



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: COM DP 7-3-0-0 | 3rd Read 45-14-1-0
Senate: COM DP 5-4-0-0 | 3rd Read 25-0-5-0

HB 2275: condominium termination; unit owners; percentage
Sponsor: Representative Weninger, LD 17
Senate Engrossed

Overview

Increases the number of votes required to terminate a condominium.

History

A *condominium* is a real estate development, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate portions ([A.R.S. § 33-1202](#)).

Except in the case of taking all units by eminent domain, a condominium may be terminated only by an agreement of at least 80% of the unit owners in the association. If any real estate in a condominium is to be sold following termination, the termination agreement must establish the minimum terms of sale and the title to all real estate vests in the association. Proceeds of the sale must be distributed to the unit owners and lienholders in proportion to the respective interest of the unit owners.

Upon termination of a condominium, the interests of unit owners are the fair market values of their units, limited common elements, common element interests immediately before the termination, their pro rata share of any monies in the association's reserve fund and the operating account and five percent of the total amount of relocation costs for owner-occupied units. An independent appraiser selected by the association must determine the fair market value, but any unit owner may obtain a second independent appraisal at their own expense. If the unit owners' appraisal differs from the associations by five percent or less, the higher appraisal is final. If the appraisals differ by more than five percent the unit owner must submit to arbitration at the association's expense and the arbitration amount is the final sale amount ([A.R.S. § 33-1228](#)).

Provisions

1. Increases the percentage of votes by unit owners, from at least 80% to 100%, necessary to terminate a condominium.
2. Repeals the section of Laws 2021, Chapter 405 relating to terminating a condominium. (Sec. 3)
3. Makes technical and conforming changes. (Sec. 1, 2)

Senate Amendments

1. Restores the termination threshold to 80%.
2. Establishes a termination threshold of 95%, or any larger percentage the declaration specifies.
3. Applies the 95% threshold prospectively for condominiums created on or after the effective date of this act.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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