



2018 ARIZONA HOA LEGISLATIVE & CASE LAW UPDATE

This year's Arizona legislative session adjourned on May 3, 2018. The general effective date for new laws is August 3, 2018. Following is a summary of new laws that are of interest to homeowners and condominium associations

HB 2240: JUDGMENT RENEWAL. Increases validity of judgments from five years to ten years.

HB2262: CONDOMINIUM TERMINATION; APPRAISALS. Revises Section 33-1228 of the Arizona Condominium Act. Pertains to procedures for termination of a condominium. The association shall select an independent appraiser to determine fair market value of the units plus 5% of relocation costs for owner-occupied units. Any unit owner may obtain an independent appraisal at his/her expense. The amount of the highest appraised value is the amount that will be used to establish fair market value of the unit plus an addition 5% for relocation expenses for owner-occupied units only.

SB 1043: COUNTY RECORDER FEES. Recording fees charged by County Recorder shall be \$30 regardless of number of pages. Effective Date: from and after June 30, 2019.

SB 1271: CONSTRUCTION LIABILITY APPORTIONMENT COMMITTEE. The study committee shall research and make recommendations for the apportionment of liability in construction defect cases. Establishes the make-up of the study committee and requires a report regarding its findings and recommendations on or before December 15, 2018, to the Governor, the President of the Senate and the Speaker of the House of Representatives and provide a copy of this report to the Secretary of State. This law is repealed from and after June 30, 2019.

SB 1465: SOBER LIVING HOMES; CERTIFICATION. The Dept. of Health Services is required to contract with an "approved certifying organization" that is affiliated with an "approved national organization" (both defined) to certify each sober living home in Arizona and investigate and address complaints.

IMPORTANT NEWS ON *Turtle Rock III HOA v. Fisher* (Arizona Court of Appeals, 2017)

In this case, the Arizona Appeals Court ruled that the fines imposed were unenforceable because they were "ad hoc" and not imposed by a pre-existing schedule of fines. In addition, the Court rules that the fines were unreasonable because they were not based on actual damages to the homeowners association. On May 8, 2018, the Arizona Supreme Court accepted review of these Court of Appeals rulings. A decision will be rendered in the next few months.