



GOLDSCHMIDT LAW FIRM

4558 NORTH FIRST AVE., SUITE 150
TUCSON, ARIZONA 85718

PHONE: (520) 622-5145

FAX: (520) 622-5176

EMAIL: office@goldschmidtlawfirm.com

2005 LEGISLATIVE UPDATE ARIZONA HOUSE BILL 2154

GOLDSCHMIDT LAW FIRM

Carolyn B. Goldschmidt, Esq.
Certified Real Estate Specialist

Douglas T. Alexander, Esq.
Attorney at Law

4558 North First Avenue, Suite 150
Tucson, Arizona 85718-5607

Telephone: (520) 622-5145
Facsimile: (520) 622-5176
Email: office@goldschmidtlawfirm.com

2005 LEGISLATIVE UPDATE ARIZONA HOUSE BILL 2154

Removal of Directors (amends Condominium Act and Planned Communities Act.

- (1) Overrides provisions pertaining to removal in the Declaration or Bylaws.
- (2) The voting requirement for removal: a majority of Members entitled to vote and voting on removal at an Association meeting at which a quorum is present. Quorum is 20% of the voting members or 1000 votes, whichever is less.
- (3) Directors appointed by the Declarant may not be removed.
- (4) Procedure for initiating removal:
 - (A) Associations with 1000 members or fewer: Petition signed by members entitled to cast at least 25% of the votes or 100 votes, whichever is less.
 - (B) Associations with more than 1000 members: Petition signed by members entitled to cast at least 10% of the votes or 1000 votes, which is less.
 - (C) Board must provide written notice of a Special Meeting, which must be held within 30 days after its receipt of the Petition.
 - (D) A Petition for removal of the same director may not be submitted more than once during each term of office for that director.
- (5) Board must retain all documents and other records pertaining to the removal process for at least one year after the date of the Special Meeting.

No Proxy Voting

- (1) After termination of Declarant control, votes allocated to a member may not be cast pursuant to a proxy in any Association election.
- (2) The Association may allow voting at a meeting by absentee ballot or some other form of delivery. The absentee ballot must conform with the statutory requirements.

Assessment Collection

- (1) "Reasonable collection fees" are now included in the Association's lien.
- (2) Payments received on a delinquent account must be applied to assessment charges first and then to late fees, collection fees, attorney fees and costs, other unpaid fees, charges and monetary penalties or interest and late charges on those other amounts.
- (3) The delinquent owner may specify a different application of payments.

Disclosure Requirements

- (1) Statutory requirements for disclosure of information now applies to new subdivisions.
- (2) Acknowledgment signed by Buyer changed to state; "As a matter of Arizona law, if I fail to pay my Association Assessments, the Association may foreclose on my property"