

ARIZONA

Basic Information on community association operations in this state

<p>1. Is UCA the legal basis for community associations?</p> <ul style="list-style-type: none"> • Condominium Statute Title 33 Chapter 9 (33, 1201-1270) <ul style="list-style-type: none"> ○ Applicability. This chapter applies to all condominiums created within this state without regard to the date the condominium was created. • Planned Community Statutes: Arizona Revised Statutes, Title 33, Chapter 16(33, 1801-1816) 	<p>YES NO</p>
<p>2. Do state laws/regulations (in general) apply to Condominium Associations and Homeowner Associations, and Coop Associations equally?</p> <ul style="list-style-type: none"> • Planned Communities (Applies to HOAs) Title 33, Chapter 16 • Homeowners Association Dwelling Actions Title 33, Chapter 18 (33, 2001-2003) • Common Areas Statutes: Arizona Revised Statutes, Title 42, Chapter 13, Article 9 	<p>YES NO</p>
<p>3. What state agency regulates community associations?</p>	
<p>4. Are community associations, HOAs registered as business entities or nonprofit corporations?</p> <p style="text-align: center;">NONPROFIT</p> <p>All Associations that are incorporated are subject to the Arizona Nonprofit Corporations Act.</p> <p>Nonprofit Corporations Statutes: Arizona Revised Statutes, Title 10</p> <ul style="list-style-type: none"> • Chapter 24 General provisions-Nonprofit corporations • Chapter 25 - 28 Incorporation, purposes/powers, name, office/agent • Chapter 29-30 Members and membership, members' meetings & voting • Chapter 31 Directors and Officer <ul style="list-style-type: none"> ○ ARS §§ 10-3101 et seq define the powers of the AZ Corporation Commission • Chapter 33 – 37 Amendments restructuring, sale/distribution/dissolution • Chapter 39 Records and reports <p>NOTE: Arizona law requires that property management agreements contain specific provisions, and that all property management accounts are designated as trust accounts, and that records be kept in a certain manner.</p>	
<p>5. How many community associations in this state?</p>	<p>9,500 EST'D</p>

(Source: CAI Fact Book 2016 Statistics)

(Source: CAI Fact Book 2016 Statistics)													
<p>6. Does this state have laws that regulate use of technology?</p> <p>If Yes, do these laws impact:</p> <ul style="list-style-type: none"> • Information privacy; • Data access; • Identity Theft; • Data breach? 	<table border="0"> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">NO</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">YES</td> <td></td> </tr> <tr> <td style="text-align: center;">YES</td> <td></td> </tr> <tr> <td style="text-align: center;">YES</td> <td></td> </tr> <tr> <td style="text-align: center;">YES</td> <td></td> </tr> </table>	YES	NO			YES		YES		YES		YES	
YES	NO												
YES													
YES													
YES													
YES													

Key Statutes - Association/CID specific Cyber Security, Data Access and Privacy

NONE FOUND

Relevant Legislative Trends

Arizona edges to front of states eyeing blockchain technology

By Nathan J. Fish Cronkite News Aug 18, 2017

In March, Gov. Doug Ducey signed Weninger’s bill, **HB 2417**, to recognize signatures and smart contracts secured through blockchain as valid forms of contracts.

Ducey said the smart-contract bill shows Arizona “to be a state that’s really leading the way in embracing and recognizing these new technologies,” said Patrick Ptak, a spokesman for the governor.

http://tucson.com/business/arizona-edges-to-front-of-states-eyeing-blockchain-technology/article_be68d42f-ddb5-5650-9a04-97915b22bf24.html

H.B. 2363 Status: April 5, 2016; Signed by Governor. Chap. 102

- amending sections 44-7501 and 44-7601, relating to security of personal information. To expand to some business associates

Statutes related to Data Security/retention/protection/disposal and penalties

Arizona Revised Statutes Title 44 - Trade and Commerce, Chapter 26 – Electronic Transactions as transferable records

- **Arizona Rev. Stat. § 44-7601** Discard and Disposal of Personal Identifying Information Records

Title 18 – Information Technology, Chapters 4, 5

Ariz. Rev. Stat. § 18-545 Notification of breach of security system; enforcement; civil penalty; preemption; exceptions; definitions

- 18-501 Definitions. "Person" means any individual, partnership, corporation, limited liability company or other organization or any combination of these entities.
 - 9. "Personally identifiable information" means any of the following with respect to an individual who is an owner or operator of a computer: (a) First name or first initial in combination with last name. (b) A home or other physical address including street name. (c) An electronic mail address....
- Notification requirements – The person shall make the notification after the law enforcement agency determines that it will not compromise the investigation.
- Has encryption safe harbor
- Does not need to prove criminal intent. Language refers to reasonably likely to cause economic harm

- Excludes good faith acquisitions by employees/agents
- Notice is to individuals.
 - Allows substitute notice if >100,000 people impacted or cost of notification >\$50,000.
 - Substitute notice includes the following: (a) email; (b) posting of notice on company's website; and (c) notification of major statewide media
- 3rd parties are bound by same law
- Civil penalties include actual damages for a willful and knowing violation, plus up to \$10,000 per breach.
 - Only the Arizona Attorney General has the power to enforce the law. There is no private right of action. The state law says that it preempts all municipal and county laws and rules on this topic.

Identity theft statutes and penalties

Arizona Title 13 Criminal Code

- **Chapter 6 Classification of Offenses, Chapter 7 Sentencing, Chapter 22 Business and Commercial Frauds**

13-2006 Criminal impersonation

13-2008 Taking identify of another person or entity; classification

13-2010 Trafficking in the identity of another person or entity; classification

13-2316.02. Unauthorized release of proprietary or confidential computer security information; exceptions; classification

13-2316 - Computer tampering; venue; forfeiture; classification

Related General Business/Organization Statutes (non-specific to Associations)

§ 18-202 Obligations of state agencies obtaining information on line