

House Engrossed

homeowners' associations; powers

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2575

AN ACT

AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 33-1820; 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. Title 33, chapter 16, article 1, Arizona Revised
3 Statutes, is amended by adding section 33-1820, to read:
4 33-1820. Powers of the association
5 SUBJECT TO THE PROVISIONS OF THE DECLARATION, THE ASSOCIATION MAY:
6 1. ADOPT AND AMEND BYLAWS AND RULES.
7 2. ADOPT AND AMEND BUDGETS FOR REVENUES, EXPENDITURES AND RESERVES
8 AND COLLECT ASSESSMENTS FOR COMMON EXPENSES FROM MEMBERS.
9 3. HIRE AND DISCHARGE MANAGING AGENTS AND OTHER EMPLOYEES, AGENTS
10 AND INDEPENDENT CONTRACTORS.
11 4. INSTITUTE, DEFEND OR INTERVENE IN LITIGATION OR ADMINISTRATIVE
12 PROCEEDINGS IN ITS OWN NAME ON BEHALF OF ITSELF OR TWO OR MORE MEMBERS ON
13 MATTERS AFFECTING THE ASSOCIATION OR PLANNED COMMUNITY. TO ENSURE THAT
14 CLAIMS REGARDING FAULTY CONSTRUCTION ARE EFFECTIVELY MADE, AND UNLESS A
15 MEMBER ASSIGNS A CLAIM TO THE ASSOCIATION, THE ASSOCIATION MAY NOT
16 INSTITUTE, DEFEND OR INTERVENE IN LITIGATION OR ARBITRATION IN ITS OWN
17 NAME ON BEHALF OF ITSELF OR A MEMBER WITH RESPECT TO A HOMEOWNERS'
18 ASSOCIATION DWELLING ACTION PURSUANT TO CHAPTER 18 OF THIS TITLE UNLESS
19 THE ACTION PERTAINS TO ANY OF THE FOLLOWING:
20 (a) THE PLANNED COMMUNITY'S COMMON AREAS.
21 (b) ANY PORTION OF THE PLANNED COMMUNITY THAT THE ASSOCIATION OWNS.
22 (c) ANY PORTION OF THE PLANNED COMMUNITY THAT THE ASSOCIATION DOES
23 NOT OWN BUT IS OBLIGATED TO MAINTAIN, REPAIR, INSURE OR REPLACE BECAUSE
24 THE COMMUNITY DOCUMENTS EXPRESSLY IMPOSE THAT OBLIGATION ON THE
25 ASSOCIATION.
26 5. MAKE CONTRACTS AND INCUR LIABILITIES.
27 6. REGULATE THE USE, MAINTENANCE, REPAIR, REPLACEMENT AND
28 MODIFICATION OF COMMON AREAS.
29 7. GRANT EASEMENTS, LEASES, LICENSES AND CONCESSIONS THROUGH OR
30 OVER THE COMMON AREAS.
31 8. IMPOSE AND RECEIVE ANY PAYMENTS, FEES OR CHARGES FOR THE USE,
32 RENTAL OR OPERATION OF THE COMMON AREAS.
33 9. IMPOSE REASONABLE CHARGES FOR THE PREPARATION AND RECORDATION OF
34 AMENDMENTS TO THE DECLARATION OR STATEMENTS OF UNPAID ASSESSMENTS.
35 10. PROVIDE FOR THE INDEMNIFICATION OF ITS OFFICERS AND EXECUTIVE
36 BOARD OF DIRECTORS AND MAINTAIN DIRECTORS' AND OFFICERS' LIABILITY
37 INSURANCE.
38 11. EXERCISE ANY OTHER POWERS CONFERRED BY THE COMMUNITY DOCUMENTS.
39 12. EXERCISE ALL OTHER POWERS THAT MAY BE EXERCISED IN THIS STATE
40 BY LEGAL ENTITIES OF THE SAME TYPE AS THE ASSOCIATION.