

2024 Legislative Session Report



2024 CAI Arizona Legislative Session Report

Community Associations Institute (CAI) Arizona Legislative Action Committee (LAC) spent the 2024 legislative session advocating on behalf of [approximately 2,264,000 Arizonans live in 875,000 homes in more than 9,900 community associations across the Grand Canyon State.](#) Arizona's legislative session began on January 8 and adjourned on June 15, 2024. Below are highlights from the 2024 Arizona State Legislature:

SB 1432: UNLAWFUL RESTRICTIVE COVENANTS; UNIFORM ACT

Notwithstanding any provision in the governing document or other law, this bill permits the governing body (i.e., a Board of Directors) in a common-interest community to amend governing documents to remove unlawful restrictive covenants without a vote of the owners/members of the common-interest community association. An "unlawful restriction" is a prohibition, restriction, covenant, or condition in a document that interferes with or restricts the transfer, use, or occupancy of real property on the basis of race, color, religion, national origin, sex, familial status, or disability in violation of state or federal law. Allows an owner/member to request such an amendment and requires removal of an unlawful restriction within 90 days.

The Arizona LAC **supported** this bill.

Status: Successfully PASSED. Signed by Governor Hobbs March 29, 2024. Effective September 14, 2024.

HB 2470: PLANNED COMMUNITIES; AUTHORITY; PUBLIC ROADWAYS

Under this bill, planned community associations created before 2015 would no longer be able to regulate parking on public streets, even if their CC&Rs authorized such regulation.

The Arizona LAC was **opposed** to this bill and sent out a call to action which saw 1,021 messages sent by 500 advocates to lawmakers.

Status: Successfully FAILED in House.

HB 2861: CONDOMINIUMS; TERMINATIONS

Clarifies the calculation of the respective interests of unit owners in the event of condominium termination based the value of such interests immediately before the termination, and for owner-occupied Units, adds 10% for relocation costs, and reimbursement for all closing costs. Fair market value must be determined by an independent appraisal of the unit and based on units with similar square footage, age, and other similar features, including at least three comparable sales, one being a unit from within that condominium complex, if available, and two comparable sales from outside that condominium complex and that it be based on completed transactions. Prohibits the fair market value of a unit to be reduced by any special assessments, capital improvement fees, or other charges imposed by the association during the two years immediately preceding the termination. Requires new resale disclosures and annual notices from the Association to the unit owners regarding the possibility of condominium termination, a statement that the condominium is governed by CC&Rs, and the names of all unit owners and their units. Includes a lengthy legislative intent and retroactivity statement.

The Arizona LAC was **opposed** to this bill.

Status: Successfully FAILED in House.

HB 2648: CONDOMINIUMS; PLANNED COMMUNITIES; LIEN; ASSESSMENT (Former name: MOTOR VEHICLE MANUFACTURERS; TPT; EXEMPTION)

This bill was amended to interfere with the normal process of lien filing and foreclosure. Unless provided for in the governing documents, unit owner expenses are not enforceable as liens, and would state that unpaid but not delinquent assessments would take priority in repayment plans. Additionally, this bill requires that associations make further undefined efforts to communicate with a delinquent homeowner and to offer a reasonable repayment plan before proceeding with legal action. Associations will be forced to incur additional legal expenses without the protection of the lien to ensure that these expenses can be recovered from the delinquent homeowner. Consequently, these additional expenses will increase the financial burdens on associations, which will be passed on to all homeowners in the form of increased assessments to the detriment of both.

The Arizona LAC was **opposed** to this bill, and sent out a call to action to advocates to ask Governor Hobbs to veto the bill. In total, 693 messages were sent to Governor Hobbs from 671 advocates. Governor Katie Hobbs, under pressure from various groups, elected to sign HB 2648 into law on April 10th. Before she signed it into law, the Governor 's office reached out to CAI legislative action committee leadership to discuss the bill; participation from volunteers like you made this personal connection possible.

While the community association industry did not get the result, we had hoped for with HB 2648, your participation has had an impact. Governor Hobbs knows who we are, knows our priorities, and knows that our voices are organized. Despite this loss, we are in a stronger

position thanks to you. We will continue to work with legislators to educate them on the impact of this issue and other policy issues on our members.

Status: Unsuccessfully PASSED. Signed by Governor Hobbs April 10, 2024. Effective September 14, 2024.

HB 2575: HOMEOWNERS' ASSOCIATIONS; POWERS

Codifies several enumerated legal powers of Planned Community Associations including the powers to adopt and amend bylaws, rules, budgets, expenditures, and reserves, to collect assessments for common expenses, to hire and discharge managing agents and independent contractors, to make contracts and incur liabilities, to regulate the use, maintenance, repair, replacement and modification of common areas, to grant easements, leases, licenses and concessions pertaining to common areas, to impose and receive payments, fees or charges for the use, rental and operation of common areas, to impose reasonable charges for preparation and recordation of amendments to the CC&Rs or statements of unpaid assessments, to provide indemnification of its officers and executive board and maintain liability insurance, and to exercise any other powers conferred by the community documents, or that may be exercised in this state by legal entities of the same type as the association. An amendment to the bill also clarified a Planned Community Association's authority to institute, defend or intervene in litigation or administrative proceedings on behalf of itself or two or more members generally affecting the Association or the Planned Community, and specifically in construction defect matters involving the common areas, and other portions of the Planned Community that the Association either owns or has an obligation to maintain or repair found in the Community Documents.

The Arizona LAC **supported** this bill.

Status: Unsuccessfully DIED in Committee.

HB 2141 CONDOMINIUMS; INTERIOR IMPROVEMENTS; APPROVALS

Prevents a condo association from the following: 1) prohibiting a unit owner from using any manner of decoration on the interior of the unit; and 2) prohibiting an owner from improving or altering their condo unit in a manner that may disturb adjacent Unit occupants if the Unit Owner purchases and installs reasonably necessary improved materials, accessories or other adjustments that eliminate or minimize the potential disturbance.

The Arizona LAC was **opposed** to this bill.

Status: Unsuccessfully PASSED. Signed by Governor Hobbs March 29, 2024. Effective September 14, 2024.

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Track AZ Legislation

CAI keeps track of legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the clock [here](#).

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CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in Idaho. To support their efforts, visit caionline.org/lacdonate and select "Idaho."

Help Shape Future Legislation

Join our CAI Advocacy Ambassador program and become a part of the movement to create positive change. Your voice matters, so [sign up now](#) to make your mark!

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