

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2232

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 33-1242, Arizona Revised Statutes, is amended to
3 read:

4 33-1242. Powers of unit owners' association; limitation on
5 fees, charges; notice to unit owner of violation

6 A. Subject to the provisions of the declaration, the association may:

7 1. Adopt and amend bylaws and rules.

8 2. Adopt and amend budgets for revenues, expenditures and reserves and
9 collect assessments for common expenses from unit owners.

10 3. Hire and discharge managing agents and other employees, agents and
11 independent contractors.

12 4. Institute, defend or intervene in litigation or administrative
13 proceedings in its own name on behalf of itself or two or more unit owners on
14 matters affecting the condominium.

15 5. Make contracts and incur liabilities.

16 6. Regulate the use, maintenance, repair, replacement and modification
17 of common elements.

18 7. Cause additional improvements to be made as a part of the common
19 elements.

20 8. Acquire, hold, encumber and convey in its own name any right, title
21 or interest to real or personal property, except that common elements may be
22 conveyed or subjected to a security interest only pursuant to section
23 33-1252.

24 9. Grant easements, leases, licenses and concessions through or over
25 the common elements.

26 10. Impose and receive any payments, fees or charges for the use,
27 rental or operation of the common elements other than limited common elements

1 described in section 33-1212, paragraphs 2 and 4 and for services provided to
2 unit owners.

3 11. Impose charges for late payment of assessments and, after notice
4 and an opportunity to be heard, impose reasonable monetary penalties ~~upon~~ ON
5 unit owners for violations of the declaration, bylaws and rules of the
6 association.

7 12. Impose reasonable charges for the preparation and recordation of
8 amendments to the declaration or statements of unpaid assessments.

9 13. Provide for the indemnification of its officers and executive
10 board of directors and maintain directors' and officers' liability insurance.

11 14. Assign its right to future income, including the right to receive
12 common expense assessments, but only to the extent the declaration expressly
13 provides.

14 15. Be a member of a master association or other entity owning,
15 maintaining or governing in any respect any portion of the common elements or
16 other property benefitting or related to the condominium or the unit owners
17 in any respect.

18 16. Exercise any other powers conferred by the declaration or bylaws.

19 17. Exercise all other powers that may be exercised in this state by
20 legal entities of the same type as the association.

21 18. Exercise any other powers necessary and proper for the governance
22 and operation of the association.

23 B. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS AND ANY
24 OTHER PROVISION OF LAW AND EXCEPT FOR LIABILITY FOR ASSESSMENTS, THE
25 ASSOCIATION MAY NOT CHARGE AND A UNIT OWNER IS NOT LIABLE FOR LATE FEES,
26 PENALTIES, INTEREST, CHARGES, COSTS OR FEES, INCLUDING ATTORNEY FEES, IN ANY
27 COMBINATION AND HOWEVER DESIGNATED OR ACCRUED, IN ANY AMOUNT IN EXCESS OF
28 ONE-HALF OF THE AMOUNT OF THE MONTHLY REGULAR GENERAL ASSESSMENT. FOR A
29 CONDOMINIUM IN WHICH ASSESSMENTS ARE NOT MADE MONTHLY, THE LIMITATION
30 PRESCRIBED BY THIS SUBSECTION SHALL BE DETERMINED BASED ON THE MONTHLY PRO
31 RATA SHARE OF THE ANNUAL AMOUNT OF THE REGULAR GENERAL ASSESSMENT.

32 ~~B.~~ C. A unit owner who receives a written notice that the condition
33 of the property owned by the unit owner is in violation of a requirement of
34 the condominium documents without regard to whether a monetary penalty is
35 imposed by the notice may provide the association with a written response by
36 sending the response by certified mail within ten business days after the

1 date of the notice. The response shall be sent to the address identified in
2 the notice.

3 ~~E.~~ D. Within ten business days after receipt of the certified mail
4 containing the response from the unit owner, the association shall respond to
5 the unit owner with a written explanation regarding the notice that shall
6 provide at least the following information unless previously provided in the
7 notice of violation:

8 1. The provision of the condominium documents that has allegedly been
9 violated.

10 2. The date of the violation or the date the violation was observed.

11 3. The first and last name of the person or persons who observed the
12 violation.

13 4. The process the unit owner must follow to contest the notice.

14 ~~D.~~ E. Unless the information required in subsection ~~E~~ D, paragraph 4
15 of this section is provided in the notice of violation, the association shall
16 not proceed with any action to enforce the condominium documents, including
17 the collection of attorney fees, before or during the time prescribed by
18 subsection ~~E~~ D of this section regarding the exchange of information between
19 the association and the unit owner. At any time before or after completion
20 of the exchange of information pursuant to this section, the unit owner may
21 petition for a hearing pursuant to section 41-2198.01 if the dispute is
22 within the jurisdiction of the department of fire, building and life safety
23 as prescribed in section 41-2198.01, subsection B.

24 Sec. 2. Section 33-1803, Arizona Revised Statutes, is amended to read:

25 33-1803. Assessment limitation; penalties; limitation on fees,
26 charges; notice to member of violation

27 A. Unless limitations in the community documents would result in a
28 lower limit for the assessment, the association shall not impose a regular
29 assessment that is more than twenty percent greater than the immediately
30 preceding fiscal year's assessment without the approval of the majority of
31 the members of the association. Unless reserved to the members of the
32 association, the board of directors may impose reasonable charges for the
33 late payment of assessments. A payment by a member is deemed late if it is
34 unpaid fifteen or more days after its due date, unless the community
35 documents provide for a longer period. Charges for the late payment of
36 assessments are limited to the greater of fifteen dollars or ten percent of
37 the amount of the unpaid assessment. Any monies paid by the member for an

1 unpaid assessment shall be applied first to the principal amount unpaid and
2 then to the interest accrued.

3 B. After notice and an opportunity to be heard, the board of directors
4 may impose reasonable monetary penalties on members for violations of the
5 declaration, bylaws and rules of the association. Notwithstanding any
6 provision in the community documents, the board of directors shall not impose
7 a charge for a late payment of a penalty that exceeds the greater of fifteen
8 dollars or ten percent of the amount of the unpaid penalty. A payment is
9 deemed late if it is unpaid fifteen or more days after its due date, unless
10 the declaration, bylaws or rules of the association provide for a longer
11 period. Any monies paid by a member for an unpaid penalty shall be applied
12 first to the principal amount unpaid and then to the interest accrued.
13 Notice pursuant to this subsection shall include information pertaining to
14 the manner in which the penalty shall be enforced.

15 C. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS AND ANY
16 OTHER PROVISION OF LAW AND EXCEPT FOR LIABILITY FOR ASSESSMENTS, THE
17 ASSOCIATION MAY NOT CHARGE AND A MEMBER IS NOT LIABLE FOR LATE FEES,
18 PENALTIES, INTEREST, CHARGES, COSTS OR FEES, INCLUDING ATTORNEY FEES, IN ANY
19 COMBINATION AND HOWEVER DESIGNATED OR ACCRUED, IN ANY AMOUNT IN EXCESS OF
20 ONE-HALF OF THE AMOUNT OF THE MONTHLY REGULAR GENERAL ASSESSMENT. FOR A
21 PLANNED COMMUNITY IN WHICH ASSESSMENTS ARE NOT MADE MONTHLY, THE LIMITATION
22 PRESCRIBED BY THIS SUBSECTION SHALL BE DETERMINED BASED ON THE MONTHLY PRO
23 RATA SHARE OF THE ANNUAL AMOUNT OF THE REGULAR GENERAL ASSESSMENT.

24 ~~C.~~ D. A member who receives a written notice that the condition of
25 the property owned by the member is in violation of the community documents
26 without regard to whether a monetary penalty is imposed by the notice may
27 provide the association with a written response by sending the response by
28 certified mail within ten business days after the date of the notice. The
29 response shall be sent to the address identified in the notice.

30 ~~D.~~ E. Within ten business days after receipt of the certified mail
31 containing the response from the member, the association shall respond to the
32 member with a written explanation regarding the notice that shall provide at
33 least the following information unless previously provided in the notice of
34 violation:

35 1. The provision of the community documents that has allegedly been
36 violated.

37 2. The date of the violation or the date the violation was observed.

1 3. The first and last name of the person or persons who observed the
2 violation.
3 4. The process the member must follow to contest the notice.
4 ~~E.~~ F. Unless the information required in subsection ~~D~~ E, paragraph 4
5 of this section is provided in the notice of violation, the association shall
6 not proceed with any action to enforce the community documents, including the
7 collection of attorney fees, before or during the time prescribed by
8 subsection ~~D~~ E of this section regarding the exchange of information between
9 the association and the member. At any time before or after completion of
10 the exchange of information pursuant to this section, the member may petition
11 for a hearing pursuant to section 41-2198.01 if the dispute is within the
12 jurisdiction of the department of fire, building and life safety as
13 prescribed in section 41-2198.01, subsection B."
14 Amend title to conform

DIEGO ESPINOZA

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C: myr