

Senate Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
Senate
Fifty-first Legislature
First Regular Session
2013

CHAPTER 166

SENATE BILL 1302

AN ACT

AMENDING SECTION 33-1817, ARIZONA REVISED STATUTES; RELATING TO 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 33-1817, Arizona Revised Statutes, is amended to
3 read:

4 33-1817. Declaration amendment; design, architectural
5 committees; review

6 Notwithstanding any provision in the community documents:

7 1. Membership on a design review committee, an architectural committee
8 or a committee that performs similar functions, however denominated, for the
9 planned community shall include at least one member of the board of directors
10 who shall serve as chairperson of the committee.

11 2. For new construction of the main residential structure on a lot or
12 for rebuilds of the main residential structure on a lot and only in a planned
13 community that has enacted design guidelines, architectural guidelines or
14 other similar rules, however denominated, ~~+~~

15 ~~(a)~~ AND if the association documents permit the association to charge
16 the member a security deposit and ~~if~~ the association requires the member to
17 pay a security deposit to secure completion of the member's construction
18 project or compliance with approved plans, ALL OF THE FOLLOWING APPLY:

19 (a) The deposit shall be placed in a trust account with the following
20 instructions:

21 (i) The cost of the trust account shall be shared equally between the
22 association and the member.

23 (ii) If the construction project is abandoned, the board of directors
24 may determine the appropriate use of any deposit monies.

25 (iii) Any interest earned on the refundable security deposit shall
26 become part of the security deposit.

27 (b) The association or the design review committee must hold a final
28 design approval meeting for the purpose of issuing approval of the plans, and
29 the member or member's agent must have the opportunity to attend the meeting.
30 If the plans are approved, the association's design review representative
31 shall provide written acknowledgement that the approved plans, including any
32 approved amendments, are in compliance with all rules and guidelines in
33 effect at the time of the approval and that the refund of the deposit
34 requires that construction be completed in accordance with those approved
35 plans.

36 (c) The association must provide for at least two on-site formal
37 reviews during construction for the purpose of determining compliance with
38 the approved plans. The member or member's agent shall be provided the
39 opportunity to attend both formal reviews. Within five business days after
40 the formal reviews, the association shall cause a written report to be
41 provided to the member or member's agent specifying any deficiencies,
42 violations or unapproved variations from the approved plans as amended ~~and~~
43 that have come to the attention of the association.

44 (d) Within thirty business days after the second formal review, the
45 association shall provide to the member, ~~—~~ a copy of the written report

1 specifying any deficiencies, violations or unapproved variations from the
2 approved plans as amended that have come to the attention of the association.
3 If the written report does not specify any deficiencies, violations or
4 unapproved variations from the approved plans, as amended, that have come to
5 the attention of the association, the association shall promptly release the
6 deposit monies to the member. If the report identifies any deficiencies,
7 violations or unapproved variations from the approved plans, as amended, the
8 association may hold the deposit for one hundred eighty days or until receipt
9 of a subsequent report of construction compliance, whichever is less. If a
10 report of construction compliance is received before the one hundred
11 eightieth day, the association shall promptly release the deposit monies to
12 the member. If a compliance report is not received within one hundred eighty
13 days, the association shall release the deposit monies promptly from the
14 trust account to the association.

15 (e) Neither the approval of the plans nor the approval of the actual
16 construction by the association or the design review committee shall
17 constitute a representation or warranty that the plans or construction comply
18 with applicable governmental requirements or applicable engineering, design
19 or safety standards. The association in its discretion may release all or
20 any part of the deposit to the member before receiving a compliance report.
21 Release of the deposit to the member does not constitute a representation or
22 warranty from the association that the construction complies with the
23 approved plans.

APPROVED BY THE GOVERNOR APRIL 30, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 1, 2013.

Passed the House April 10, 2013,

by the following vote: 59 Ayes,

1 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate February 21, 2013,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

30 day of April, 2013,

at 9:27 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 30th day of

April, 2013,

at 2:00 o'clock P. M.

[Signature]
Governor of Arizona

S.B. 1302

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1st day of May, 2013,

at 9:02 o'clock a M.

[Signature]
acting Secretary of State