

# **ADRE 2018 Legislative Summary**





## ADRE Legislative Overview | 2018

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The Arizona State Legislature adjourned *sine die* on May 4, 2018 at 12:26 AM. 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 3, 2018 unless otherwise stated.

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

### **HB 2065**

#### **(Chapter 229) Public Meetings; Definition; Penalties (Rep. Leach)**

This legislation expands the definition of a meeting to include one-way communication by one member of a public body sent to a quorum of the members of the public body and that proposes legal action, and an exchange of electronic communications among a quorum of the members of a public body that involves a discussion, deliberation or the taking of legal action by the public body concerning a matter that may likely come before the public body for action. The Attorney General is authorized to commence a suit in the superior court against an individual member of a public body for a knowing violation of open meeting law. The maximum civil penalty for a third and subsequent violation of open meeting law is increased to \$2,500, from \$500, and the civil penalty for a first offense is eliminated. If a court imposes a civil penalty against an individual member of a public body for a knowing violation of open meeting law, the public body is prohibited from indemnifying or paying the civil penalty on behalf of the individual.

*HB 2065 was signed by the Governor on April 17, 2018. A.R.S. Titles Affected: 38*

### **HB 2126**

#### **(Chapter 231) Government Property; Abatement; Slum; Blight (Rep. Leach)**

This legislation allows municipalities to abate taxes for government property improvements in a single central business district. The definition of "central business district" is modified. The designation of a redevelopment project area in which a central business district is located automatically terminates on the 10th anniversary after its designation unless the municipality formally renews or modifies all or part of the redevelopment project area with some exceptions. Within two years after the effective date of this legislation, each municipality is required to review each redevelopment project area in which a central business district is located and either renew, modify or terminate the area. All existing designated areas that are not reviewed by the municipalities will automatically terminate in the timeline given.

*HB 2126 was signed by the Governor on April 17, 2018. A.R.S. Titles Affected: 36, 42*



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## **[HB 2150](#)**

### **(Chapter 12) Manufactured Home Sales; Licensure; Exemption (Rep. Weninger)**

This legislation exempts licensed real estate professionals from the Statutory requirements for housing dealers with respect to new manufactured homes if the licensed real estate professional is acting as an agent for a licensed manufactured housing dealer and the dealer is responsible for filing all of the required paperwork and submitting the required fees on the sale of the home.

*HB 2150 was signed by the Governor on March 16, 2018. A.R.S. Titles Affected: 41*

## **[HB 2185](#)**

### **(Chapter 68) School Districts; Tax Levy; Calculation (Rep. Norgaard)**

This legislation changes the calculation used to determine the rate that the county board of supervisors will levy as property taxes for each school district. It modifies the information the county school superintendent must include in the estimate of the amount of monies required by each school district for the next school year based on the district's proposed budget. It repeals statute levying an annual tax for school districts that determine to establish a high school.

*HB 2185 was signed by the Governor on March 23, 2018. A.R.S. Titles Affected: 15*

## **[HB 2242](#)**

### **(Chapter 93) Fire Districts; Revisions; County Islands (Rep. Farnsworth)**

This legislation establishes an alternate form of reforming noncontiguous county island fire district for a fire district that is surrounded by incorporated areas in a county. The process for the fire district to reform is specified, including a public hearing on the proposed reformation.

*HB 2242 was signed by the Governor on March 29, 2018. A.R.S. Titles Affected: 48*

## **[HB 2385](#)**

### **(Chapter 73) Property Tax Appeals; Court Findings (Rep. Clodfelter)**

This legislation specifies that if a property tax appeal is taken by a county assessor and the court finds that the valuation is insufficient, the court's finding of the property's full cash value is prohibited from being greater than the full cash value that was appealed by the taxpayer to the Board of Equalization. This applies retroactively to property tax appeals that were filed in court beginning January 1, 2017. Emergency clause.

*HB 2385 was signed by the Governor on March 23, 2018. A.R.S. Titles Affected: 42*



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## **HB 2596**

### **(Chapter 319) Property Taxes; Abatement; Procedures (Rep. Toma)**

This legislation expands the list of circumstances under which property taxes may be abated. Also, a real property tax lien that is sold may be redeemed by any person that wants to pay on behalf of the owner by making a charitable gift.

*HB 2596 was signed by the Governor on May 16, 2018. A.R.S. Titles Affected: 42*

## **HB 2651**

### **(Chapter 323) Landlord Tenant; Security Deposits (Rep. Toma)**

This legislation specifies that if a tenant does not dispute the deductions from a security deposit or the amount due and payable to the tenant within 60 days after the itemized list and amount due are mailed, the amount due the tenant is deemed valid and final and any further claims of the tenant are waived. It expands the list of reasons a tenant is permitted to terminate a rental agreement to include if the tenant was the victim, in the tenant's dwelling, of sexual assault. A landlord is prohibited from withholding the security deposit for early termination of the lease if the tenant provides to the landlord a copy of a protective order or written law enforcement report.

*HB 2651 was signed by the Governor on May 16, 2018. A.R.S. Titles Affected: 33*

## **HB 2655**

### **(Chapter 327) Real Estate Licenses; Online Classes (Rep. Mosley)**

This legislation allows applicants for a real estate salesperson's license or real estate broker's license to complete the applicable required training course through an "online course" (defined) if offered by a real estate school certified by the Arizona Department of Real Estate (ADRE). Applicants will be required to complete an examination on the prelicense course in person.

**ADRE Note:** Refer to the ADRE website for implementation updates. This legislation will take effect on January 1, 2019.

*HB 2655 was signed by the Governor on May 16, 2018. A.R.S. Titles Affected: 32*

## **SB 1038**

### **(Chapter 18) State Land Sales; Payment Method (Sen. Griffin)**

This legislation provides that payment for the sale of state land may be made in any form of payment approved by the State Land Commissioner, instead of only by cashier's check.

*SB 1038 was signed by the Governor on March 16, 2018. A.R.S. Titles Affected: 37*



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## **[SB 1043](#)**

### **(Chapter 143) County Recorder; Recording Fees (Sen. Kavanagh)**

The legislation modifies the fees received by the county recorder to the following amounts:

- \$30 for recording papers required or authorized by law, instead of \$5 for the first 5 pages plus \$1 for each additional page.
- \$15 for recording papers to which a government entity is the requesting party, instead of \$3 for the first 5 pages plus 50 cents for each additional page.
- Separate fee amounts for recording deeds affecting interest in real property and deeds of trust or mortgage are eliminated.
- Additional fees such as the special recording surcharge, the fee for real estate transfers, and the fee for an affidavit of annual work, are included in the total fee instead of being charged separately.
- Effective July 1, 2019.

*SB 1043 was signed by the Governor on April 5, 2018. A.R.S. Titles Affected: 37*

## **[SB 1045](#)**

### **(Chapter 46) Home Inspections (Sen. Kavanagh)**

This legislation specifies that applicants for certification as a home inspector are required to have a valid fingerprint clearance card, instead of submitting a full set of fingerprints to the Board of Technical Registration.

*SB 1045 was signed by the Governor on March 23, 2018. A.R.S. Titles Affected: 32, 41*

## **[SB 1142](#)**

### **(Chapter 51) Private Land Acquisition; Committee; Continuation (Sen. Griffin)**

This legislation extends the existence of the Study Committee on Private Land Acquisition to self-repeal on October 1, 2020, instead of October 1, 2018, and extends the deadline for the Committee to report its findings and recommendations to the Governor and the Legislature to December 31, 2019, instead of December 31, 2017.

*SB 1142 was signed by the Governor on March 23, 2018. A.R.S. Titles Affected: 41*

## **[SB 1144](#)**

### **(Chapter 52) Conservation Easements; Notice; Valuation (Sen. Griffin)**

This legislation requires the holder of a conservation easement to provide for the recording of the easement and its acceptance, and to prepare and provide the information required for the registry



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of real property burdened by conservation easements to the county assessor for each county in which any portion of the real property is located. It also expands the information that must be included in the registry for each parcel to include the name of the holder of the conservation easement, the name of any governmental body or charitable corporation with a third-party right of enforcement, and the value of the real property as determined by an independent appraisal prior to the creation and recording of the conservation easement.

*SB 1144 was signed by the Governor on March 23, 2018. A.R.S. Titles Affected: 33, 42*

### **[SB 1353](#)**

#### **(Chapter 168) Limited Liability Company Act; Revisions (Sen. Worsley)**

This legislation effective September 1, 2020, repeals and replaces the chapter of statute known as the Arizona Limited Liability Company (LLC) Act. The new statutes will apply to an LLC that is formed, converted or domesticated on or after September 1, 2019 or an LLC that elects to be subject to these regulations, and applies to all LLCs beginning September 1, 2020. The legislation goes into detail on Probate Proceedings, Trust Instruments and other miscellaneous items that the legislation affects. For a more comprehensive list of what this legislation does refer to click here [SB 1353](#).

*SB 1353 was signed by the Governor on April 10, 2018. A.R.S. Titles Affected: 10, 29*

### **[SB 1375](#)**

#### **(Chapter 88) Contractor Licensure (Sen. Fann)**

This legislation requires licensed contractors to notify the Registrar of Contractors of any transfer of ownership of 25 percent or more, instead of 50 percent or more, of the stock or beneficial interest in the company. It also modifies definitions and makes numerous clarifying changes.

*SB 1375 was signed by the Governor on March 27, 2018. A.R.S. Titles Affected: 32*

### **[SB 1376](#)**

#### **(Chapter 127) Landlord Tenant Act; Personal Property (Sen. Griffin)**

This legislation makes the following provisions:

1. Revises the process that requires a landlord to hold for 14 days, the property of a tenant after issuance of a writ of restitution or execution when a tenant fails to comply with the rental agreement. (Sec. 1)



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2. Stipulates that the infractions listed in statute, which establish a tenant's material and irreparable breach of a lease, is not a comprehensive list. (Sec. 1)
3. Instructs the landlord to comply with the laws of abandonment of a rental unit pertaining to the tenant's property, the day after issuance of the writ of restitution or execution. (Sec. 1)
4. Maintains the present obligation of the landlord, after retaking possession of a rental unit, to inventory the abandoned property and notify the tenant of its location and storage costs. (Sec. 2)
5. Relieves the landlord of a duty to store the tenant's perishable items, plants and animals. (Sec. 2)
6. Authorizes the landlord to remove or dispose of the perishable, contaminated items or anything considered a biohazard or health/safety risk. (Sec. 2)
7. Allows the landlord to use discretion in removing the tenant's abandoned animals as follows:
  - a. Immediately place them in a shelter or boarding facility, keeping records of name/location.
  - b. Provide for their reasonable care for 14 days.
  - c. Notify the county enforcement agent or animal control officer of the abandoned animals to be seized. (Sec. 2)
8. Absolves the landlord of liability for any actions taken in good faith related to the removal, release, seizure or care of the abandoned animals. (Sec. 2)
9. Requires a landlord to hold a tenant's property for 14 days (now 10) after abandonment. (Sec. 2)
10. Permits a landlord to donate the tenant's property to a nonprofit charitable organization in addition to the current law allowing the landlord to sell the property. (Sec. 2)
11. Awards the tax benefits to the tenant for any donations to a charitable nonprofit and absolves the landlord of any liability for loss to the tenant or any third party resulting from the move, storage or donation of property that was left in a dwelling unit. (Sec. 2)
12. Authorizes the landlord to remove and dispose of property left in a unit after the tenant returns the keys to the landlord and clears the landlord of liability to the tenant or third party. (Sec. 2)
13. Makes technical and conforming changes. (Sec. 1, 2)

*SB 1376 was signed by the Governor on April 3, 2018. A.R.S. Titles Affected: 33*



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### **HB 2262**

#### **(Chapter 235) Condominiums; Termination; Appraisals (Rep. Toma)**

This legislation establishes further procedures in the termination of a condominium by allowing the remaining owners additional rights. It specifies actions that can be taken by the remaining owners and provides for an additional five percent of the final sale amount to be added for relocation costs for owner-occupied units.

*HB 2262 was signed by the Governor on April 17, 2018. A.R.S. Titles Affected: 33*

*More information, including an overview of each bill can be found at [www.azleg.gov](http://www.azleg.gov)*