



MULCAHY LAW FIRM, P.C.

Quick Summary of 2025 Pending Arizona Legislation Pertaining to HOAs and Condos

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The 2025 Arizona Legislature is in session and it is going to be a BIG year for HOA and condo bills! Set forth below is a quick summary of the pending bills. All the bills below apply to planned communities and condominiums unless otherwise indicated.

SB 1039 - HOMEOWNER'S ASSOCIATIONS; MEETINGS; RECORDINGS: This bill requires that if a board records a meeting, the board shall keep a copy of the recording for at least six months and make the unedited recording available to any member on request.

SB 1337 - HOMEOWNER'S ASSOCIATIONS; VIOLATIONS; NOTICES: This bill requires prescribed information to be included in an original notice of violation rather than providing it later in response to an owner. It also allows owners to respond electronically to a written notice of violation.

SB 1364 - HOMEOWNERS' ASSOCIATIONS; VOTING; ELECTIONS: This bill makes major additions/changes to voting procedures and ballots.

SB 1378 - POLITICAL SIGNS; HOMEOWNERS' ASSOCIATIONS: This bill changes the definition of "Political sign" to include a sign or flag.

SB 1535 - HOMEOWNER'S ASSOCIATIONS; ADDRESS LIGHTS: This bill provides that associations (regardless of the governing documents) may not prohibit lighted home address signs that meet the certain criteria.

SB 1141 - VACATION RENTALS; VIOLATIONS; PENALTIES: This bill pertains to remedies of cities and counties against vacation rentals and short-term rentals.

HB 2095 - HOMEOWNERS' ASSOCIATIONS; DECLARATION AMENDMENT; VOTE: This bill changes the threshold of an affirmative vote to amend a declaration.

HB 2278 - HOMEOWNERS' ASSOCIATIONS; RECORDS REQUESTS: This bill revamps the process for owner's requesting records.

HB 2279 - HOMEOWNERS' ASSOCIATIONS; VIRTUAL MEETINGS; PROXIES: This bill provides that meetings of both the owners' association and board of directors may be conducted online or virtually, regardless of any provision to the contrary in the governing documents; and that any such online or virtual meetings are subject to the requirements of the statute. This bill also addresses voting/proxies/absentee ballots.

HB 2280 - HOMEOWNERS' ASSOCIATIONS; ASSESSMENTS; LIENS; PAYMENTS: This bill is a technical correction bill, adds a definition of assessments and talks about how payments by owners are to be applied.

HB 2322 - CONDOMINIUMS; COMMERCIAL STRUCTURES; RESIDENTIAL STRUCTURES: This bill addresses assessments on commercial versus residential structures in a condominium. Also included in this bill are definitions of commercial structure, common expenses and residential structure. Applies ONLY to Condominiums.

HB 2410 - CONDOMINIUMS; PLANNED COMMUNITIES; DIRECTORS' DUTIES: This bill adds board member duty and indemnity provisions and discusses conflicts of interest.

HB 2442 - HOMEOWNERS' ASSOCIATIONS; BUDGET RATIFICATION; REQUIREMENTS: This bill is a technical correction bill that discusses budget preparation and imposes procedures and restrictions on reserve accounts, unanticipated expenses, special assessments, and commercial facilities owned/operated by an association. Finally, this bill defines "Consumer Price Index."

HB 2482 - CONDOMINIUMS; RENTAL PROPERTY; INFORMATION DISCLOSURE: This bill removes certain disclosure and monetary payment requirements for owners who are renting their units. Applies ONLY to Condominiums.

HB 2599 - CONDOMINIUMS; CONSTRUCTION DEFECTS; ACTIONS: This bill changes procedures to sue developers for construction defects. Applies ONLY to Condominiums.

HB 2656 - HOA'S; TERMINATION OF DECLARANT: This bill imposes various requirements and procedures regarding a declarant's rights, duties and responsibilities during the period of declarant control.

HB 2713 - HOMEOWNERS' ASSOCIATION DWELLING ACTIONS: This bill makes various changes (including statute of limitation changes) to provisions regarding filing actions/lawsuits in connection with real estate development/improvement.

HB 2723 - MUNICIPALITIES; ASSOCIATIONS; RESTRICTIONS: This bill defines circumstances under which a municipality is allowed to require developers to establish associations. Applies ONLY to Planned Communities.

HB 2732 - HOMEOWNERS' ASSOCIATIONS; SHADE STRUCTURES: This bill allows shade structures by owners on their lot in planned communities. Applies ONLY to Planned Communities.

HB 2131 - SHORT-TERM RENTALS; ONLINE LODGING MARKETPLACE: This bill requires online marketplaces for vacation and short-term rentals to require by June 30, 2026 that property owners show they are in compliance with statutory licensing and insurance requirements before allowing said owners to advertise the property for rent on their platform. Violators will be subject to penalties of the greater of up to \$500 or up to one-night's advertised rent, after 30 days of the advertisement appearing on the site.

HB 2817 - CONDOMINIUMS; TERMINATIONS: Provides changes to various rules surrounding termination and resale of condominiums (costs, fair market value, appraisals, disclosures, etc.), and requires annual notice be given to owners regarding possibility of termination along with specific information on owners and unit ownership. States that the act will apply retroactively to all condominiums, regardless of the date they were established. Applies to Condominiums.

HB 2865 - HOMEOWNERS' ASSOCIATIONS; ATTORNEY FEES: This bill addresses attorney fees and related costs as follows: Regardless of the governing documents, associations may not charge any owner/member for attorney fees/costs incurred by the association; All parties to litigation or similar action must bear their own attorney fees/costs EXCEPT that owners/members may recover attorney fees/costs from the association IF provided for in the governing documents. Applies to Planned Communities and Condominiums.

HB 2866 - HOMEOWNER'S ASSOCIATIONS; UNLAWFUL ENFORCEMENT; DAMAGES: Provides for damages against associations that attempt to enforce illegal governing document provisions as follows: \$1,000 for a 1st attempt to enforce, \$10,000 for a 2nd attempt to enforce, and \$100,000 for 3rd and subsequent attempts to enforce. Such damages accrue based on the number of attempts to enforce regardless of whether enforcement is attempted against the same or different owners/members. Owners/members may pursue such damages against the association in any court of competent jurisdiction. Applies to Planned Communities and Condominiums.

SB 1494 - COMMON EXPENSE LIENS; FORECLOSURE; AMOUNT: Raises the assessment delinquency amount from \$1,200 to \$2,000 for the purpose of allowing foreclosure of an assessment lien. Other minor technical corrections. Applies to Planned Communities.

Please feel free to contact Beth Mulcahy, Esq. at bmulcahy@mulcahylawfirm.com with any questions.