

# HB 2275 -- Redline

Engrossed to Chaptered -- condominium termination; unit owners; percentage

Deletions ~~struck~~ · Insertions underlined

~~House~~Senate Engrossed House Bill condominium termination;

percentage State of Arizona House of Representatives Fifty-fifth Legislature Second Regular Session  
CHAPTER 373 HOUSE BILL 2275 AN ACT AMENDING SECTIONS 33-1227 AND 33-1228, ARIZONA REVISED STATUTES;  
Except in cases of amendments that may be executed by a declarant under section 33-1220, by the  
association under section 33-1206 or section 33-1216, subsection D, or by certain unit owners under  
section 33-1218, subsection B, section 33-1222, section 33-1223 or section 33-1228, subsection B ~~C, D,~~  
and except to the extent permitted ALLOWED or required by other provisions of this chapter, the  
declaration, including the plat, may be amended only by a vote of the unit owners to which at least  
sixty-seven per cent PERCENT of the votes in the association are allocated, or any larger majority the  
declaration specifies.

Except in the case of a taking of all the units by eminent domain, ~~A~~EXCEPT ~~condominium~~AS ~~may~~PROVIDED  
~~be~~IN ~~terminated~~SUBSECTION ~~only~~only ~~by~~OF ~~agreement~~THIS ~~of~~SECTION, ~~unit~~A ~~owners~~condominium - 1 - H.B.

2275 ~~may be terminated only by agreement of unit owners of~~ units to which at least eighty ~~ONE HUNDRED~~  
percent of the votes in the association are allocated, or any larger percentage the declaration  
~~specifies~~specifies, EXCEPT:

~~At~~A ~~least~~CONDOMINIUM ~~thirty~~CREATED ~~days~~on ~~before~~OR ~~recording~~AFTER ~~a~~THE ~~termination~~EFFECTIVE  
~~agreement,~~DATE ~~the~~OF ~~board~~THIS ~~of~~AMENDMENT ~~directors~~TO ~~of~~THIS ~~the~~SECTION ~~association~~MAY ~~shall~~BE  
~~convene~~TERMINATED ~~a~~ONLY ~~regular~~BY ~~or~~AGREEMENT ~~special~~OF ~~meeting~~UNIT ~~of~~OWNERS ~~the~~OF ~~board~~UNITS ~~of~~TO  
~~directors~~WHICH ~~at~~NINETY-FIVE ~~which~~PERCENT ~~a~~OF ~~person~~THE ~~or~~VOTES ~~entity~~IN ~~that~~THE ~~purports~~ASSOCIATION  
~~to~~ARE ~~have~~ALLOCATED, ~~the~~OR ~~agreement~~ANY ~~of~~LARGER ~~at~~PERCENTAGE ~~least~~THE ~~eighty~~DECLARATION ~~ONE~~SPECIFIES,  
~~HUNDRED~~EXCEPT ~~percent~~AS ~~of~~PROVIDED ~~the~~IN ~~votes~~SUBSECTION ~~in~~A, ~~the~~PARAGRAPH ~~association,~~1 ~~or~~OR ~~any~~2  
~~larger~~OF ~~percentage~~THIS ~~if~~SECTION, ~~required,~~ ~~shall produce and make available to the unit owners copies~~  
~~of a signed notarized statement that the owner of a unit has executed a termination agreement.~~

~~The~~C. ~~person or entity shall produce copies of a statement for each unit owner who has agreed to the~~  
~~termination, or may produce the signed termination agreement that includes a sufficient number of ALL OF~~  
~~THE unit owners.~~

At least thirty days before recording a termination agreement, the board of directors of the association  
shall convene a regular or special meeting of the board of directors at which a person or entity that  
purports to have the agreement of at least eighty percent THE PERCENTAGE of the votes in the association  
SPECIFIED IN SUBSECTION A OR B OF THIS SECTION, AS APPLICABLE, or any larger percentage if required,  
shall produce and make available to the unit owners copies of a signed notarized statement that the  
owner of a unit has executed a termination agreement.

The person or entity shall produce copies of a statement for each unit owner who has agreed to the  
termination, or may produce the signed termination agreement that includes a sufficient number of unit  
owners.

~~C.~~D.

~~D.~~E.

~~E.~~F.

The association, on behalf of the unit owners, may contract for the sale of real estate in the  
condominium, but the contract is not binding on the unit owners until approved pursuant to subsections  
A, and ~~B- AND~~2 C- of ~~H.B. this section.~~

2275 B, C AND D of this section.

Proceeds of the sale shall be ~~-distributed 2to -unit H-B-owners and lienholders as their interests may~~  
appear, in proportion to the respective interests of unit owners as provided in subsection G I of this  
section.

~~2275 distributed to unit owners and lienholders as their interests may appear, in proportion to the~~  
~~respective interests of unit owners as provided in subsection G H of this section.~~

~~F.~~G.

If the real estate constituting the condominium is not to be sold following termination, title to all  
the real estate in the condominium vests in the unit owners on termination as tenants in common in  
proportion to their respective interests as provided in subsection G ~~H~~I of this section, and liens on  
the units shift accordingly.

~~G.~~H.

~~H.~~I.

The respective interests of unit owners referred to in subsections D, ~~E,~~E and ~~F,~~F G AND ~~G~~H of this  
section are as follows:

Any unit owner may obtain a second independent appraisal at the unit owner's expense and, if the unit owner's independent appraisal amount differs from the ~~association's independent appraisal amount~~<sup>H.B.</sup> by five percent or less, the higher appraisal is final.

~~If the association's total independent appraisal amount of compensation owed as determined by the second appraiser is more than five percent higher or than less, the amount higher determined appraisal by the association's appraiser, the unit owner shall submit to arbitration by an arbitrator affiliated with a national arbitration association and under the rules of that association at the association's expense and the arbitration amount is the final. final sale - 3 - H.B.~~

2275 If the total amount of compensation owed as determined by the second appraiser is more than five percent higher than the amount determined by the association's appraiser, the unit owner shall submit to arbitration by an arbitrator affiliated with a national arbitration association and under the rules of that association at the association's expense and the arbitration amount is the final sale amount.

~~I-J.~~

Except as provided in subsection I ~~J~~<sup>K</sup> of this section, foreclosure or enforcement of a lien or encumbrance against the entire condominium does not of itself terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the condominium does not withdraw that portion from the condominium.

~~J-K.~~

~~K-~~

~~The provisions of subsections C, D, E, F, G, H and I AND J of this section do not apply if the original declaration, an amendment to the original declaration recorded before the conveyance of any unit to an owner other than the declarant or an agreement by all of the unit owners contains provisions inconsistent with these subsections.~~

~~K-~~

Beginning on August 3, 2018, any provisions in the declaration that conflict with subsection G I, paragraph 1 of this section are void as a matter of public policy.

K.

M.

Beginning on August 3, 2018, any provisions in the declaration that conflict with subsection G I, paragraph 1 of this section are void as a matter of public policy.

APPROVED BY THE GOVERNOR JULY 6, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 6, 2022.