

**2008 ARIZONA LEGISLATIVE UPDATE**  
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The legislative session ended in Phoenix on June 27, 2008. Although approximately 25 bills were introduced that would have affected community associations, only three of these bills made it through the process to become a law and have been signed by Governor Napolitano. This article will summarize these new laws.

One of the unsuccessful bills would have made it easier to amend Declarations (CC&Rs). The CAI Arizona Legislative Action Committee hopes to get this bill re-introduced next session, as such a law would benefit many Associations that are severely hampered in being able to adopt CC&Rs amendments that are necessary to the well-being of the community. Other bills that were introduced but not finalized included changes to the open meeting law; revisions to disclosure requirements; prohibiting an Association from enforcing its rules and restrictions on public streets within the community; a system to classify Associations by the services provided; requiring registration of community managers; warranties for condo conversions; and SB1162, which would have precluded an Association from amending its governing documents to resolve a problem.

Also pertinent is a pending initiative that might be on the ballot in November's general election that is entitled "Homeowners Bills of Rights." This article is being written on July 3, 2008, which is the deadline for submitting the requisite number of voter signatures to get this initiative on the ballot. Therefore, we do not have final information on the status of this initiative. The Homeowners Bill of Rights includes a ten-year warranty on new homes; the right to demand correction of construction defects or compensation; homeowner's participation in selecting contractors to do repair work; disclosure of builders' relationships with financial institutions; model homes must reflect what is actually for sale; right to cancel within 100 days and get back most of the deposit; prohibiting sellers' agents from participating in false mortgage applications; and various provisions for aggrieved buyers to obtain damages.

**Bills that have been signed into law by Governor Napolitano:**

**HB 2440:** Circulation of Political Petitions [Amends Condominium & Planned Communities Act]. An Association may not prohibit, but may reasonably regulate, the circulation of political petitions (including candidate nomination petitions or petitions in support of or opposition to an initiative, referendum or recall or other political issue). A gated community (one that restricts vehicular or pedestrian access) is not required to comply. An Association is not required to make its common areas available for the circulation of political petitions to anyone who is not an owner or resident of the community (effective on September 26, 2008).

**HB 2659:** Deed Restrictions; Private Covenants [Amends Planned Communities Act only]. An owner of real property may enter into a private agreement (covenant) restricting the use of that owner's property if: (a) the covenant is not prohibited and does not violate any statute; (b) the owner of the property affected by the covenant, and any other person on whom the covenant imposes any liability or obligation have consented; and (c) any consent requirements contained in the express provisions of any existing private covenant or declaration affecting the property have been met. A private covenant is not deemed to constitute an amendment to any existing private covenant or declaration unless it expressly violates an express provision of the existing covenant or declaration (Effective on September 26, 2008).

**HB2726:** Applicability of Condominium Act [Amends Condominium Act only]. The Arizona Condominium Act will now apply to all condominiums in Arizona without regard to the date the condominium was created. This law will become effective on January 1, 2009, and will affect pre-1986 condominiums that were exempt from the Act in certain circumstances.