

ADRE 2017 Legislative Summary





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The Arizona State Legislature adjourned *sine die* on May 10, 2017 at 7:00pm. The following bills were passed and signed into law by Governor Douglas A. Ducey. If you have questions relating to the bills below, please contact the Department through the Message Center by [clicking here](#). The general effective date for legislation is August 9, 2016 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 for more information and an overview of each bill at <http://www.azleg.gov/>.

HB 2039 (Chapter 23) Finder fees; apartment tenants (Rep. Weninger)

This legislation eliminates the cap on the number of finder fees paid to an apartment tenant, and eliminates the cap of \$200. Finder fees shall remain only paid as credit toward or reduction in the tenant's monthly rent. A tenant may receive multiple finder fees.

HB 2039 was signed by the Governor on March 21, 2017. A.R.S. Titles Affected: 32

HB 2067 (Chapter 123) Real estate licensing; exception; assistants (Rep. Shope)

This legislation exempts employees hired by a licensee to perform clerical, bookkeeping, accounting and other administrative support and duties from ADRE licensing requirements if they are not engaged in activity requiring a license.

HB 2067 was signed by the Governor on March 31, 2017. A.R.S. Titles Affected: 32

HB 2072 (Chapter 25) Manufactured homes; real estate transactions (Rep. Weninger)

This legislation authorizes real estate brokers and salespersons licensed by the Arizona Department of Real Estate (ADRE) to sell manufactured homes and mobile homes located in a mobile home park. It further requires ADRE licensees and Arizona Department of Housing (ADOH) Division licensees to abide by their respective licensing requirements for submitting paperwork and filings upon the completion of a sale.

HB 2072 was signed by the Governor on March 21, 2017. A.R.S. Titles Affected: 41

HB 2203 (Chapter 32) Endowed – Care Cemeteries; Unitrusts (Rep. Norgaard)

This legislation authorizes an endowment-care fund account to be converted to a unitrust. The bill permits the conversion of a trust into a total return unitrust without the authorization of the courts, and specifies that the unitrust amount must still be used solely for the care of plots or other burial spaces.

HB 2203 was signed by the Governor on March 21, 2017. A.R.S. Titles Affected: 32

HB 2271 (Chapter 39) Occupational Licensing; Military members (Rep. Syms)

This legislation permits training received as a member of the U.S. Armed Forces, National Guard or other reserve component to completely or partially satisfy educational requirements for a professional license, certificate or registration. The bill specifies that an applicant must present



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satisfactory evidence that they received equivalent education, training or experience as a member of the armed forces.

HB 2271 was signed by the Governor on March 21, 2017. A.R.S. Titles Affected: 32

HB 2322 (Chapter 40) Franchises; Mark owners; Employment relationships (Rep. Lovas)

This legislation states that a franchisor is not an employer or co-employer of either a franchisee or an employee of the franchisee, unless the franchisor agrees, in writing, to assume that role. The bill stipulates that the owner of a mark is not the employer or co-employer of the licensee or an employee of the licensee, unless the owner of the mark agrees, in writing, to assume that role.

HB 2322 was signed by the Governor on March 21, 2017. A.R.S. Titles Affected: 23

SB 1060 (Chapter 77) HOAS; Dispute process (Sen. Griffin)

This legislation makes technical and conforming changes in the statutes related to the Homeowners' Association Dispute Process. The bill amends references from the Arizona Department of Fire, Building and Life Safety to the Arizona Department of Real Estate.

SB 1060 was signed by the Governor on March 27, 2017. A.R.S. Titles Affected: 32

SB 1406 (Chapter 175) Public accommodation; Exemptions; Enforcement; Sanctions (Sen. Fann)

This legislation modifies the litigation processes for alleged violations covered under the Arizona Americans with Disability Act.

SB 1406 was signed by the Governor on April 18, 2017. A.R.S. Titles Affected: 41

HB 2411 (Chapter 217) Homeowners' associations; Open meetings (Rep. Lovas)

- This legislation prohibits a board from requiring advanced notice to audiotape or videotape a meeting.
- Permits a board to preclude audiotaping or videotaping of a meeting, if the board audiotapes or videotapes the meeting itself and makes the unedited tapes available to members on request.
- Prohibits the board from making restrictions on the use of tapes as evidence in a dispute resolution process.
- Requires the notice of any meeting of an HOA to state the date of the meeting.
- Requires notice of any annual or regular meeting of an HOA to state the purpose for which the meeting is called, including any proposed amendment to the declaration or bylaws and any changes in assessment.
- Requires a board to identify the specific exemption that permits any portion of a board meeting to be closed.
- Permits emergency meetings of the board to be held for business or action that cannot be delayed for the 48 hours.



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- Emergency meetings of the board may be held for any business or action that cannot be delayed until the next regularly scheduled meeting
- Prohibits a board from taking action on non-emergency matters at emergency meetings.
- Requires members of the board and any community manager to construe any statutory meeting requirement in favor of open meetings.
- Requires HOA members to have the ability to speak before a vote of the members.
- Permits the cost of delivery to be included in the fee charged by an HOA for documents related to the transfer or use of the property.
- Removes the requirement that an absentee or alternative ballot envelope or related materials for an HOA election include the name, address and signature of the person voting.
- Removes the requirement that nonballot related material of an HOA secret ballot include the name, address and signature of the voter.

HB 2411 was signed by the Governor on April 28, 2017. A.R.S. Titles Affected: 33

HB 2482 (Chapter 298) Exempt Subdivisions; Public Reports (*Senator Petersen*)

This legislation allows a subdivider in an Active Management Area to use a certificate issued to a previous land owner if all of the following apply:

- The Arizona Department of Water Resources (ADWR) Director issued a Type A certificate (R12-15-704) to a previous landowner.
- The certificate has not been revoked and proceedings are not pending before ADWR or a court.
- The plat submitted in the application has not changed.
- Water service is currently available to each lot and the water provider listed on the certificate has not changed.
- The subdivided land qualifies as member land and the subdivider has paid the required activation and replenishment reserve fees.
- The plat is submitted for approval to a city, town or county listed on ADWR's website as a qualified platting authority.
- Requires ADWR to post a list of all revoked certificates or pending proceedings before ADWR or a court on its website.

HB 2482 was signed by the Governor on May 10, 2017. A.R.S. Titles Affected: 32

SB 1175 (Chapter 218) Real Estate Transfer Fees; Definitions (*Senator Lesko*)

This legislation stipulates that the definition of association includes nonprofit organizations qualified under sections 501(c)(3) or 501(c)(4) of the IRC, and meet certain transfer fee prohibition exemption criteria.

- Contains a legislative intent clause.
- Contains a retroactive effective date of July 28, 2010.

SB 1175 was signed by the Governor on April 28, 2017. A.R.S. Titles Affected: 33