



ARIZONA HOUSE OF REPRESENTATIVES

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Final Pass: 58-0-2-0-0

HB 2648: ~~motor vehicle manufacturers; TPT; exemption~~
NOW: condominiums; planned communities; lien; assessment
Sponsor: Representative Martinez, LD 16
Transmitted to the Governor

Overview

Revises condominiums and planned communities' statutes relating to liens.

History

A condominium and planned community association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. The association's lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may be foreclosed in the same manner as a mortgage on real estate but only if the owner has been delinquent in the payment of monies secured by the lien, excluding reasonable collection fees, reasonable attorney fees and charges for late payment of and costs incurred with respect to those assessments, for a period of one year or in the amount of \$1,200 or more, whichever occurs first.

Fees, charges, late charges, monetary penalties and interest charged, other than charges for late payment of assessments, are not enforceable as assessments. The association's lien for monies other than for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may not be foreclosed and is effective only on conveyance of any interest in the real property (A.R.S. §§ [33-1256](#) and [33-1807](#)).

Provisions

Condominium and Planned Community Liens

1. Replaces references of lien with *common expense lien*. (Sec. 2, 4)
2. Specifies the association's common expense lien may be foreclosed if the owner has been *and remains* delinquent in the payment of assessments. (Sec. 2, 4)
3. Requires the association board of directors to exercise reasonable efforts to communicate with the owner and offer a reasonable payment plan before filing a foreclosure action. (Sec. 2, 4)
4. Specifies *unit owner expenses* are not enforceable as *common expense liens*. (Sec. 2, 4)
5. Clarifies the association has a lien for specified expenses after the entry of a judgment in a civil suit. (Sec. 2, 4)

6. Clarifies a common expense lien, rather than a lien for unpaid assessments, is extinguished unless proceedings to enforce the lien are instituted within six years. (Sec. 2, 4)
7. Allows, rather than requires, a judgment to include costs and reasonable attorney fees for the prevailing party. (Sec. 2, 4)
8. Requires the association to furnish a statement setting forth the amount of any unpaid liens, rather than any unpaid assessments, against the unit or property if requested. (Sec. 2, 4)
9. Clarifies the order of payments received on an owner's account. (Sec. 2, 4)
10. Asserts the association cannot transfer ownership or control or debt for common expense liens or specified expenses. (Sec. 2, 4)
11. Includes a definition for *assessment*, *common expense lien*, *member expenses* and *unit owner expenses*. (Sec. 1, 3)

Miscellaneous

12. Makes technical and conforming changes. (Sec. 1-4)