



## 2023 Arizona Legislative End of Session Report

The CAI Arizona Chapter Legislative Action Committee (LAC) actively advocated on behalf of the [approximately 2,264,000 Arizonans living in 875,000 homes in more than 9,900 community associations across the Grand Canyon State](#) during the 2023 state legislative session. The LAC actively tracked 44 bills this legislative session, out of 1675 bills introduced across both chambers. Below is a brief overview from the 2023 Arizona legislative session, including bill summaries:

**SESSION LAW, CHAPTER 185: SB1023 Residential Picketing; Offense (Amends A.R.S. §13-29090).** Residential Picketing is a class 3 misdemeanor, and is now defined as occurring if “a person intentionally engages in picketing or otherwise demonstrates before or about an individual’s residence or dwelling place”, the picketing or demonstrating is “intentionally directed at a person who resides in the residence or dwelling place”, and a “reasonable person would find the person’s picketing or demonstrating to be harassing, threatening or alarming to a person in the residence or dwelling place.” The protections under this law do not apply to a residence or dwelling place that is also used as the individual’s principal place of business. The LAC supported this bill.

**Status: Successfully PASSED. Signed by Governor, effective October 30, 2023.**

**SESSION LAW, CHAPTER 61: HB2301 Homeowners’ Associations; Political Activity (Amends A.R.S. §§33-1261 and 1808)** Removes the exception applicable to Planned Communities and Condominiums that restrict vehicular or pedestrian access to the community, such that an Association cannot restrict door-to-door political activity, except to restrict such activity from sunset to sunrise, and require the prominent display of ID for each person engaged in the activity as the candidate or ballot issue. If a Planned Community or Condominium restricts vehicular or pedestrian access for other reasons, then the person engaged in the protected political activity must be accompanied by a member or resident of the community. The LAC adopted a neutral position on this bill after amendments were made.

**Status: Signed by Governor, effective October 30, 2023.**

**SESSION LAW, CHAPTER 84: HB2298 Planned Community Authority; Public Roadways (Amends A.R.S. §33-1818).** Currently, in any Planned Community where the Declaration of CC&Rs was recorded after December 31, 2014, the Planned Community Association has no authority to regulate public streets. This law applies to any Planned Community for which the Declaration was recorded before January 1, 2015 and that regulates any public roadway. Now, such Planned Community Association’s must hold a Members’ Meeting, prior to June 30, 2025, for the purpose of a vote to continue to regulate public roadways. Approval by a majority of a quorum is required. If the vote is successful, the Board must record a document confirming the Members approval to continue



to regulate the public roadways. If the vote fails or the vote does not occur by the deadline, the Association's authority to regulate public roadways expires and cannot be "revived." The law does not apply to "one-way streets" or to any privately owned roadways. The LAC adopted a neutral position on this bill after amendments were made.

**Status: Signed by Governor, effective October 30, 2023.**

**SESSION LAW, CHAPTER 174: HB2251 Condominiums; Insurance Coverage; Claims (Amends A.R.S. §33-1253).** Formally recognizes the fact that Condominium Unit Owners are insureds under the Association's Property Damage and Liability Insurance Policies with respect to the Unit and the Owner's interest in the Unit and Membership in the Association. Accordingly, the law establishes the Unit Owner's right to report a loss to the Association's Insurance Company directly. The Unit Owner must also report to loss the Association. The Unit Owner must give the Association at least 10 business days to decide whether the Association will report the loss, and if it decides not to, it must notify the Unit Owner as to its reason for the decision. Finally, the Association is required report annually to the Members in writing: 1) the Owners' responsibility for payment of Insurance deductibles for property and liability coverage, if any, and 2) the amount of such deductibles. The LAC adopted a neutral position on this bill after amendments were made.

**Status: Signed by Governor, effective October 30, 2023.**

**SESSION LAW, CHAPTER 13: SB1049 Homeowners' Associations; Betsy Ross Flag (Amends A.R.S. §§33-1261 and 1808)** Expands the list of flags or categories of flags that cannot be prohibited in a Planned Community or a Condominium to include any historic version of the American flag, including the Betsy Ross Flag, regardless how stars/stripes are arranged. The Betsy Ross Flag is defined as "an historic flag of the United States that consists of thirteen stripes alternating between red and white stripes and thirteen five-pointed white stars arranged in a circle against a blue background. The LAC opposed this bill.

**Status: Unsuccessfully PASSED. Signed by Governor, effective October 30, 2023.**

**SESSION LAW, CHAPTER 111: HB2607 Board Members; Condominiums; Planned Communities (Amends A.R.S. §§33-1243 and 1813).** Directors are deemed automatically removed if the Board fails to call, notice, and hold a Special Meeting of the Members within 30 days after the receipt of the petition for removal of a single or multiple Directors. The LAC opposed this bill.

**Status: Unsuccessfully PASSED. Signed by Governor, effective October 30, 2023.**



**SB1034: HOMEOWNERS' ASSOCIATIONS; FLAG BAN; PROHIBITION.** Under this bill, condominium associations and homeowners' associations cannot prohibit the outdoor display of any flag unless the flag is obscene, defamatory, or likely to incite violence. While the LAC is not opposed to neighbors flying the flags which are not obscene, defamatory, or likely to incite violence, the lack of respect for the authority of community associations to impose reasonable rules and regulations in the bill meant that the LAC could not support it as written.

**Status: Successfully DIED in Committee.**

**SB1198: CONDOMINIUM; TERMINATION; NOTICE; RELOCATION FUND.** For a condominium termination, the unit owner receives monies for relocation costs from a newly created condominium relocation fund rather than from the monies in the association's reserve account or operating account. It requires each unit in the condo to be assessed an annual amount for the deposit into the condominium's relocation fund and includes requirements for determining the fair market value of a unit and requires the unit owner to annually receive a notice that includes a statement relating to condominium termination statutes. The LAC opposed this bill.

**Status: Successfully DIED in Committee.**

**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 of efficiency of the device or practice. Due to the infringement on a community's right to self-regulate, and the narrow scope of the exceptions, the LAC was opposed to this bill.

**Status: Successfully DIED in Committee.**

**SB1470: HOMEOWNERS' ASSOCIATIONS LIENS; HOMESTEAD EXEMPTIONS.** Under this bill, a homeowners' association or condo association lien would have been subject to the homestead exemption. The LAC was opposed to this bill.

**Status: Successfully DIED in Committee.**

**SB1456: HOMEOWNERS' ASSOCIATIONS; RECORDS REQUESTS.** This bill sought to establish a specific list of records that Planned Community and Condominium Associations are



required to make reasonably available to a Member on request, and particular requirements for a Member's request to examine Association records. The LAC supported this bill.

**Status: Unsuccessfully DIED in Committee.**

**SB1384: HOMEOWNERS' ASSOCIATIONS; ANNUAL MEETING.** This bill sought to establish comprehensive guidance for Planned Community and Condominium Associations regarding Members' meeting and voting procedures. The LAC supported this bill.

**Status: Unsuccessfully DIED in Committee.**

**SB1387: HOMEOWNERS' ASSOCIATIONS; BOARD DUTIES; INDEMNIFICATION.** While the legislative intent section states that these changes are clarifying and do not provide any substantive change in the law, the LAC was opposed to this bill due to any potential impact it would have on current indemnification laws relating to community association boards of directors.

**Status: Successfully DIED in Committee.**

**SB1427: CARRYING OF FIREARMS; EXCEPTIONS.** This bill creates 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 would no longer be 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. It also repeals the exiting law allowing liquor licenses to post a sign prohibiting the possession of weapons on licensed premises. A person with a concealed weapons permit would no longer required to carry the permit at all times when the person is in actual possession of the concealed weapon and would no longer be required to present the concealed weapons permit to any law enforcement officer on request. Due to the infringement on an association's right to set reasonable rules and regulations regarding the use of facilities, among other day-to-day matters, the LAC was opposed to this bill.

**Status: Successfully DIED in Committee.**

**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 open 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. The LAC was opposed to this bill.

**Status: Successfully DIED in Committee.**

**HB2784: CONDOMINIUMS; UNIT SALES; TERMINATION-** Under this bill, 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. The LAC was opposed to this bill.

**Status: Successfully DIED in Committee.**

If you would like to read more about any of the bills above, visit:

<https://apps.azleg.gov/BillStatus/BillOverview?SessionID=127>

For more information on community association legislation in Arizona, visit:

<https://www.caionline.org/Advocacy/LegalArena/Laws/Pages/AZ.aspx>

## Your Assistance is Needed

CAI relies on outside resources such as professional lobbying as a vital and integral part of the legislative process. The volunteers who advocate – including homeowner leaders, community managers, and business partners – greatly rely on contributions from management companies and business partners in addition to individuals to continue their important efforts in the legislature. CAI needs your financial support to bolster their advocacy activities in 2023 and beyond. We encourage donations from Arizona community associations, business partners, and individuals. Please visit [www.caionline.org/lacdonate/](https://www.caionline.org/lacdonate/) and donate to CAI's Arizona Legislative Action Committee to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador and help shape legislation in your state!

### Arizona Contact Information

- Visit <https://www.caionline.org/Advocacy/LAC/AZ/Pages/default.aspx>
- Contact CAI's Government and Public Affairs Team at [government@caionline.org](mailto:government@caionline.org)



- CAI Arizona Chapter email- [kayte@cai-az.org](mailto:kayte@cai-az.org)
- CAI Arizona Chapter website- <https://www.cai-az.org/>
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