Senate Engrossed

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 83

FILED
KEN BENNETT
SECRETARY OF STATE

SENATE BILL 1482

AN ACT

REPEALING SECTION 9-461.15, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 9-461.15; REPEALING SECTION 11-810, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 11-810; AMENDING SECTION 12-991, ARIZONA REVISED STATUTES; REPEALING SECTION 22-512, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 254, SECTION 15; AMENDING SECTION 22-512, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1980, CHAPTER 134, SECTION 1; REPEALING SECTION 33-1250, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 254, SECTION 16; AMENDING SECTION 33-1250, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 132, SECTION 8 AND CHAPTER 269, SECTION 2; REPEALING SECTION 33-1260.01, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 33-1260.01; REPEALING SECTION 33-1261, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 254, SECTION 18; AMENDING SECTION 33-1261, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2012, CHAPTER 242, SECTION 1; REPEALING SECTION 33-1806.01, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 33-1806.01; REPEALING SECTION 33-1812, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 254, SECTION 20; AMENDING SECTION 33-1812, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2005, CHAPTER 269, SECTION 8; REPEALING SECTION 41-2198.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 254, SECTION 21; AMENDING SECTION 41-2198.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 324, SECTION 7; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Repeal

Section 9-461.15, Arizona Revised Statutes, is repealed.

Sec. 2. Title 9, chapter 4, article 6, Arizona Revised Statues, is amended by adding a new section 9-461.15, to read:

9-461.15. Requirement of planned community prohibited

A. THE PLANNING AGENCY OF A MUNICIPALITY IN EXERCISING ITS AUTHORITY PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION REGULATION OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE PENALIZED BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT CONSTITUTE OR INCLUDE A PLANNED COMMUNITY.

B. A MUNICIPALITY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH AN ASSOCIATION TO MAINTAIN PRIVATE, COMMON OR COMMUNITY OWNED IMPROVEMENTS THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A MUNICIPALITY SHALL NOT REQUIRE THAT AN ASSOCIATION BE FORMED OR OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR COMMUNITY OWNED PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A MUNICIPALITY.

Sec. 3. Repeal

Section 11-810, Arizona Revised Statutes, is repealed.

Sec. 4. Title 11, chapter 6, article 1, Arizona Revised Statutes, is amended by adding a new section 11-810, to read:

11-810. Requirement of planned community prohibited

A. A COUNTY PLANNING AND ZONING COMMISSION IN EXERCISING ITS AUTHORITY PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION APPROVAL OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE PENALIZED BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT CONSTITUTE OR INCLUDE A PLANNED COMMUNITY.

B. A COUNTY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH AN ASSOCIATION TO MAINTAIN PRIVATE, COMMON OR COMMUNITY OWNED IMPROVEMENTS THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A COUNTY SHALL NOT REQUIRE THAT AN ASSOCIATION BE FORMED OR OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR COMMUNITY OWNED PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A COUNTY.

Sec. 5. Section 12-991, Arizona Revised Statutes, is amended to read:

12-991. Nuisance; applicability; residential property used for crime; action to abate and prevent; notice; definitions

A. Residential property that is regularly used in the commission of a crime is a nuisance, and the criminal activity causing the nuisance shall be enjoined, abated and prevented.

B. If there is reason to believe that a nuisance as described in subsection A of this section exists, the attorney general, the county attorney, the city attorney, AN ASSOCIATION OF HOMEOWNERS OR PROPERTY OWNERS ESTABLISHED BY A RECORDED CONTRACT OR OTHER DECLARATION, INCLUDING A CONDOMINIUM ASSOCIATION AS DEFINED IN SECTION 33-1202 AND A PLANNED COMMUNITY ASSOCIATION AS DEFINED IN SECTION 33-1802, or a resident of a county or city who is affected by the nuisance may bring an action in superior court against the owner, the owner's managing agent or any other party responsible for the property to abate and prevent the criminal activity.

C. The court shall not assess a civil penalty against any person unless that person knew or had reason to know of the criminal activity.

D. An injunction that is ordered pursuant to this article shall be necessary to protect the health and safety of the public or prevent further criminal activity.

E. An order shall not affect the owner's interest in the property unless all of the following apply:

1. The owner is a defendant in the action.

2. The owner knew of the criminal activity.

3. The owner failed to take reasonable, legally available actions to abate the nuisance.

F. If the owner, the owner's managing agent or the party responsible for the property knows or has reason to know of the criminal activity and fails to take reasonable, legally available actions to abate the nuisance, a governmental authority may abate the nuisance. The court may assess the owner for the cost of abating the nuisance. On recording with the county recorder in the county in which the property is located, the assessment is prior to all other liens, obligations or encumbrances except for prior recorded mortgages, restitution liens, child support liens and general tax liens. A city, town or county may bring an action to enforce the assessment in the superior court in the county in which the property is located.

G. For purposes of this section, an owner, the owner's managing agent or the party responsible for the property is deemed to know or have reason to know of the nuisance if the owner, the owner's managing agent or the party responsible for the property has received notice from a governmental

authority of documented reports of criminal offenses occurring on the residential property.

H. A law enforcement agency, a city attorney, a county attorney, the attorney general or any other person who is at least twenty-one years of age may serve the notice provided for in subsection G of this section, either personally or by certified mail. If personal service or service by certified mail cannot be completed or the address of the person to be notified is unknown, notice may be served by publishing the notice three times within ten consecutive days in a newspaper of general circulation in the county in which the property is located. In all cases a copy of the notice shall be posted on the premises where the nuisance exists.

I. The notice shall be printed in at least twelve-point type in substantially the following form:

Notice

This is formal notice that the property at (insert address and unit number if applicable) has had (insert number of) arrests or (insert number of) documented reports of alleged criminal activity and is considered a nuisance under section 12-991, Arizona Revised Statutes. A copy of the police report numbers is attached. Police reports are available at (insert applicable police agency).

Within five business days you must begin to take action that is legally available to you to abate the nuisance from the property. If you fail to do so, a restraining order to abate and prevent continuing or recurring criminal activity will be pursued.

If you fail to cooperate to abate the nuisance, the appropriate authorities will abate the nuisance and their costs will be a lien on the property.

You may contact (local agency) in order to obtain information on how to abate the nuisance.

J. For the purposes of this article:

1. "Owner" means a person or persons or a legal entity listed as the current title holder as recorded in the official records of the county recorder in the county in which the title is recorded.

2. "Owner's managing agent" means a person, corporation, partnership or limited liability company that is authorized by the owner to operate and manage the property.

Sec. 6. Repeal

Section 22-512, Arizona Revised Statutes, as amended by Laws 2013, chapter 254, section 15, is repealed.

Sec. 7. Section 22-512, Arizona Revised Statutes, as added by Laws 1980, chapter 134, section 1, is amended to read:

22-512. Parties; representation

A. Any natural person, corporation, partnership, association, marital community or other organization may commence or defend a small claims action, but no assignee or other person not a real party to the original transaction giving rise to the action may commence such an action except as a personal representative duly appointed pursuant to a proceeding as provided in title 14.

B. ~~Notwithstanding section 32-261,~~ In a small claims action:

1. An individual shall represent himself.

2. Either spouse or both may represent a marital community.

3. An active general partner or an authorized full-time employee shall represent a partnership.

4. A full-time officer or authorized employee shall represent a corporation.

5. An active member or an authorized full-time employee shall represent an association.

6. Any other organization or entity shall be represented by one of its active members or authorized full-time employees.

7. An attorney-at-law shall not appear or take any part in the filing or prosecution or defense of any matter designated as a small claim.

C. FOR AN ASSOCIATION AS DEFINED IN SECTION 33-1202 OR 33-1802 THAT HAS EMPLOYEES OR THAT IS CONTRACTED WITH A CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, SOLE PROPRIETOR OR OTHER LAWFULLY FORMED AND OPERATING ENTITY THAT PROVIDES MANAGEMENT SERVICES TO THE ASSOCIATION, THE EMPLOYEES OF THE ASSOCIATION AND THE MANAGEMENT COMPANY AND ITS OFFICERS AND EMPLOYEES MAY LAWFULLY ACT ON BEHALF OF THE ASSOCIATION AND ITS BOARD OF DIRECTORS BY:

1. RECORDING A NOTICE OF LIEN OR NOTICE OF CLAIM OF LIEN OF THE ASSOCIATION AGAINST AN OWNER'S PROPERTY IN A CONDOMINIUM OR PLANNED COMMUNITY IF ALL OF THE FOLLOWING APPLY:

(a) THE ASSOCIATION EMPLOYEE OR THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO RECORD NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN ON BEHALF OF THE ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

(b) THE ASSOCIATION IS THE ORIGINAL PARTY TO THE LIEN AND THE LIEN RIGHT IS NOT THE RESULT OF AN ASSIGNMENT OF RIGHTS.

(c) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION 33-1256 OR 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO WHICH THE ASSOCIATION IS A PARTY.

2. APPEARING ON BEHALF OF THE ASSOCIATION IN A SMALL CLAIMS ACTION IF ALL OF THE FOLLOWING APPLY:

(a) THE EMPLOYEE OF THE ASSOCIATION OR THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO APPEAR ON BEHALF OF THE ASSOCIATION.

(b) THE ASSOCIATION IS AN ORIGINAL PARTY TO THE SMALL CLAIMS ACTION.

~~C.~~ D. Notwithstanding subsection B of this section, at any time ~~prior to~~ BEFORE THE hearing, the parties may stipulate by written agreement to the participation of attorneys in actions designated as small claims.

~~D.~~ E. This section is not intended to limit or otherwise interfere with a party's right to assign or to employ counsel to pursue ~~his~~ THE PARTY'S rights and remedies subsequent to the entry of judgment in a small claims action.

~~E.~~ F. Attorneys-at-law may represent themselves in propria persona.

Sec. 8. Repeal

Section 33-1250, Arizona Revised Statutes, as amended by Laws 2013, chapter 254, section 16, is repealed.

Sec. 9. Section 33-1250, Arizona Revised Statutes, as amended by Laws 2005, chapter 132, section 8 and chapter 269, section 2, is amended to read:

33-1250. Voting; proxies; absentee ballots; applicability; definition

A. If only one of the multiple owners of a unit is present at a meeting of the association, the owner is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners unless the declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

B. During the period of declarant control, votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. A unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same unit owner. A proxy terminates one year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable.

C. Notwithstanding any provision in the condominium documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION may provide for voting by some other form of delivery, INCLUDING THE USE OF E-MAIL AND FAX DELIVERY. Notwithstanding section 10-3708 or the provisions

of the condominium documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF DELIVERY are used:

1. The ~~absentee~~ ballot shall set forth each proposed action.

2. The ~~absentee~~ ballot shall provide an opportunity to vote for or against each proposed action.

3. The ~~absentee~~ ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The ~~absentee~~ ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted ~~absentee~~ ballot to the member.

5. The ~~absentee~~ ballot does not authorize another person to cast votes on behalf of the member.

D. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING THE USE OF E-MAIL AND FAX delivery, are valid for the purpose of establishing a quorum.

E. Notwithstanding subsection C of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

F. If the declaration requires that votes on specified matters affecting the condominium be cast by lessees rather than unit owners of leased units all of the following apply:

1. The provisions of subsections A and B of this section apply to lessees as if they were unit owners.

2. Unit owners who have leased their units to other persons shall not cast votes on those specified matters.

3. Lessees are entitled to notice of meetings, access to records and other rights respecting those matters as if they were unit owners. Unit owners shall also be given notice, in the manner prescribed in section 33-1248, of all meetings at which lessees may be entitled to vote.

G. Unless the declaration provides otherwise, votes allocated to a unit owned by the association shall not be cast.

H. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

I. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the condominium documents or by virtue of superior voting power.

Sec. 10. Repeal

Section 33-1260.01, Arizona Revised Statutes, is repealed.

Sec. 11. Title 33, chapter 9, article 3, Arizona Revised Statutes, is amended by adding a new section 33-1260.01, to read:

33-1260.01. Rental property; unit owner and agent information; fee; disclosure

A. A UNIT OWNER MAY USE THE UNIT OWNER'S UNIT AS A RENTAL PROPERTY UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

B. A UNIT OWNER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE UNIT OWNER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL UNIT, EXCEPT FOR VOTING IN ASSOCIATION ELECTIONS AND SERVING ON THE BOARD OF DIRECTORS. THE UNIT OWNER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE UNIT OWNER'S RENTAL UNIT THROUGH THE DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A UNIT OWNER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT CONSTITUTES NOTICE TO THE UNIT OWNER.

C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY, AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE MANAGING AGENT OR, IF THERE IS NO MANAGING AGENT, THE ASSOCIATION MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS, WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION AND FEES RELATED TO THE USE OF RECREATIONAL FACILITIES, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S RENTAL UNIT ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

1. REQUIRING A UNIT OWNER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION EXCEPT AS PRESCRIBED BY THIS SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL UNIT.

3. PROHIBITING OR OTHERWISE RESTRICTING A UNIT OWNER FROM SERVING ON THE BOARD OF DIRECTORS BASED ON THE OWNER'S NOT BEING AN OCCUPANT OF THE UNIT.

4. IMPOSING ON A UNIT OWNER OR MANAGING AGENT ANY FEE, ASSESSMENT, PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION

F. ANY ATTEMPT BY AN ASSOCIATION TO EXCEED THE FEE, ASSESSMENT, PENALTY OR OTHER CHARGE AUTHORIZED BY SUBSECTION D OR E OF THIS SECTION VOIDS THE FEE, ASSESSMENT, PENALTY OR OTHER CHARGE AUTHORIZED BY SUBSECTION D OR E OF THIS SECTION. THIS SECTION DOES NOT PREVENT AN ASSOCIATION FROM COMPLYING WITH THE HOUSING FOR OLDER PERSONS ACT OF 1995 (P.L. 104-76; 109 STAT. 787).

G. AN OWNER MAY USE A CRIME FREE ADDENDUM AS PART OF A LEASE AGREEMENT. THIS SECTION DOES NOT PROHIBIT THE OWNER'S USE OF A CRIME FREE ADDENDUM.

H. THIS SECTION DOES NOT PROHIBIT AND AN ASSOCIATION MAY LAWFULLY ENFORCE A PROVISION IN THE CONDOMINIUM DOCUMENTS THAT RESTRICTS THE RESIDENCY OF PERSONS WHO ARE REQUIRED TO BE REGISTERED PURSUANT TO SECTION 13-3821 AND WHO ARE CLASSIFIED AS LEVEL TWO OR LEVEL THREE OFFENDERS.

I. AN OWNER OF RENTAL PROPERTY SHALL ABATE CRIMINAL ACTIVITY AS AUTHORIZED IN SECTION 12-991.

Sec. 12. Repeal

Section 33-1261, Arizona Revised Statutes, as amended by Laws 2013, chapter 254, section 18, is repealed.

Sec. 13. Section 33-1261, Arizona Revised Statutes, as amended by Laws 2012, chapter 242, section 1, is amended to read:

33-1261. Flag display; for sale, rent or lease signs; political signs and activities; applicability

A. Notwithstanding any provision in the condominium documents, an association shall not prohibit the outdoor display of any of the following:

1. The American flag or an official or replica of a flag of the United States army, navy, air force, marine corps or coast guard by a unit owner on that unit owner's property if the American flag or military flag is displayed in a manner consistent with the federal flag code (P.L. 94-344; 90 Stat. 810; 4 United States Code sections 4 through 10).

2. The POW/MIA flag.

3. The Arizona state flag.

4. An Arizona Indian nations flag.

5. The Gadsden flag.

B. The association shall adopt reasonable rules and regulations regarding the placement and manner of display of the American flag, the military flag, the POW/MIA flag, the Arizona state flag or an Arizona Indian

nations flag. The association rules may regulate the location and size of flagpoles but shall not prohibit the installation of a flagpole.

C. Notwithstanding any provision in the condominium documents, an association shall not prohibit or charge a fee for the use of, the placement of or the indoor or outdoor display of a for sale, for rent or for lease sign and a sign rider by a unit owner on that owner's property in any combination, including a sign that indicates the unit owner is offering the property for sale by owner. The size of a sign offering a property for sale, for rent or for lease shall be in conformance with the industry standard size sign, which shall not exceed eighteen by twenty-four inches, and the industry standard size sign rider, which shall not exceed six by twenty-four inches. This subsection applies only to a commercially produced sign and an association may prohibit the use of signs that are not commercially produced. With respect to real estate for sale, for rent or for lease in the condominium, an association shall not prohibit in any way other than as is specifically authorized by this section or otherwise regulate any of the following:

1. Temporary open house signs or a unit owner's for sale sign. The association shall not require the use of particular signs indicating an open house or real property for sale and may not further regulate the use of temporary open house or for sale signs that are industry standard size and that are owned or used by the seller or the seller's agent.

2. Open house hours. The association may not limit the hours for an open house for real estate that is for sale in the condominium, except that the association may prohibit an open house being held before 8:00 a.m. or after 6:00 p.m. and may prohibit open house signs on the common elements of the condominium.

3. An owner's or an owner's agent's for rent or for lease sign unless an association's documents prohibit or restrict leasing of a unit or units. An association shall not further regulate a for rent or for lease sign or require the use of a particular for rent or for lease sign other than the for rent or for lease sign shall not be any larger than the industry standard size sign of eighteen by twenty-four inches and on or in the unit owner's property. If rental or leasing of a unit is allowed, the association may prohibit an open house for rental or leasing being held before 8:00 a.m. or after 6:00 p.m.

D. Notwithstanding any provision in the condominium documents, an association shall not prohibit door to door political activity, including solicitations of support or opposition regarding candidates or ballot issues, and shall not prohibit the circulation of political petitions, including candidate nomination petitions or petitions in support of or opposition to an initiative, referendum or recall or other political issue on property normally open to visitors within the association, except that an association may do the following:

1. Restrict or prohibit door to door political activity regarding candidates or ballot issues from sunset to sunrise.

2. Require the prominent display of an identification tag for each person engaged in the activity, along with the prominent identification of the candidate or ballot issue that is the subject of the support or opposition.

E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, AN ASSOCIATION SHALL NOT PROHIBIT THE INDOOR OR OUTDOOR DISPLAY OF A POLITICAL SIGN BY A UNIT OWNER BY PLACEMENT OF A SIGN ON THAT UNIT OWNER'S PROPERTY, INCLUDING ANY LIMITED COMMON ELEMENTS FOR THAT UNIT THAT ARE DOORS, WALLS, PATIOS OR OTHER LIMITED COMMON ELEMENTS THAT TOUCH THE UNIT, OTHER THAN THE ROOF. AN ASSOCIATION MAY PROHIBIT THE DISPLAY OF POLITICAL SIGNS EARLIER THAN SEVENTY-ONE DAYS BEFORE THE DAY OF AN ELECTION AND LATER THAN THREE DAYS AFTER AN ELECTION DAY. AN ASSOCIATION MAY REGULATE THE SIZE AND NUMBER OF POLITICAL SIGNS THAT MAY BE PLACED IN THE COMMON ELEMENT GROUND, ON A UNIT OWNER'S PROPERTY OR ON A LIMITED COMMON ELEMENT FOR THAT UNIT IF THE ASSOCIATION'S REGULATION IS NO MORE RESTRICTIVE THAN ANY APPLICABLE CITY, TOWN OR COUNTY ORDINANCE THAT REGULATES THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY. IF THE CITY, TOWN OR COUNTY IN WHICH THE PROPERTY IS LOCATED DOES NOT REGULATE THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY, THE ASSOCIATION SHALL NOT LIMIT THE NUMBER OF POLITICAL SIGNS, EXCEPT THAT THE MAXIMUM AGGREGATE TOTAL DIMENSIONS OF ALL POLITICAL SIGNS ON A UNIT OWNER'S PROPERTY SHALL NOT EXCEED NINE SQUARE FEET. An association shall not make any regulations regarding the number of candidates supported, the number of public officers supported or opposed in a recall or the number of propositions supported or opposed on a political sign. FOR THE PURPOSES OF THIS SUBSECTION, "POLITICAL SIGN" MEANS A SIGN THAT ATTEMPTS TO INFLUENCE THE OUTCOME OF AN ELECTION, INCLUDING SUPPORTING OR OPPOSING THE RECALL OF A PUBLIC OFFICER OR SUPPORTING OR OPPOSING THE CIRCULATION OF A PETITION FOR A BALLOT MEASURE, QUESTION OR PROPOSITION OR THE RECALL OF A PUBLIC OFFICER.

F. An association shall not require political signs to be commercially produced or professionally manufactured or prohibit the utilization of both sides of a political sign.

G. A condominium is not required to comply with subsection D of this section if the condominium restricts vehicular or pedestrian access to the condominium. Nothing in this section requires a condominium to make its common elements other than roadways and sidewalks that are normally open to visitors available for the circulation of political petitions to anyone who is not an owner or resident of the community.

H. An association or managing agent that violates subsection C of this section forfeits and extinguishes the lien rights authorized under section 33-1256 against that unit for a period of six consecutive months from the date of the violation.

I. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

Sec. 14. Repeal

Section 33-1806.01, Arizona Revised Statutes, is repealed.

Sec. 15. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding a new section 33-1806.01, to read:

33-1806.01. Rental property; member and agent information; fee; disclosure

A. A MEMBER MAY USE THE MEMBER'S PROPERTY AS A RENTAL PROPERTY UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

B. A MEMBER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE MEMBER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL PROPERTY, EXCEPT FOR VOTING IN ASSOCIATION ELECTIONS AND SERVING ON THE BOARD OF DIRECTORS. THE MEMBER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE MEMBER'S RENTAL PROPERTY THROUGH THE DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A MEMBER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE MEMBER'S RENTAL PROPERTY CONSTITUTES NOTICE TO THE MEMBER.

C. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, ON RENTAL OF A MEMBER'S PROPERTY AN ASSOCIATION SHALL NOT REQUIRE A MEMBER OR A MEMBER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE PROPERTY, THE TIME PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY, AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF THE PLANNED COMMUNITY IS AN AGE RESTRICTED COMMUNITY, THE MEMBER, THE MEMBER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE COMMUNITY'S AGE RESTRICTIONS OR REQUIREMENTS.

D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE MANAGING AGENT OR, IF THERE IS NO MANAGING AGENT, THE ASSOCIATION MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS, WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT PROPERTY BUT MAY NOT BE CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION AND FEES RELATED TO THE USE OF RECREATIONAL FACILITIES, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A MEMBER'S RENTAL PROPERTY ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED PROPERTY IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

1. REQUIRING A MEMBER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION EXCEPT AS PRESCRIBED BY THIS

SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL PROPERTY.

3. PROHIBITING OR OTHERWISE RESTRICTING A MEMBER FROM SERVING ON THE BOARD OF DIRECTORS BASED ON THE MEMBER'S NOT BEING AN OCCUPANT OF THE PROPERTY.

4. IMPOSING ON A MEMBER OR MANAGING AGENT ANY FEE, ASSESSMENT, PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION.

F. ANY ATTEMPT BY AN ASSOCIATION TO EXCEED THE FEE, ASSESSMENT, PENALTY OR OTHER CHARGE AUTHORIZED BY SUBSECTION D OR E OF THIS SECTION VOIDS THE FEE, ASSESSMENT, PENALTY OR OTHER CHARGE AUTHORIZED BY SUBSECTION D OR E OF THIS SECTION. THIS SECTION DOES NOT PREVENT AN ASSOCIATION FROM COMPLYING WITH THE HOUSING FOR OLDER PERSONS ACT OF 1995 (P.L. 104-76; 109 STAT. 787).

G. AN OWNER MAY USE A CRIME FREE ADDENDUM AS PART OF A LEASE AGREEMENT. THIS SECTION DOES NOT PROHIBIT THE OWNER'S USE OF A CRIME FREE ADDENDUM.

H. THIS SECTION DOES NOT PROHIBIT AND AN ASSOCIATION MAY LAWFULLY ENFORCE A PROVISION IN THE COMMUNITY DOCUMENTS THAT RESTRICTS THE RESIDENCY OF PERSONS WHO ARE REQUIRED TO BE REGISTERED PURSUANT TO SECTION 13-3821 AND WHO ARE CLASSIFIED AS LEVEL TWO OR LEVEL THREE OFFENDERS.

I. AN OWNER OF RENTAL PROPERTY SHALL ABATE CRIMINAL ACTIVITY AS AUTHORIZED IN SECTION 12-991.

Sec. 16. Repeal

Section 33-1812, Arizona Revised Statutes, as amended by Laws 2013, chapter 254, section 20, is repealed.

Sec. 17. Section 33-1812, Arizona Revised Statutes, as added by Laws 2005, chapter 269, section 8, is amended to read:

33-1812. Proxies; absentee ballots; definition

A. Notwithstanding any provision in the community documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION may provide for voting by some other form of delivery, INCLUDING THE USE OF E-MAIL AND FAX DELIVERY. Notwithstanding section 10-3708 or the provisions of the community documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF DELIVERY are used:

1. The ~~absentee~~ ballot shall set forth each proposed action.

2. The ~~absentee~~ ballot shall provide an opportunity to vote for or against each proposed action.

3. The ~~absentee~~ ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The ~~absentee~~ ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted ~~absentee~~ ballot to the member.

5. The ~~absentee~~ ballot does not authorize another person to cast votes on behalf of the member.

B. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING THE USE OF E-MAIL AND FAX delivery, are valid for the purpose of establishing a quorum.

C. Notwithstanding subsection A of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

D. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the community documents or by virtue of superior voting power.

Sec. 18. Repeal

Section 41-2198.01, Arizona Revised Statutes, as amended by Laws 2013, chapter 254, section 21, is repealed.

Sec. 19. Section 41-2198.01, Arizona Revised Statutes, as amended by Laws 2006, chapter 324, section 7, is amended to read:

41-2198.01. Hearing; rights and procedures

A. A person who is subject to title 33, chapter 11 or a party to a rental agreement entered into pursuant to title 33, chapter 11 may petition the department for a hearing concerning violations of the Arizona mobile home parks residential landlord and tenant act by filing a petition with the department and paying a nonrefundable filing fee in an amount to be established by the director. All monies collected shall be deposited in the state general fund and are not refundable.

B. For a dispute between an owner and a condominium association or planned community association that is regulated pursuant to title 33, chapter 9 or 16, the owner or association may petition the department for a hearing concerning violations of condominium documents or planned community documents or violations of the statutes that regulate condominiums or planned communities. The petitioner shall file a petition with the department and pay a ~~nonrefundable~~ filing fee in an amount to be established by the director. The filing fee shall be deposited in the condominium and planned community hearing office fund established by section 41-2198.05. ON DISMISSAL OF A PETITION AT THE REQUEST OF THE PETITIONER BEFORE A HEARING IS SCHEDULED OR BY STIPULATION OF THE PARTIES BEFORE A HEARING IS SCHEDULED, THE FILING FEE SHALL BE REFUNDED TO THE PETITIONER. The department does not have jurisdiction to hear:

1. Any dispute among or between owners to which the association is not a party.

2. Any dispute between an owner and any person, firm, partnership, corporation, association or other organization that is engaged in the business of designing, constructing or selling a condominium as defined in section 33-1202 or any property or improvements within a planned community as defined in section 33-1802, including any person, firm, partnership, corporation, association or other organization licensed pursuant to title 32, chapter 20, arising out of or related to the design, construction, condition or sale of the condominium or any property or improvements within a planned community.

C. The petition shall be in writing on a form approved by the department, shall list the complaints and shall be signed by or on behalf of the persons filing and include their addresses, stating that a hearing is desired, and shall be filed with the department.

D. On receipt of the petition and the filing fee the department shall mail by certified mail a copy of the petition along with notice to the named respondent that a response is required within twenty days of mailing of the petition showing cause, if any, why the petition should be dismissed.

E. After receiving the response, the director or the director's designee shall promptly review the petition for hearing and, if justified, refer the petition to the office of administrative hearings. The director may dismiss a petition for hearing if it appears to the director's satisfaction that the disputed issue or issues have been resolved by the parties.

F. Failure of the respondent to answer is deemed an admission of the allegations made in the petition, and the director shall issue a default decision.

G. Informal disposition may be made of any contested case.

H. Either party or the party's authorized agent may inspect any file of the department that pertains to the hearing, if ~~such~~ THE authorization is filed in writing with the department.

I. At a hearing conducted pursuant to this section, a corporation may be represented by a corporate officer, employee or contractor of the corporation who is not a member of the state bar if:

1. The corporation has specifically authorized the officer, employee or contractor of the corporation to represent it.

2. The representation is not the officer's, employee's or contractor of the corporation's primary duty to the corporation but is secondary or incidental to the officer's, ~~or~~ employee's OR CONTRACTOR OF THE CORPORATION'S, LIMITED LIABILITY COMPANY'S, LIMITED LIABILITY PARTNERSHIP'S, SOLE PROPRIETOR'S OR OTHER LAWFULLY FORMED AND OPERATING ENTITY'S duties relating to the management or operation of the corporation.

1 Sec. 20. Severability
2 If a provision of this act or its application to any person or
3 circumstance is held invalid, the invalidity does not affect other provisions
4 or applications of the act that can be given effect without the invalid
5 provision or application, and to this end the provisions of this act are
6 severable.

APPROVED BY THE GOVERNOR APRIL 17, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2014.

Passed the House April 14, 2014, by the following vote: 49 Ayes, 6 Nays, 5 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate February 27, 2014, by the following vote: 30 Ayes, 0 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this 16th day of April, 2014, at 4:15 o'clock P M.

Lindsay Scomavacco
Secretary to the Governor

Approved this 17th day of April, 2014, at 12:07 o'clock P. M.

Jan Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State this 18th day of April, 2014, at 8:10 o'clock a M.

Ken Bennett
Secretary of State

S.B. 1482