

Legislative Overview for ADRE | 2014

The Arizona State Legislature adjourned *sine die* on April 24, 2014. The following bills were passed and signed into law by Governor Janice K. Brewer. If you have questions relating to the bills below please contact the Department's Assistant Commissioner Operations/Legislative Affairs at ldetorre@azre.gov. The general effective date for legislation is July 24, 2104 unless otherwise stated.

Please be advised that this list is not comprehensive and therefore may not include all bills that directly or indirectly affect ADRE licensees. Please visit the state legislature's website at <http://www.azleg.gov/> for more information.

HB 2018 (Chapter 129) Mortgages; trust deeds; deficiency actions

Specifies that "anti-deficiency" protection does not apply to mortgages and deeds of trust that originate after December 31, 2014 for the following types of property:

- Owned by a person who is engaged in the business of construction and selling dwellings that were acquired by the person in the course of that business and that is subject to a mortgage or deed of trust given to secure payment of a loan for construction of a dwelling on the property for sale to another person;
- Contains a dwelling that was never substantially completed; and
- Contains a dwelling that is intended to be utilized as a dwelling but is never actually utilized as a dwelling.

Amending sections 33-729 and 33-814. HB 2018 was signed by the Governor on April 22, 2014.

ARS Titles Affected: [33](#)

SB 1213 (Chapter 74) Real estate advisory board; membership

Adds a member to the Board and requires that member to have been engaged in multifamily residential rental property management with a real estate broker license for the five years immediately preceding their appointment on the Board.

Amending section 32-210. SB 1213 was signed by the Governor on April 17, 2014.

ARS Titles Affected: [32](#)

HB 2477 (Chapter 94) Homeowner's associations; transfer fees; exemption

Excludes a conveyance by recorded deed that bears an A.R.S. § 11-1134 B exemption from being subject to an HOA's disclosure statements as well as any fees relating to services for resale disclosure, lien estoppel and any other services related to the transfer or use of the property.

- Requires the unit owner or member to provide the HOA with the changes in ownership including the new owner's name, billing address and phone number.
- Stipulates that failure to provide this information will not prevent the unit owner or member from qualifying for the A.R.S. § 11-1134 B exemption.

ARS Titles Affected: [33](#)

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[SB 1482](#) (Chapter 83) Homeowner's associations amendments; omnibus

Repeals and reinstates various changes made by Laws 2013, Chapter 254, including statute prohibiting municipal planning agencies and county planning and zoning commissions from requiring a subdivider or developer to establish a homeowner's association as part of a subdivision regulation or zoning ordinance; statute allowing a management company and its employees to act on behalf of a contracted HOA and the HOA Board by recording a lien or notice of claim of lien of the HOA or appearing on behalf of the HOA in a small claims court action when specified conditions are met; statute allowing homeowners and condo association members to use the member's property as a rental property unless prohibited in the declaration; and statute prohibiting condominium associations from prohibiting the indoor or outdoor display of a "political sign" (defined) by a unit owner on the owner's property, except earlier than 71 days before election day and later than 3 days after election day, thereby delaying the effective dates of these changes. Also, HOAs and condo associations are added to the list of entities authorized to bring an action in superior court against a property owner to abate and prevent criminal activity at a residential property.

SB 1482 was signed by the Governor on April 17, 2014.

ARS Titles Affected: [9](#), [11](#), [12](#), [22](#), [33](#), [41](#)

[SB 1215](#) (Chapter 187) Real estate; unsubdivided land definition

Expands the definition of *unsubdivided lands* to include any land sold that would otherwise constitute the sixth lot, parcel or fractional interest if the sale occurs 10 or more years after the earliest of the previous five sales and if all of the sales consist of property that was originally contained within the same parcel that is 36 acres or more and less than 160 acres. *Amending section 32-210. SB 1215 was signed by the Governor on April 23, 2014.*

ARS Titles Affected: [32](#)

[HB 2287](#) (Chapter 205) County treasurer; lien sale

Strikes the requirement that a county sheriff sell a foreclosed property to the county in which the property is assessed if there is no bid sufficient to repay all back taxes, interest and costs of sale.

- Requires the purchaser of a lien, if the lien is not redeemed, to name the county treasurer as a party to the action of foreclosing the right to redeem.
- Stipulates that a civil penalty assessed on a real property, reclassified from class 3 to class 4, may not be imposed if the ownership of the property has changed after the notice of reclassification was issued.

HB 2287 was signed by the Governor on April 23, 2014.

ARS Titles Affected: [40](#), [42](#)

[HB 2141](#) (Chapter 133) County assessor; common area consolidation

Requires the county assessor to automatically consolidate parcel combinations within the same taxing district if and only if improvements have been made to the common area.

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- Allows the county assessor to revoke any statutory valuation made with regard to a parcel, should that parcel fail to meet the definition of a common area as defined by A.R.S. § 42-13403.

HB 2141 was signed by the Governor on April 22, 2014.

ARS Titles Affected: [42](#)

[HB 2306](#) (Chapter 56) Fingerprint clearance cards; periodic checks

Requires, rather than allows, the Fingerprinting Division of the Arizona Department of Public Safety (“DPS”) to conduct periodic state criminal history checks and permits the Fingerprinting Division to conduct periodic federal criminal history checks for regular and Level I fingerprint clearance cardholders for the purposes of updating clearance status. *HB 2306 was signed by the Governor on April 16, 2014.*

ARS Titles Affected: [41](#)

[SB 1047](#) (Chapter 216) Closing protection letters; escrow agents

Title insurers are authorized to provide a closing protection letter to any party to a title insurance policy transaction. Closing protection letters may indemnify an insured against a loss resulting from specified actions of a policy-issuing title insurance agent or other settlement service provider, including theft or misappropriation of settlement monies. Title insurers are required to charge a party receiving a closing protection letter a fee of up to \$25.

Amending section 6-841. Signed by Governor Brewer on April 24, 2014. [Click here](#) to view.

HB 2703 General appropriations; 2014-2015

The general “feed bill” contains appropriations for state agencies and programs. Details of the provisions can be found in the legislation and in this legislative fact sheet. The Arizona Department of Real Estate was appropriated \$ 2,988,700 from the General Fund and 37.0 full-time employees. *HB 2703 was signed by the Governor on April 11, 2014.*

More information can be found at www.azleg.gov