

[July 2004]

New legislation passed regarding HOAs

During the most recent session, there was much activity in the Arizona Legislature regarding homeowners associations. A brief summary of bills signed by Governor Napolitano is as follows:

- ? SB1125 requires that a condominium or planned community must record their contact information with their county recorder's office.
- ? HB2379 requires an annual financial audit. Judging from legal opinions that have been rendered since the adoption of this bill, an annual review will suffice— which is a far less costly alternative to an audit.
- ? SB1137 gives one member of a community the ability to file a lawsuit challenging an association's power to perform an action. In the past, claims had to be supported by the lesser of either 10% of the members or at least 50 members. If this bill gives rise to insurance claims, it may come under close scrutiny in future sessions.
- ? HB2177 allows members of a community to speak during Board meetings. Board members may still call for an executive session for reasons pertaining to legal matters, violations and delinquencies, or other matters that may involve confidential information. The Board may also impose time limits on attending members who wish to speak before a matter is voted on.
- ? HB2380 requires associations to provide a buyer with a statement informing them that the community documents constitute a contract and that the association's lien is superior to the buyer's homestead exemption.
- ? HB2492 requires associations to allow residents to park a public safety vehicle on a street or driveway in a planned community, even if the documents prohibit parking of such vehicles in the community.
- ? HB2402 allows associations to file liens for delinquent assessments; however, associations are now required to seek a court judgment prior to filing a lien against a property for continued violations or failure to pay fines.

Stratford Management is a member of AACM— the Arizona Association of Community Managers. As we continue to receive updates from AACM's lobbyist regarding proposed legislation and the consequences that bills may have for our clients, we will keep you informed in future community newsletters.