that is reasonably necessary
17 to inform the members of the matters to be discussed or decided and to
18 ensure that members have the ability to speak after discussion of agenda
19 items, but before a vote of the board of directors or members is taken.
20 Toward this end, any person or entity that is charged with the
21 interpretation of these provisions, including members of the board of
22 directors and any community manager, shall take into account this
23 declaration of policy and shall construe any provision of this section in
24 favor of open meetings.

25 G. [AFTER TERMINATION OF THE PERIOD OF DECLARANT CONTROL.] THE
26 MEMBERS' ASSOCIATION OR THE BOARD OF DIRECTORS THAT IS SUBJECT TO THIS
27 SECTION IS NOT SUBJECT TO SECTION 10-3821.

28 Enroll and engross to conform
29 Amend title to conform

NEAL CARTER

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