

# **Community Associations Institute**

**Fifty-Sixth Legislature, First Regular Session**

**Legislative Report**

**DAY #37 OF SESSION I - 1,528 BILLS, 97 RESOLUTIONS AND MEMORIALS INTRODUCED**

**NEXT DEADLINES:**

**February 17 – Last Day of SBs in the Senate; Last Day of HBs in the House**

**02/14/23**

**Disclaimer: Since the legislature acts daily, each bill's status listed herein could change daily. This tracking document is merely meant to advise our members of a general overview of some of the bills that have been introduced and the status of the bill as of the date listed below. The bill summaries listed herein may or may not include all aspects of the proposed legislation and subsequent amendments and do not necessarily reflect an interpretation of the bills or the merits of the same.**

## Upcoming Committee Hearings

None

### Tier 1 – Priority Bills

#### **SB1023: RESIDENTIAL PICKETING; OFFENSE**

A person commits residential picketing, a class 3 (lowest) misdemeanor, if the person intentionally engages in picketing or otherwise demonstrates near the residence of an individual if the actions are such that a reasonable person would find the acts harassing, annoying, or alarming, or if the person intends the picketing or demonstrating to harass, annoy, or alarm another person.

**Position:** Support

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 2/7 – Passed Rules Committee; Objection to Consent Calendar

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**Support** — Only individuals signed in

**Oppose** — ACLU, AZ Attorneys for Criminal Justice, Arizona Coalition for Working Families, AZ State AFL-CIO

**[Introduced Version of Bill](#)** (Click link to access PDF of Bill)

**Daily History**

02-06-23, Rules Committee Hearing Scheduled for 2/7 @ 9:45am

01-23-23, Rules Committee Hearing (\*\*CANCELED\*\*)

01-19-23, Passed Judiciary Committee (5-2-0)

01-11-23, Senate Second Read

01-10-23, Senate First Read; Assigned to Judiciary Committee

01-05-23, Introduced

#### **SB1049: HOMEOWNERS' ASSOCIATIONS; BETSY ROSS FLAG**

Homeowners' associations and condo associations cannot prohibit the outdoor display of any historic version of the American flag, including the "Betsy Ross flag" (defined), without regard to how the stars and stripes are arranged on the flag.

**Position:** Oppose

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 2/7 – Passed Rules Committee; No Objection to Consent Calendar

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**Support** — Arizona Homeowners Coalition

**Oppose** — Only individuals signed in

**[Introduced Version of Bill](#)** (Click link to see PDF of Bill)

**Daily History**

02-06-23, Rules Committee Hearing Scheduled for 2/7 @ 9:45am

02-01-23, Passed Government Committee (5-3-0)

01-26-23, Government Committee Hearing Scheduled for 2/1

01-19-23, Government Committee Hearing Scheduled for 1/25 (CANCELED)

01-18-23, Senate Second Read

01-17-23, Senate First Read, Assigned to Government Committee

01-12-23, Introduced

## HB2251: CONDOMINIUMS; INSURANCE COVERAGE; CLAIMS

Condominium associations are required to maintain property insurance on the units. Each unit owner has the right to report a loss under the association's property insurance policy. If the cause of damage to or destruction of any portion of a condominium originates from the common elements or an event outside of the units and common elements, the insurance deductible is a common expense for the association. If the cause originates from a unit, the owner of the unit is responsible for the deductible of up to \$10,000.

**Position:** Oppose

**Sponsor:** Rep. Wilmeth (R – HD-2)

**Status:** 2/14 – Passed with Amendment Commerce Committee Hearing (8-1-1)

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**[Support:](#)** Arizona Homeowners Coalition

**[Oppose:](#)** - Only individuals signed in

**[Introduced Version of Bill](#)** (Click link to see PDF of Bill)

**[Amendment:](#)**

**Our Proposed Amendment:** for Page 1, Line 8 after "UNITS" and for Page 1 Line 37 after "UNIT" insert "IF REQUIRED BY THE CONDOMINIUM DOCUMENTS"

### Daily History

02-08-23, Commerce Committee Hearing Scheduled for 2/14 @ 10:00 AM

01-19-23, House Second Read

01-18-23, Assigned to Commerce Committee; House First Read

01-12-23, Introduced

## HB2301: HOMEOWNERS' ASSOCIATIONS; POLITICAL ACTIVITY

Condominium associations and planned community associations cannot restrict a unit owner from conducting door-to-door political activity, and cannot prohibit a unit owner from circulating political petitions.

**Position:** Oppose

**Sponsor:** Rep. Carter (R – HD-15)

**Status:** 2/13 - Passed Rules Committee

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**[Support:](#)** Arizona Homeowners Coalition

**[Oppose:](#)** Only individuals signed in

**[Neutral:](#)** Home Builders Association of Central AZ

**[Introduced Version of Bill](#)** (Click link to see PDF of Bill)

**[Amendment:](#)** Modifies the language and stipulates that condominium associations and planned community associations may prohibit a person who is not a member or resident from entry on the premises.

### Daily History

02-10-23, Rules Committee Hearing Scheduled for 2/13 at 1:00 PM

02-01-23, Passed Regulatory Affairs Committee with Amendment (6-1-0)

01-26-23, Regulatory Affairs Committee Hearing Scheduled for 2/1

01-23-23, House Second Read

01-19-23, House First Read; Assigned to Regulatory Affairs Committee

01-12-23, Introduced

## Tier 2 – Neutral

### **HB2298: PLANNED COMMUNITY AUTHORITY; PUBLIC ROADWAYS**

If a planned community regulates any public roadway, the planned community is required, by June 30, 2025, to hold a vote of the membership on the question of whether to continue to regulate public roadways. If a majority of a quorum of the membership of the community votes to continue regulating public roadways in the planned community, the planned community retains its authority to regulate those public roadways. If the vote fails or if the planned community does not hold a vote, the planned community no longer has authority to regulate the public roadways in the planned community and any existing regulations expire.

**Position:** Neutral

**Sponsor:** Rep. Carter (R – HD-15)

**Status:** 2/13 – No Objection to Consent Calendar; Passed Rules Committee

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**[Support:](#)** Arizona Homeowners Coalition

**[Oppose:](#)** Only individuals signed in

**[Introduced Version of Bill](#)** (Click link to see PDF of Bill)

**Daily History**

02-10-23, Rules Committee Hearing Scheduled for 2/13 @ 1:00 PM

02-08-23, Passed Government Committee (8-1-0)

02-02-23, Government Committee Hearing Scheduled for 2/8 @ 9:00 AM

01-19-23, House Second Read

01-18-23, Assigned to Government Committee, House First Read

01-12-23, Introduced

## Dead Bills

### **SB1034: HOMEOWNERS' ASSOCIATIONS; FLAG BAN; PROHIBITION**

Condominium associations and homeowners' associations cannot prohibit the outdoor display of any flag unless the flag is obscene, defamatory, or likely to incite violence.

**Position:** Oppose

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 1/17 – Senate Second Read

**[Request to Speak:](#)** (Click link to see Supporters/Opposers)

**[Support](#)** — Arizona Homeowners Coalition

**[Oppose](#)** — Only individuals signed in

**[Introduced Version of Bill](#)** (Click link to see PDF of Bill)

**Daily History**

01-11-23, Senate First Read; Assigned to Government Committee

01-10-23, Introduced

### **SB1193: ONLINE HOME SHARING; REPEAL**

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online

lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.

**Position:** Neutral (Not signed in)

**Sponsor:** Sen. Marsh (D – SD-4)

**Status:** 1/31 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

**Daily History**

01-30-23, Senate First Read; Assigned to Government Committee

01-23-23, Introduced

### **SB1358: HOMEOWNERS' ASSOCIATIONS; SOLAR, WATER DEVICES**

A homeowners' association cannot prohibit the installation of a water saving device or indoor or outdoor water conservation practice. A homeowners' association is authorized to adopt reasonable rules regarding placing a water saving device or using a water conservation practice if those rules do not prevent installing the device, impair the functioning of the device or practice, restrict using the device or practice, or adversely affect the cost or efficiency of the device or practice.

**Position:** Oppose

**Sponsor:** Sen. Mendez (D – SD-8)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support:** Arizona Homeowners Coalition

**Oppose:** Only individuals signed in

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

**Daily History**

02-02-23, Assigned to Government Committee

01-27-23, Introduced

### **SB1384: HOMEOWNERS' ASSOCIATIONS; ANNUAL MEETING**

For all homeowners' association and condo association directors' elections, cumulative voting is prohibited, nominations from the floor are prohibited, and the names of all eligible candidates nominated for the board of directors must appear on the ballot. For any meeting at which the election of directors occurs and for the annual meeting, the quorum requirement is 1/10 of the total number of votes entitled to be cast unless the homeowners' association or condo association documents specify a lesser amount. Homeowners' association or condo association votes cannot be cast by proxy but may be cast by absentee ballots, and the process for absentee ballot voting is specified.

**Position:** Support

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support:** N/A

**Oppose:** Arizona Homeowners Coalition

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

Daily History

02-02-23, Assigned to Government Committee

01-30-23, Introduced

### **SB1387: HOMEOWNERS' ASSOCIATIONS; BOARD DUTIES; INDEMNIFICATION**

Homeowners' associations and condo associations (HOAs), through the board of directors, have a duty to the members or unit owners to act with the care an ordinarily prudent person in a like position would exercise under similar circumstances in managing and maintaining the common property and in protecting and managing the financial assets and affairs of the HOA, to treat members fairly, and to act reasonably in the exercise of discretionary powers. The directors and officers of an HOA have a duty to the HOA to act in good faith, in compliance with statute and the community documents, and to use ordinary care and prudence in performing their functions. The HOA and its directors and officers are indemnified from any liability for any action taken or any failure to take any action if the duties were performed in compliance with these requirements. A legislative intent section states that these changes are clarifying and do not provide any substantive change in the law.

**Position:** Oppose

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support:** Arizona Homeowners Coalition

**Oppose:** N/A

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

Daily History

02-02-23, Assigned to Government Committee

01-30-23, Introduced

### **SB1427: CARRYING OF FIREARMS; EXCEPTIONS**

Various changes to statutes relating to firearms. A person cannot be prohibited from possessing a firearm except in a jail, correctional facility, or juvenile detention facility; by order of a judge or justice or other court order; in a secured police facility; in a located prohibited by federal law; or pursuant to any state or federal law that makes the person a prohibited possessor. It is no longer unlawful for any person to possess a firearm while on the licensed premises of an on-sale liquor retailer, or for any person in possession of a firearm while on the licensed premises of an on-sale liquor retailer to consume spirituous liquor. Repeals statute allowing liquor licensees to post a sign prohibiting the possession of weapons on the licensed premises. A person with a concealed weapons permit is no longer required to carry the permit at all times when the person is in actual possession of the concealed weapon and is no longer required to present the concealed weapons permit to any law enforcement officer on request.

**Position:** Oppose

**Sponsor:** Sen. Wadsack (R – SD-17)

**Status:** 2/2 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to access PDF of Bill)

Daily History

02-01-23, Assigned to Judiciary Committee; Senate First Read

01-30-23, Introduced

## **SB1456: HOMEOWNERS' ASSOCIATIONS; RECORDS REQUESTS**

Establishes a specific list of records that homeowners' associations and condo associations are required to make reasonably available to a member or unit owner on request, including financial statements and accounts, the operating budget, current contracts, and current insurance policies. Establishes requirements for a request to examine association records.

**Position:** Support

**Sponsor:** Sen. Shope (R – SD-16)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support:** N/A

**Oppose:** Arizona Homeowners Coalition

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

### Daily History

02-02-23, Assigned to Government Committee

01-30-23, Introduced

## **SB1470: HOMEOWNERS' ASSOCIATIONS LIENS; HOMESTEAD EXEMPTIONS**

A homeowners' association or condo association lien is subject to the homestead exemption.

**Position:** Oppose

**Sponsor:** Sen. Kavanagh (R – SD-3)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support:** Arizona Homeowners Coalition

**Oppose:** N/A

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

### Daily History

02-02-23, Finance Committee Hearing Scheduled for 2/13 @ 2:00 PM \*NOT HEARD\*

02-02-23, Assigned to Finance Committee

01-30-23, Introduced

## **SCR1032: SHORT-TERM RENTALS; VACATION RENTALS**

The 2024 general election ballot is to carry the question of whether to repeal statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and restricting the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals. Statute entitling a property owner to just compensation from the state or a political subdivision that enacts a land use law that reduces the existing rights to use private real property does not apply to land use laws that regulate a vacation rental or short-term rental.

**Position:** Neutral (Not signed in)

**Sponsor:** Sen. Raquel Teran (D – SD-26)

**Status:** 2/9 – Senate Second Read

[Request to Speak:](#) (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

Daily History  
02-07-23, Senate First Read; Assigned to Government Committee  
01-30-23, Introduced

## **HB2047: VACATION RENTALS; SHORT-TERM RENTALS; RESTRICTIONS**

A municipality with a population of less than 17,000 persons is allowed to limit the number of vacation rentals and short-term rentals based on a percentage of total residentially zoned buildings or structures in that municipality, and is allowed to regulate vacation rentals or short-term rentals in the same manner as transient lodging activities.

**Position:** Neutral (Not signed in)

**Sponsor:** Rep. Bliss (R – HD-1)

**Status:** 2/9 – Government Committee Hearing Scheduled for 2/15 @ 9:00 AM \*NOT HEARD\*

[Request to Speak:](#) (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

Daily History  
01-11-23, Introduced

## **HB2607: MEETINGS; HOMEOWNERS' ASSOCIATIONS**

The members of a homeowner's association or the unit owners of a condo association are allowed to call a special meeting to remove a member of an association board.

**Position:** Oppose

**Sponsor:** Rep. Parker (R – HD-10)

**Status:** 2/15 – Held in Regulatory Affairs Committee

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support** — Arizona Homeowners Coalition

**Oppose** — N/A

[Introduced Version of Bill](#) (Click link to access PDF of Bill)

Daily History  
02-07-23, House Second Read  
02-06-23, Assigned to Regulatory Affairs Committee, House First Read  
02-02-23, Introduced

## **HB2758: VACATION RENTALS; SHORT-TERM RENTALS; REGULATION**

Counties and municipalities may deny a permit or license to operate a vacation rental or short-term rental if a previous owner of the property had a suspended permit or license or has outstanding civil penalties for the same vacation rental or short-term rental property. Counties and municipalities are authorized to suspend a permit or license to operate a vacation rental or short-term rental if an owner or owner's designee knowingly or intentionally allows the use of the rental for nonresidential use or avoids paying transaction privilege tax for bookings made without the use of an online lodging marketplace that is registered with the Arizona Department of Revenue. Modifies the definition of "vacation rental" or "short-term rental" to limit the number of days per year the house or unit may be offered for transient use.

**Position:** Neutral (Not signed in)

**Sponsor:** Rep. Seaman (D – HD-16)

**Status:** 2/8 – House Second Read



[Request to Speak:](#) (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to access PDF of Bill)

Daily History

02-07-23, House First Read; Assigned to Regulatory Affairs Committee & Commerce Committee

02-06-23, Introduced

## **HB2780: CONDOMINIUMS; TERMINATION; AGREEMENT**

An agreement to terminate the condominium declaration is required to contain the required number of unit owners' signatures and their printed names and unit numbers, and must be signed and notarized by the person or entity presenting the termination agreement. Additional requirements for the termination agreement are specified. The Board of Directors of the condo association is required to hold a public meeting to ratify the termination agreement. After termination, each unit owner is allowed to sell the unit owner's interest in the individual unit, its real estate, and the unit owner's interest in the common property as a single parcel that is subject to the recorded termination agreement. Following termination, all financial assets and loans or continuing obligations of the previous condominium association, if any, transfer to the owners in common as organized under the termination agreement.

**Position:** Oppose

**Sponsor:** Rep. Schwiebert (D – HD-2)

**Status:** 2/14 - **FAILED Commerce Committee (5-5-0)**

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support** — Arizona Homeowners Coalition

**Oppose** — N/A

[Introduced Version of Bill](#) (Click link to access PDF of Bill)

Daily History

02-08-23, House Second Read; Commerce Committee Hearing Scheduled for 2/14 @ 10:00 AM

02-07-23, House First Read; Assigned to Commerce Committee

02-06-23, Introduced

## **HB2784: CONDOMINIUMS; UNIT SALES; TERMINATION**

When a condominium association is terminated, the respective interests of unit owners is the sales price of each unit as negotiated in a sale between the unit owner and the association. A transfer of title for a unit cannot occur before the unit owner and the association agree on the sales price.

**Position:** Oppose

**Sponsor:** Rep. Schwiebert (D– HD-2)

**Status:** 2/8 – **House Second Read**

[Request to Speak:](#) (Click link to see Supporters/Opposers)

**Support** — Arizona Homeowners Coalition

**Oppose** — N/A

[Introduced Version of Bill](#) (Click link to access PDF of Bill)

Daily History

02-07-23, House First Read; Assigned to Commerce Committee

02-06-23, Introduced

## **HCR2011: VACATION RENTALS; SHORT-TERM RENTALS**

The 2024 general election ballot is to carry the question of whether to repeal statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and restricting the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals. Statute entitling a property owner to just compensation from the state or a political subdivision that enacts a land use law that reduces the existing rights to use private real property does not apply to land use laws that regulate a vacation rental or short-term rental.

**Position:** Neutral

**Sponsor:** Rep. Schwiebert (D – HD-2)

**Status:** 1/30 – House Second Read

[Request to Speak](#): (Click link to see Supporters/Opposers)

[Introduced Version of Bill](#) (Click link to see PDF of Bill)

**Daily History**

01-26-23, House First Read; Assigned to Municipal Oversight & Elections Committee and Commerce Committee

01-12-23, Introduced