

REFERENCE TITLE: homeowners' associations; foreclosure process

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

SB 1246

Introduced by
Senator Rogers

AN ACT

AMENDING SECTIONS 33-1202, 33-1256, 33-1802 AND 33-1807, ARIZONA REVISED STATUTES; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 33-1202, Arizona Revised Statutes, is amended to
3 read:

4 33-1202. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (a) Add real estate to a condominium.

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

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

17 (d) Withdraw real estate from a condominium.

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

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

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

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

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

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

39 20. "Person" means:

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

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

1 21. "Real estate":

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

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

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

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

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

16 (b) Exercise any development right.

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

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

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

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

26 25. "Unit owner" means:

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

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

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

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

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

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

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

7 H. This section does not prohibit:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 33-1802. Definitions

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

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

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

39 ~~1.~~ 3. "Association":

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 H. This section does not prohibit:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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