



<b><u>SB1432 – Amending Unlawful Restrictions</u></b>	
<b>A.R.S. §33- 531 through §33-539</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
	Authorizes (but does not obligate) the Board to record an amendment to <b>remove an unlawful restriction contained in a recorded instrument</b> (typically the Declaration or plat) that interferes with or restricts the transfer, use or occupancy of real property on the basis of protected class (race, color, religion national origin, sex, familial status or disability) in violation of state or federal law.
	Obligates the Board (upon notification by a member that an unlawful restriction exists in a recorded instrument) to: <ul style="list-style-type: none"> <li>- Determine whether said unlawful restriction reasonably and in good faith exists; and</li> <li>- If the Board determines such a restriction exists, amend said recorded instrument to remove the aforementioned unlawful restriction (within 90 days of the above determination).</li> </ul>
<b><u>HB2648 – Assessments - Communication &amp; Payment Plans</u></b>	
<b>A.R.S. §33-1256(A) &amp; A.R.S §33-1807(A)</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
The new changes were always best practice for collections but not mandated by law until now.	Require that an Association prior to filing an action to foreclose upon the Common Expense Lien: <ul style="list-style-type: none"> <li>- Exercise reasonable efforts to communicate with the lot/unit owner; and</li> <li>- Offer a reasonable payment plan.</li> </ul>
<b><u>HB2648 – Assessments – Common Expense Lien</u></b>	
<b>A.R.S. §33-1202, A.R.S §33-1256(A), A.R.S §33-1802 &amp; A.R.S §33-1807(A)</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
Assessments were defined by the Association’s governing documents.	Defines the Common Expense Lien to include: <ol style="list-style-type: none"> <li>1. Assessments (defined as those monies that are required for the payment of common expenses and that the Association assesses periodically against each lot/unit).</li> <li>2. Late fees for assessments (so long as they are authorized in the declaration).</li> <li>3. Reasonable collection fees and costs incurred/applied by the Association; and</li> <li>4. Collection-related attorney’s fees and costs (if awarded by a Court).</li> </ol>

<b><u>HB2648</u></b>	
<b>A.R.S. §33-1202, A.R.S §33-1256(B) A.R.S §33-1802 &amp; A.R.S §33-1807(B)</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
<p>Association governing documents outlined the charges that could be foreclosed.</p> <p>In 2004, the Legislature omitted monetary penalties from those amount that could be foreclosed.</p>	<p>Provides that the following charges are <b>not</b> part of the Common Expense Lien, but that said charges may be secured by a judgment lien:</p> <ul style="list-style-type: none"> <li>- In the case of a Planned Community: interest, fines and late charges related to fines (referred to as “Member Expenses”); and</li> <li>- In the case of a Condominium: interest, fines and late charges related to fines as well as fees for the use, rental or operation of the common elements (other than certain limited common elements) and statements of unpaid assessments (collectively referred to as “Unit Owner Expenses”)</li> </ul>
<b><u>HB2648 - Assessments - Application of Payments</u></b>	
<b>A.R.S. §33-1256(K) &amp; A.R.S §33-1807(K)</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
<p>No mention of agreements between an Association and its vendors having an impact on payment application.</p>	<p>Notwithstanding any provision in the Association’s governing documents or in any contract between the Association and a management company, including any agreement/contract with any attorney, <u>unless an owner directs otherwise</u>, payments must be applied as follows:</p> <ol style="list-style-type: none"> <li>1. Unpaid Assessments;</li> <li>2. Due but not delinquent assessments;</li> <li>3. Unpaid late fees (if authorized in the declaration);</li> <li>4. Unpaid reasonable collection fees (incurred/applied by the Association);</li> <li>5. Collection related attorneys’ fees and costs (if awarded by a Court); and</li> <li>6. Unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts</li> </ol>
<b><u>HB2648 - Assessments - Judgement Liens/Ownership and Control of Debt</u></b>	
<b>A.R.S. §33-1256(J&amp;L) &amp; A.R. §33-1807(J&amp;L)</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
<p>No statutory prohibition on an Association selling its debt to a third party.</p>	<p>Prohibits an Association from transferring ownership or control of debt for either Common Expense Liens or Unit Owner/Member Expenses.</p>
<b><u>HB2119 - Resale Assessment Exempted Transactions</u></b>	
<b>A.R.S. §33-442</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
<p>No statutory prohibition on resale charges for these types of transfers.</p>	<p>Amends A.R.S. §33-442 to prohibit charging resale assessments for transactions between certain related parties for nominal or no consideration, between spouses, parents to children, or other affiliated entities. <i>See A.R.S. §11-1134(B)(3) and (7).</i></p>

<b><u>HB2662 – Meetings</u></b>	
<b>A.R.S. §33-1248 &amp; A.R.S. §33-1804</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
Agendas for membership meetings and Board meetings must be made available to those in attendance at the meeting.	The Association must provide an agenda for any membership meeting, <b>in advance</b> of such membership meeting by: <ul style="list-style-type: none"> <li>- Hand delivery;</li> <li>- Mail;</li> <li>- Website, email/other electronic means; or</li> <li>- Posting at a community center (or other similar location).</li> </ul>
	After the period of declarant control, Board meeting agendas must be provided <b>at least 48 hours in advance</b> by: <ul style="list-style-type: none"> <li>- Newsletter;</li> <li>- Conspicuous posting; or</li> <li>- Other reasonable means (a determined by the Board).</li> </ul> Failure of any member to receive actual notice does not affect the validity of the meeting.

**The statutes below apply to Planned Communities only.**

<b><u>SB1016 – Flags/Flagpoles (now wall-mounted flagpole brackets)</u></b>	
<b>A.R.S. §33-1808</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
No statutory restriction on number of wall-mounted flagpole holders on a lot.	Allows the Association to limit the number of wall-mounted flagpole holders (brackets) on a member’s lot to two (2).
<b><u>HB2698 – Termination of Declarant Control</u></b>	
<b>A.R.S. §33-1820</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
	Each declaration that provides for a period of declarant control must also provide for termination of the period of declarant control; and
	The period of declarant control must terminate no later than the day on which the second to last lot in the Planned Community is conveyed to a buyer.
	Requires Associations (after the period of declarant control terminates) to: <ul style="list-style-type: none"> <li>- Provide at least the same level of maintenance of the common area that the declarant provided;</li> <li>- Not impede the declarant’s ability to develop, construct and sell its lots nor impede its access to and use of the common areas in the same manner as other members.</li> </ul>

**The statutes below apply to Condominiums only.**

<b><u>HB2141 – Interior Modifications</u></b>	
<b>A.R.S. §33-1221</b>	
<b><u>Prior Law</u></b>	<b><u>New Law as of September 14, 2024</u></b>
	Limits an Association’s right to prohibit: <ul style="list-style-type: none"> <li>- Interior modifications:               <ul style="list-style-type: none"> <li>○ Even if they “may disturb adjacent unit occupants”</li> <li>○ So long as the unit owner installs “reasonably necessary improved materials, accessories or other adjustments” that minimize the potential disturbance</li> <li>○ Any manner of decoration to the interior of the unit.</li> </ul> </li> </ul>