

ACTION ALERT

SB 1334 (HOAs; hearings; attorney fees)

Below you will find an *Action Alert* urging you to contact members of the **Arizona State Senate** regarding **Senate Bill 1334 (HOAs; hearings; attorney fees)**. **The Senate Committee on Government & Environment is scheduled to consider this bill on Monday, February 10th at 2:00 PM.**

The Community Associations Institute (CAI) is **OPPOSED** to **Senate Bill 1334 (HOAs; hearings; attorney fees)**. Please join CAI in opposing this legislation by contacting the members of the Senate Committee on Government & Environment. Their names and contact information are listed below.

To see Senate Bill 1334, click [here](#).

*If you are a constituent of one of these legislators,
be sure to let them know.*

If you do not know your legislators, please click [here](#).

- If signed into law, SB 1334 will prohibit the award of attorney fees in disputes between a homeowner and an HOA.
- What does this mean? **There will be an increase in frivolous lawsuits, and HOAs will be on the hook for the cost!**
- SB 1334 would reverse the “loser pays” rule in litigation and allow owners to file frivolous lawsuits without any ramifications. This would be the case even if an HOA specifically amended their documents to provide that the loser must pay.
- HOAs retain an attorney for representation when a homeowner files a complaint with the Office of Administrative Hearings. Assuming the complaint is meritless, and the HOA wins, the question is: Who should bear the fees related to such a suit? Should it be the homeowner who filed the wrongful complaint, or, should it be his or her neighbors who will pay increased assessments to cover the costs associated with the suit?
- **These wrongful suits will result in a “hidden tax” on HOAs! In other words, this will result in an increase in HOA assessments!**
- As more and more frivolous claims are filed, **HOAs run the risk of losing their insurance, or seeing a dramatic increase in premiums - yet another “hidden tax” that is passed on to the community.**

Please make sure your voice is heard!

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Senate Committee on Government & Environment

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