

ACTION ALERT

***Please contact members of the Arizona State Senate,
and ask them to vote NO on SB 1289!***

The Community Association Institute opposes SB 1289 (HOAs; hearings; attorney fees), which prohibits an administrative law judge from awarding attorney fees to an HOA in a dispute between the homeowner and the HOA.

- SB 1289 will lead to an increase in frivolous lawsuits, and HOAs will be on the hook for the costs.
- SB 1289 will reverse the “loser pays” rule in litigation and allows homeowners to file frivolous lawsuits without any ramifications. This would also be the case if an HOA specifically amended their CC&Rs 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 the 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 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.

Ask Your Legislator to Vote NO on SB 1289!

To find your Legislative District and who represents you at the Arizona Legislature please click [HERE](#).