

REFERENCE TITLE: homeowners' associations; records requests

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1456

Introduced by
Senator Shope

AN ACT

AMENDING SECTIONS 33-1258 AND 33-1805, ARIZONA REVISED STATUTES; RELATING
TO CONDOMINIUMS AND 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 33-1258, Arizona Revised Statutes, is amended to
3 read:

4 33-1258. Association financial and other records;
5 applicability; definition

6 A. Except as provided in subsection ~~B~~ D of this section **AND ON**
7 **REQUEST**, all financial and other records of the association shall be made
8 reasonably available for examination by any member or any person
9 designated by the member in writing as the member's representative **IF THE**
10 **REQUEST COMPLIES WITH ALL OF THE FOLLOWING:**

11 1. **THE UNIT OWNER'S REQUEST IS MADE IN GOOD FAITH.**

12 2. **THE UNIT OWNER DESCRIBES WITH REASONABLE PARTICULARITY THE UNIT**
13 **OWNER'S PROPER PURPOSE AND THE RECORDS THAT THE UNIT OWNER WISHES TO**
14 **INSPECT.**

15 3. **THE RECORDS ARE DIRECTLY CONNECTED WITH THE UNIT OWNER'S**
16 **PURPOSE.**

17 **B. RECORDS THAT ARE MADE AVAILABLE ONLINE ARE DEEMED TO BE**
18 **REASONABLY AVAILABLE.**

19 C. The association shall not charge a member or any person
20 designated by the member in writing for making material available for
21 review. The association ~~shall have~~ **HAS** ten business days to fulfill a
22 request for examination. On request for purchase of copies of records by
23 any member or any person designated by the member in writing as the
24 member's representative, the association ~~shall have~~ **HAS** ten business days
25 to provide copies of the requested records. An association may charge a
26 fee for making copies, **WHETHER PHYSICAL COPIES OR DIGITAL COPIES**, of not
27 more than ~~fifteen cents~~ **\$.15 per page, TO BE PAID BY THE UNIT OWNER WHEN**
28 **THE COPIES ARE MADE AVAILABLE.**

29 ~~B~~ D. Books and records kept by or on behalf of the association
30 and the board may be withheld from disclosure to the extent that the
31 portion withheld relates to any of the following:

32 1. Privileged communication between an attorney for the association
33 and the association.

34 2. Pending litigation.

35 3. Meeting minutes or other records of a session of a board meeting
36 that is not required to be open to all members pursuant to section
37 33-1248.

38 4. Personal, health or financial records of an individual member of
39 the association, an individual employee of the association or an
40 individual employee of a contractor for the association, including records
41 of the association directly related to the personal, health or financial
42 information about an individual member of the association, an individual
43 employee of the association or an individual employee of a contractor for
44 the association.

1 5. Records relating to the job performance of, compensation of,
2 health records of or specific complaints against an individual employee of
3 the association or an individual employee of a contractor of the
4 association who works under the direction of the association.

5 6. RECORDS THAT WERE REQUESTED WITHIN THE PRECEDING TWO YEARS AND
6 THAT HAVE NOT BEEN MODIFIED.

7 ~~E.~~ E. The association shall not be required to disclose financial
8 and other records of the association if disclosure would violate any state
9 or federal law OR IF THE REQUEST OR ANY PORTION OF THE REQUEST IS FOR
10 DISCLOSURE OF ANY RECORDS THAT WERE PREVIOUSLY PROVIDED TO THE UNIT OWNER
11 OR THE UNIT OWNER'S REPRESENTATIVE.

12 ~~F.~~ F. This section does not apply to an association for a
13 timeshare plan that is subject to chapter 20 of this title.

14 G. FOR THE PURPOSES OF THIS SECTION, "FINANCIAL AND OTHER RECORDS"
15 MEANS ONLY THE FOLLOWING:

- 16 1. THE DECLARATION.
- 17 2. THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE ASSOCIATION'S
18 DESIGNATED AGENT.
- 19 3. THE BYLAWS OF THE ASSOCIATION.
- 20 4. THE NAMES AND PROPERTY ADDRESSES OF ALL ASSOCIATION UNIT OWNERS.
- 21 5. EXCEPT FOR EXECUTIVE SESSIONS OF THE BOARD OF DIRECTORS, THE
22 MINUTES OF ALL MEETINGS OF THE UNIT OWNERS' ASSOCIATION AND THE BOARD OF
23 DIRECTORS FOR THE PREVIOUS THREE YEARS, AND RECORDS OF ALL ACTIONS TAKEN
24 BY A COMMITTEE IN PLACE OF THE BOARD OF DIRECTORS OR ON BEHALF OF THE
25 ASSOCIATION FOR THE PREVIOUS THREE YEARS.
- 26 6. THE OPERATING BUDGET FOR THE CURRENT FISCAL YEAR.
- 27 7. CURRENT ASSESSMENTS, INCLUDING BOTH REGULAR AND SPECIAL
28 ASSESSMENTS.
- 29 8. FINANCIAL STATEMENTS AND ACCOUNTS, ASSOCIATION-PROVIDED SERVICE
30 OR UTILITY RECORDS AND AMOUNTS HELD IN RESERVE FOR THE PREVIOUS THREE
31 YEARS.
- 32 9. THE MOST RECENT FINANCIAL AUDIT, REVIEW OR COMPILATION PURSUANT
33 TO SECTION 33-1243.
- 34 10. ALL CURRENT CONTRACTS ENTERED INTO BY THE ASSOCIATION OR THE
35 BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION.
- 36 11. CURRENT INSURANCE POLICIES, INCLUDING COMPANY NAMES, POLICY
37 LIMITS, DEDUCTIBLES, ADDITIONAL NAMED INSUREDS AND EXPIRATION DATES FOR
38 PROPERTY, GENERAL LIABILITY AND ASSOCIATION, DIRECTOR AND OFFICER
39 PROFESSIONAL LIABILITY AND FIDELITY POLICIES.
- 40 12. ANY ELECTRONIC RECORD OF ACTION TAKEN BY THE BOARD OF DIRECTORS
41 FOR THE PREVIOUS THREE YEARS.

1 Sec. 2. Section 33-1805, Arizona Revised Statutes, is amended to
2 read:

3 33-1805. Association financial and other records; definition

4 A. Except as provided in subsection ~~B~~ D of this section AND ON
5 REQUEST, all financial and other records of the association shall be made
6 reasonably available for examination by any member or any person
7 designated by the member in writing as the member's representative IF THE
8 REQUEST COMPLIES WITH ALL OF THE FOLLOWING:

9 1. THE MEMBER'S REQUEST IS MADE IN GOOD FAITH.

10 2. THE MEMBER DESCRIBES WITH REASONABLE PARTICULARITY THE MEMBER'S
11 PROPER PURPOSE AND THE RECORDS THAT THE MEMBER WISHES TO INSPECT.

12 3. THE RECORDS ARE DIRECTLY CONNECTED WITH THE MEMBER'S PURPOSE.

13 B. RECORDS THAT ARE MADE AVAILABLE ONLINE ARE DEEMED TO BE
14 REASONABLY AVAILABLE.

15 C. The association shall not charge a member or any person
16 designated by the member in writing for making material available for
17 review. The association ~~shall have~~ HAS ten business days to fulfill a
18 request for examination. On request for purchase of copies of records by
19 any member or any person designated by the member in writing as the
20 member's representative, the association ~~shall have~~ HAS ten business days
21 to provide copies of the requested records. An association may charge a
22 fee for making copies, WHETHER PHYSICAL COPIES OR DIGITAL COPIES, of not
23 more than ~~fifteen cents~~ \$.15 per page, TO BE PAID BY THE MEMBER WHEN THE
24 COPIES ARE MADE AVAILABLE.

25 ~~B~~ D. Books and records kept by or on behalf of the association
26 and the board may be withheld from disclosure to the extent that the
27 portion withheld relates to any of the following:

28 1. Privileged communication between an attorney for the association
29 and the association.

30 2. Pending litigation.

31 3. Meeting minutes or other records of a session of a board meeting
32 that is not required to be open to all members pursuant to section
33 33-1804.

34 4. Personal, health or financial records of an individual member of
35 the association, an individual employee of the association or an
36 individual employee of a contractor for the association, including records
37 of the association directly related to the personal, health or financial
38 information about an individual member of the association, an individual
39 employee of the association or an individual employee of a contractor for
40 the association.

41 5. Records relating to the job performance of, compensation of,
42 health records of or specific complaints against an individual employee of
43 the association or an individual employee of a contractor of the
44 association who works under the direction of the association.

1 6. RECORDS THAT WERE REQUESTED WITHIN THE PRECEDING TWO YEARS AND
2 THAT HAVE NOT BEEN MODIFIED.

3 ~~6.~~ E. The association shall not be required to disclose financial
4 and other records of the association if disclosure would violate any state
5 or federal law OR IF THE REQUEST OR ANY PORTION OF THE REQUEST IS FOR
6 DISCLOSURE OF ANY RECORDS THAT WERE PREVIOUSLY PROVIDED TO THE UNIT OWNER
7 OR THE UNIT OWNER'S REPRESENTATIVE.

8 F. FOR THE PURPOSES OF THIS SECTION, "FINANCIAL AND OTHER RECORDS"
9 MEANS ONLY THE FOLLOWING:

10 1. THE DECLARATION.

11 2. THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE ASSOCIATION'S
12 DESIGNATED AGENT.

13 3. THE BYLAWS OF THE ASSOCIATION.

14 4. THE NAMES AND PROPERTY ADDRESSES OF ALL ASSOCIATION MEMBERS.

15 5. EXCEPT FOR EXECUTIVE SESSIONS OF THE BOARD OF DIRECTORS, THE
16 MINUTES OF ALL MEETINGS OF THE ASSOCIATION AND THE BOARD OF DIRECTORS FOR
17 THE PREVIOUS THREE YEARS, AND RECORDS OF ALL ACTIONS TAKEN BY A COMMITTEE
18 IN PLACE OF THE BOARD OF DIRECTORS OR ON BEHALF OF THE ASSOCIATION FOR THE
19 PREVIOUS THREE YEARS.

20 6. THE OPERATING BUDGET FOR THE CURRENT FISCAL YEAR.

21 7. CURRENT ASSESSMENTS, INCLUDING BOTH REGULAR AND SPECIAL
22 ASSESSMENTS.

23 8. FINANCIAL STATEMENTS AND ACCOUNTS, ASSOCIATION-PROVIDED SERVICE
24 OR UTILITY RECORDS AND AMOUNTS HELD IN RESERVE FOR THE PREVIOUS THREE
25 YEARS.

26 9. THE MOST RECENT FINANCIAL AUDIT, REVIEW OR COMPILATION PURSUANT
27 TO SECTION 33-1810.

28 10. ALL CURRENT CONTRACTS ENTERED INTO BY THE ASSOCIATION OR THE
29 BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION.

30 11. CURRENT INSURANCE POLICIES, INCLUDING COMPANY NAMES, POLICY
31 LIMITS, DEDUCTIBLES, ADDITIONAL NAMED INSUREDS AND EXPIRATION DATES FOR
32 PROPERTY, GENERAL LIABILITY AND ASSOCIATION, DIRECTOR AND OFFICER
33 PROFESSIONAL LIABILITY AND FIDELITY POLICIES.

34 12. ANY ELECTRONIC RECORD OF ACTION TAKEN BY THE BOARD OF DIRECTORS
35 FOR THE PREVIOUS THREE YEARS.