

E K M A R K & E K M A R K, L.L.C.
ATTORNEYS AT LAW

Last week's tip addressed issues related to budgets. One of the primary issues discussed was the ratification of the association budget by the membership. We received a number of questions regarding the procedure for ratification within condominium associations.

The Condominium Act requires that condominium associations adopt a budget at least annually. The Act further requires that condominium association boards provide a summary of the proposed budget to all of the unit owners within 30 days of adoption of the budget, unless the association's declaration provides otherwise.

Furthermore, unless the declaration grants the *board* the authority to adopt and amend budgets, the budget, or any amendment thereto, must be ratified by the *unit owners*. If such ratification is required, the board must set a date for a meeting of the unit owners to consider ratification of the budget between 14 and 30 days after mailing of the budget summary. The budget is considered ratified *unless* a majority of all of the unit owners (or any larger vote specified in the declaration) reject the budget, whether or not a quorum is present at the meeting. Please note that the association must allow unit owners to vote on ratification by absentee ballot, as well as at the meeting.

If the proposed budget is rejected, the budget last ratified by the unit owners shall be continued until a subsequent budget is proposed by the board and ratified by the unit owners as set forth above.

Please note that the requirements discussed herein apply only to condominiums, not to planned communities.

The information contained in this Homeowners Association Tip of the Week© is for informational purposes only and is not specific legal advice or a substitute for specific legal counsel. Readers should not act upon this information without seeking professional counsel.

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