

REFERENCE TITLE: **planned communities; no quorum; dissolution**

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1297

Introduced by
Senator Kern

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. Association meetings; lack of quorum; dissolution;
5 limitations

6 A. BEGINNING JANUARY 1, 2025, A PLANNED COMMUNITY THAT FAILS TO
7 MEET MINIMUM QUORUM REQUIREMENTS FOR MEETINGS OF THE ASSOCIATION FOR THREE
8 CONSECUTIVE YEARS SHALL BE DISSOLVED AND THE COVENANTS, CONDITIONS AND
9 RESTRICTIONS AND OTHER COMMUNITY DOCUMENTS SHALL BE VOID AND UNENFORCEABLE
10 BEGINNING WITH THE NEXT CALENDAR YEAR.

11 B. MONIES THAT ARE HELD BY THE ASSOCIATION SHALL CONTINUE TO BE
12 HELD IN TRUST FOR THE BENEFIT OF THE MEMBERS AND SHALL BE DIVIDED EQUALLY
13 AMONG THE MEMBERS WITHIN TWENTY CALENDAR DAYS AFTER THE EFFECTIVE DATE OF
14 THE DISSOLUTION.

15 C. A PLANNED COMMUNITY THAT FAILS TO MEET MINIMUM QUORUM
16 REQUIREMENTS FOR MEETINGS OF THE ASSOCIATION FOR TWO CONSECUTIVE YEARS MAY
17 NOT AWARD NEW CONTRACTS OR PLAN NEW PROJECTS AND EXPENDITURES THAT WOULD
18 NOT BE COMPLETED UNTIL AFTER A POSSIBLE DISSOLUTION PURSUANT TO SUBSECTION
19 A OF THIS SECTION.