

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 83

HOUSE BILL 2172

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. Design, architectural committees: review

5 Notwithstanding any provision in the community documents:

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

10 2. For new construction of the main residential structure on a lot or
11 for rebuilds of the main residential structure on a lot and only in a planned
12 community that has enacted design guidelines, architectural guidelines or
13 other similar rules, however denominated, and if the association documents
14 permit the association to charge the member a security deposit and the
15 association requires the member to pay a security deposit to secure
16 completion of the member's construction project or compliance with approved
17 plans, all of the following apply:

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

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

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

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

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

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

43 (d) Within thirty business days after the second formal review, the
44 association shall provide to the member a copy of the written report
45 specifying any deficiencies, violations or unapproved variations from the
46 approved plans, as amended, that have come to the attention of the

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

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

22 3. APPROVAL OF A CONSTRUCTION PROJECT'S ARCHITECTURAL DESIGNS, PLANS
23 AND AMENDMENTS SHALL NOT UNREASONABLY BE WITHHELD.

APPROVED BY THE GOVERNOR MARCH 30, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2016.