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A T T O R N E Y

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To: Board of Directors
Re: New Legislation
Date: June 17, 2010

Each year, as a courtesy to my clients, I provide a summary of new laws that apply to community associations. This year, very few bills affecting community associations made it through the legislature as the state faced more pressing budgetary issues. For the second consecutive year, bills that would have prohibited planned communities from enforcing CC&R parking restrictions on public roadways and that would have allowed owners to install ham radio antennas regardless of CC&R restrictions failed to get through both houses. The following summarizes the new laws that have been enacted:

Applicable to Condominiums and Planned Communities:

OPEN HOUSE - FOR SALE/RENT SIGNS

(Senate Engrossed House Bill 2345 amending A.R.S. §33-1261 and §33-1808; effective 7/29/10)

Prohibits associations from *regulating* temporary "open house" signs and "for sale/for rent" signs that are within industry standard size. Communities may prohibit open houses held before 8 am and after 6 pm and may prohibit open house signs on the common areas/elements. Community associations will no longer be able to require that "for sale" and "for rent" signs meet certain design standards.

Applicable to All Real Estate:

TRANSFER FEES

(House Engrossed House Bill 2768 adding A.R.S. §33-442; effective 7/29/10)

This new statute prohibits certain types of transfer fees upon the sale of real property. The statute is poorly drafted and difficult to interpret, but appears to be aimed at eliminating additional fees that developers were adding on to the purchase price of subdivision lots. The new law should not have any effect on transfer fees that are imposed by a community association to cover the costs of resale disclosure and/or to update its membership records (fees that are authorized by the Arizona Condominium and Planned Community Acts and the Arizona Nonprofit Corporation Act, respectively) or CC&R provisions that require purchasers to pay a "reserve" or "capital contribution" that are used for capital improvements to the common area and that are not passed through to a third party.

Applicable only in Pima County:

PIMA COUNTY ANIMAL CONTROL ORDINANCE

Chapter 6.04 of the Pima County Code of Ordinances has been amended to allow for the imposition of fines ranging from \$50 to \$500 for "owning, possessing, harboring or controlling any animal or bird which frequently or for continuous duration howls, barks, meows, squawks or makes other sounds" if the noise produces "clearly audible sound beyond the property line of the property" and the animals "disturb the public peace, quiet or comfort of the neighboring inhabitants."

*This summary is intended for informational purposes only and does not constitute legal advice.
The Arizona Condominium, Planned Community, and Timeshare Acts are available
on my website: www.azhoalawyer.com and will be updated when the new statutes take effect.*