



## *From the President*

I am excited to let you know in advance of several new initiatives we have planned for this year. We are testing new operating software that will be installed initially in our Prescott office, with other locations brought on line shortly thereafter. Many of the enhancements are of a technical nature, but several will directly impact our community work product as follows:

Energy management and utility consumption analysis.

HOAMCO community site managers will access the system via the internet for input, inquiries, review and printing.

All reports are exportable to Excel or Lotus for further analysis.

Hand-held devices for greater data transfer from field operations such as maintenance and deed restriction enforcement.

Dial-up access for association members to review individual account balances.

Direct debit for assessment collection.

We are currently negotiating with a firm to provide web-based portals to our client associations. Our goal is to provide web sites that provide up-to-date information for all community members. A few of the accessible items being considered are community legal documents, copies

of agendas and meeting minutes which would include meeting date, place and time. We believe that eventually a large part of our membership voting will take place within our web sites.

Homeowners Association Management Company (HOAMCO) has served its clients' needs for over a decade and is in the business of providing community management services for planned communities. HOAMCO has grown to manage community associations throughout Northern Arizona and currently provides jobs for 34 families and is one of Arizona's largest and most respected association management companies. With over sixty satisfied clients throughout the years, our success speaks for itself.

We have offered many local seminars throughout Northern Arizona cities and respect your efforts to continue your knowledge as fiduciaries and volunteers of your communities. HOAMCO continues to search for effective methods to enhance our relationship with each client and to leverage relevant services in a cost-effective manner.

We look forward to and would appreciate any comments on areas in which we can improve our services to your community.

Thank you,  
Justin D. Scott, CMCA AMS®

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# — LEGAL UPDATE —

## **COMMON AREA REAL ESTATE TAX ASSESSMENTS**

The State Legislature has made a major change in the way common areas for planned communities, other than golf courses, are assessed for real estate tax purposes.

Beginning with the tax year 1999, all common areas, including land and all improvements, will be valued at a rate of \$500.00 per tax parcel. The new provisions do not apply to golf course parcels.

For the purpose of this change, common areas consist of improved or unimproved real property that is intended for the use of owners and residents of a residential subdivision or development.

In order to qualify, the property must meet the following requirements:

1. The property must be owned by a nonprofit homeowner's association or community association or corporation.
2. The nonprofit homeowner's association or community association or corporation must be organized and operated to provide for the maintenance and management of the common area property.
3. The owners of the lots, parcels and areas in the development must be members of the nonprofit association or community association or corporation.
4. All property owners in the development must be required to be members of the homeowner's association, community association or corporation.
5. All members of the association, their immediate families and, if provided by association rules, guests, must have a right to use and enjoy the common areas. This right must be appurtenant to and pass with title to each lot and parcel. The organization or association may assess fees for particular uses of individual common areas.
6. The common areas must be deeded to the association.

In order to take advantage of these provisions, the developer, at the time of the approval of the public report by the Department of Real Estate, or the association, shall record a deed restriction and file a copy of the

restriction with the county assessor restricting the property to use as a common area.

The association may combine all of its common area parcels into one tax parcel by filing a one-time request with a list of parcel numbers with the assessor on a form to be provided by the Department of Revenue.

This new taxation scheme should be of great benefit to associations, particularly to larger associations with many common area tax parcels.

## **RESIDENTIAL PROPERTY LANDLORD REGISTRATION**

As part of the recent "slumlord" law, the State Legislature has included a requirement that all residential real property owners keep certain information on file with the county assessor where the property is located.

The owner must furnish the assessor with the name, address and telephone number of the owner. For entity owners, the owner must furnish the name, address and telephone number of the statutory agent and the name, address and telephone number of a corporate officer for corporation, a general partner for partnerships, the managing or administrative member for limited liability companies, trustee for trusts, and a general partner or officer for real estate investment trusts.

Out of state individual owners, who would not otherwise have a designated statutory agent on file with the corporation commission, must also designate a statutory agent who lives in Arizona and who will accept service of process on behalf of the owner.

Residential rental property may not be occupied if the information required is not on file with the county assessor, although existing leases are grandfathered.

Failure to comply with these requirements will result in a civil penalty of \$1,000, plus \$100 per month until the requirements have been met. These penalties may not be suspended by the courts, although if an owner complies within ten days of receiving a complaint that notices the violation, the complaint will be dismissed by the court without imposing the penalty.

The information required by the statute is to be furnished in a manner to be determined by the county assessor.

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# Pearls of Wisdom

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## *Be a Good Homeowner*

1. Review the documents before you buy your unit.
2. Serve on a committee.
3. Serve on the board.
4. Remember that you are a member of the association. What is good for it is good for you.

## *Be a Good Neighbor*

1. Respect thy neighbor.
2. Help form a neighborhood watch.

## *Be a Good Board Member*

1. Don't go on a power trip.
2. Remember your fiduciary duty to protect, preserve, and enhance the value of the property.
3. Let the manager manage.
4. Focus on policies, plans, and objectives.

## *Be a Good Leader*

1. Establish clear goals.
2. Don't put things off.
3. Ask others for input.
4. Plan and save for the future.

## *Have Productive Meetings*

1. Distribute materials — financial reports, agendas, bids — to board members a few days before the meeting.
2. Follow the rules of parliamentary procedure.
3. Act professional — don't let the meeting turn into a social event.
4. Allow questions only after the meeting.

## *Work with Committees*

1. Define the committee's purpose.
2. Support the committee members.
3. Remember — a committee usually offers recommendations, not solutions.

## *Develop A Successful Budget*

1. Obtain input from owners, board members, committees, and management.
2. Develop a month-by-month evaluation — don't just divide by 12.
3. Be realistic.
4. Raise assessments if necessary.
5. Plan for the future.

## *Enforce the Rules and Deed Restrictions*

1. Give residents a voice when creating a rule.
2. Make rules specific and reasonable.
3. Offer compromises.
4. Hold public meetings on divisive rules.

## *Renters and Kids, Parking and Pets*

1. Don't treat renters as outcasts; involve them in the community.
2. Plan events for children.
3. Let the children help organize the events.
4. Give pets a place to walk.

## *End Apathy*

1. Recruit new residents.
2. Promote volunteerism as a positive experience.
3. Publicize the association's accomplishments.
4. Recognize volunteers.

## *Know When It's Time to Go*

1. Check your blood pressure.
2. If you're burned out, get out — new volunteers can offer new energy and ideas.



# AN EASIER WAY TO PAY YOUR ASSOCIATION DUES

*HOAMCO* is excited to announce it's Auto Debit Payment Program. No more writing checks; have your dues deducted automatically from your checking account.

With Auto Debit, you eliminate the trouble and cost of mailing checks. You also avoid any worry about late payments when you're away on business or vacation.

Beginning October 1, 2000, *HOAMCO* will offer the Auto Debit Payment Program to the homeowners of The Village of Lynx Creek. Additional associations will begin November 1, 2000.

For more information and to request an application, please call *HOAMCO* at (520) 776-4479.

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