

THE COMMUNITY BUILDER

Special Legislative Update – Arizona 2018

Good day, members of the Board. We are excited to share with you some recent changes to Arizona statutes. In addition, we want you to be aware of some recent case rulings that may affect how Associations operate. We are pleased to bring this information to you and hope that you'll never hesitate to contact your local team, as they are always ready to assist you.



The 2018 Legislative session for Arizona ended on May 3. During this session, the legislature addressed several bills affecting condominiums and community associations. There was no “new” legislation, rather existing statutes were amended. The new changes will take effect August 3, 2018.

HB 2240 – Judgement Renewal

This bill makes changes to how civil judgements are renewed if the judgement has not been paid or discharged in bankruptcy. Current law requires the judgement holder (the one who holds a civil judgement against someone or an entity) to file an affidavit, every five years renewing the judgement for another five years. The change HB 2240 makes is that civil judgements are enforceable for 10 years before the renewal requirement and the filing of the affidavit to renew the judgement makes it enforceable or collectible for another 10 years.

SB 1043 – County Recorder Fees

Recording fees charged by the County Recorder is \$30 regardless of number of pages of document. (Effective date: June 30, 2019)

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The above information are changes or amendments to existing statutes which affect or impact associations. The information below highlights issues that are the result of complaints to the Arizona Department of Real Estate (ADRE). These complaints were filed by homeowners against their association. The ADRE then refers cases to Arizona Office of Administrative Hearings (OAH), to schedule a hearing date before an Administrative Law judge. The Judge has the authority to determine whether or not to dismiss the complaint or to fine the association for their wrong doing. Please take note of the three cases shown below.

Turtle Rock – Judge Eigenheer

Complaint: The Association conducted unnoticed email meetings

Facts: Association admitted to voting by unanimous consent

Law: It is the policy of this state as reflected in this section that all meetings of a planned community whether meetings of the members' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided for those meetings that contains the information that is reasonably necessary to inform the members of the matters to be discussed or decided and to ensure that members have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken. Toward this end, any person or entity that is charged with the interpretation of these provision, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision in this section in favor of open meetings.

(ARS 33-1804)

Ruling: The Association violated ARS 33-1804 and had to pay a \$1,000 fine.

Sycamore Vista 8 – Judge Lang

Complaint: Owner claimed they should not have to pay for something they do not use or that does not benefit the entire community

Facts: Owner disputed loan payments related to a road

Ruling: Assessments do not have to benefit all owners equally



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