

ADRE 2021 Legislative Summary





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The Arizona State Legislature adjourned *sine die* on June 30, 2021 at 4:54 PM. 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 September 29, 2021 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. The information provided is not legal advice or guidance. Please visit the state legislature's website www.azleg.gov for more information.

HB 2025

(Chapter 127) Delinquent Property Tax; Interest; Waiver

Subject to the approval of the county board of supervisors, the county treasurer is authorized to waive the interest that accrues on delinquent property taxes, and any other penalties, for a delinquency that occurs during the one-year period after a mortgage or deed of trust is satisfied or otherwise released on the property. A taxpayer may receive this waiver only once per property.

HB 2025 was signed by the Governor on March 26, 2021. A.R.S. Titles Affected: [42](#)

HB 2041

(Chapter 21) Groundwater Replenishment Reserves

Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.

HB 2041 was signed by the Governor on February 18, 2021. A.R.S. Titles Affected: [48](#)

HB 2043

(Chapter 37) Underground Storage Tanks; Performance Standards

A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.

HB 2043 was signed by the Governor on February 26, 2021. A.R.S. Titles Affected: [49](#)

HB 2056

(Chapter 22) Water Conservation Notice; No Forfeiture

Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the



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water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only.

HB 2056 was signed by the Governor on February 18, 2021. A.R.S. Titles Affected: [45](#)

HB 2078

(Chapter 4) Groundwater; Waterlogged Area Exemption; Date

The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions.

HB 2078 was signed by the Governor on February 5, 2021. A.R.S. Titles Affected: [45](#)

HB 2085

(Chapter 10) Real Estate; Employees; Rent Collection

A person who is not a real estate licensee is permitted to collect in-person rent for the use of real estate and related fees as part of the person's clerical duties if the person works for a real estate broker or real estate salesperson, the rent collection is on behalf of the licensee, and the person provides a receipt when rent is paid.

HB 2085 was signed by the Governor on February 12, 2021. A.R.S. Titles Affected: [32](#)

HB 2120

(Chapter 169) Timeshare; Public Reports; Purchase Contracts

The amount of time after the prospective buyer receives a public report and proposed purchase agreement to enter into a contract to purchase a timeshare interest that the prospective buyer and prospective seller have to enter into the contract is increased to ten business days, from seven business days. The amount of time after execution of a timeshare purchase agreement that a purchaser may cancel is increased to ten calendar days, from seven calendar days.

HB 2120 was signed by the Governor on April 5, 2021. A.R.S. Titles Affected: [32](#)

HB 2170

(Chapter 306) Writs of Garnishment; Attorney Fees

Accrued attorney fees, including fees for garnishment, if allowed by a judgment or contract, are added to the amount that may be included in a writ of garnishment.



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HB 2170 was signed by the Governor on May 3, 2021. A.R.S. Titles Affected: [12](#)

HB 2376

(Chapter 185) Class 2 Property; Guest Ranches

The list of property classified as class 2 property for property tax purposes is expanded to include real property, improvements to property, and personal property of a "guest ranch" (defined). As a condition for class 2 property tax valuation, the owner of a guest ranch is required to record a deed restriction with the county recorder that restricts the property to use as a guest ranch for at least ten years. The valuation of a guest ranch as class 2 property constitutes a covenant between the county assessor and the owner of the guest ranch that the use of the property will remain unchanged for the duration of the deed restriction. If the property is converted to a different use in violation of the covenant, the county assessor is required to add to the tax levied against the property on the next tax roll a penalty equal to the difference between the total amount of property taxes that would have been levied on the property for the preceding ten years or the period of time the property was valued as class 2 property, whichever period is shorter, if the property had not been valued as class 2 property and the property taxes that were actually paid for the same period. The penalty must be paid before completion of the next property tax roll and is enforceable and subject to the same penalties and interest as if the penalty were a tax levied against the property.

HB 2376 was signed by the Governor on April 6, 2021. A.R.S. Titles Affected: [42](#)

HB 2446

(Chapter 132) Escrow Accounts; Manufactured Homes; Requirements

The owner of a mobile home park that is also is or that owns a dealership is authorized to sell a manufactured home, mobile home, or factory-built building designed for use as a residential dwelling as a licensee if the home will be sited in a mobile home park owned by the park owner, the dealership has posted a dealer bond of at least \$150,000, and other specified conditions are met. At the time of sale, the dealer is required to either maintain a licensee's trust account or open an escrow account with an independent financial institution or escrow agent located in Arizona. The dealer is required to deposit all earnest monies received for the sale of manufactured homes, mobile homes or factory-built buildings designed for use as residential dwellings in the trust or escrow account. The Department of Housing is required to conduct an audit of each dealer's trust or escrow account at least once every two years.

HB 2446 was signed by the Governor on March 26, 2021. A.R.S. Titles Affected: [41](#)

HB 2507

(Chapter 164) Landlords; Deceased Tenant; Pets

A landlord is authorized to request the name and contact information of a person who is authorized to enter the dwelling unit to retrieve the tenant's animal if the tenant dies or is otherwise incapacitated. If the landlord is unable to contact the authorized person within one day, the landlord may deem the animal abandoned and remove the animal to an animal shelter or boarding facility. The landlord is allowed to release the animal to a relative of the deceased or incapacitated tenant if specified conditions apply.



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HB 2507 was signed by the Governor on April 1, 2021. A.R.S. Titles Affected: [33](#)

HB 2570

(Chapter 367) Licenses; Pandemics; Revocation Prohibition

State agencies, counties, and municipalities are prohibited from permanently revoking any license that is used to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order due to the business's willful misconduct or gross negligence. Before a state agency, county or municipality suspends or permanently revokes a business license, the agency must provide written notice of noncompliance and written notice of intent to suspend or permanently revoke the license at least 30 days after the notice of noncompliance. Any dispute relating to the suspension or permanent revocation of a business license must be resolved by a court of competent jurisdiction. The Department of Liquor Licenses and Control (DLLC) is prohibited from assessing or collecting a civil penalty of more than \$500 for a violation of an executive order issued pursuant to the state of emergency related to COVID-19 that was proclaimed on March 11, 2020. DLLC is required to refund any amount collected in excess of this cap by the 10th business day after the effective date of this legislation.

HB 2570 was signed by the Governor on May 19, 2021. A.R.S. Titles Affected: [26](#)

HB 2617

(Chapter 368) Judgments; Liens; Homestead

Increases the homestead exemption to \$250,000, from \$150,000. The homestead exemption does not attach to the person's interest in identifiable cash proceeds from refinancing the homestead property. Exempts real property subject to the homestead exemption from involuntary sale under a judgment or lien, rather than from process and sale under a judgment or lien. On the sale of homestead property that is subject to a judgment lien, the judgment creditor must be paid from the proceeds of the sale after the homestead exemption amount is paid to the judgment debtor and after payment of any liens that have priority over the judgment lien. If the anticipated amount to be paid to the judgment debtor is less than 80 percent of the amount of the homestead exemption, a title insurer may record a notice of partial release of judgment without prior notice to judgment creditors. If the anticipated payment to the debtor is 80 percent of the amount of the homestead exemption, the judgment creditor's lien is extinguished on compliance with specified requirements for notice to the judgment creditor and opportunity for the creditor to object to the notice. For any sale, transfer or refinance of a judgment debtor's homestead property that is completed before January 1, 2022, a judgment lien does not attach to the homestead property. A judgment lien is not created on the debtor's homestead property if a court of competent jurisdiction has discharged or enjoined enforcement of the judgment before January 1, 2022 or if there is a bankruptcy petition pending before January 1, 2022 for which a discharge is ultimately granted. For any sale, transfer or refinance that is completed after January 1, 2022, judgments that are recorded before January 1, 2022 and that are still valid attach to the homestead property are enforceable and create judgment liens. Establishes provisions for the priority of judgment liens created in this circumstance. Civil judgments obtained by the state that are entered on or after September 13, 2013, or that were entered before September 13, 2013 and that were current



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and collectible under the laws applicable on that date are exempt from statute allowing a writ of execution or other process to be issued to enforce a judgment. Previously, all civil judgments obtained by the state were exempt. Effective January 1, 2022.

HB 2617 was signed by the Governor on May 19, 2021. A.R.S. Titles Affected: [12](#), [33](#)

[SB 1274](#)

(Chapter 17) Assured Water Supply; Subdivisions

In the Pinal Active Management Area, for an application to modify a designation of assured water supply, if specified conditions apply to the volume of groundwater and stored water, the Department of Water Resources (DWR) is prohibited from reviewing the physical availability of groundwater and stored water to be recovered outside of the area of impact of storage sought to be included in the designation. Does not affect the DWR review of assured water supply criteria other than the physical availability of groundwater and stored water to be recovered outside the area of impact of storage. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact of storage" (defined) under existing long-term storage credits pledged to the designation, and stored water that is to be recovered by the applicant within the area of impact of storage either on an annual basis or as long-term storage credits to be earned in the future if the water to be stored meets the physical availability requirements for the water supply.

SB 1274 was signed by the Governor on February 12, 2021. A.R.S. Titles Affected: [45](#)

[SB 1299](#)

(Chapter 41) Incorporation; Urbanized Areas

Modifies requirements for a community to incorporate as a city or town to require the map and petition to be filed simultaneously or within 24 hours of each other. Before obtaining any signatures on a petition for incorporation, the petitioners are required to publish a copy of the petition in a newspaper of general circulation in the area to be affected for two consecutive weeks. Makes other changes to the process of filing a petition for incorporation.

SB 1299 was signed by the Governor on March 3, 2021. A.R.S. Titles Affected: [9](#)

[SB 1366](#)

(Chapter 272) Remediated Groundwater Use; Extension

A declaration that the use of up to an aggregate of 65,000 acre-feet of groundwater withdrawn within all AMAs according to approved remedial action projects must be considered consistent with the management goal for the AMA, and providing for specified amounts in excess of that aggregate limit to be included in the consideration applies to each calendar year until 2050, extended 25 years from 2025.

SB 1366 was signed by the Governor on April 20, 2021. A.R.S. Titles Affected: [45](#)



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SB 1310

(Chapter 143) *Special Plates; Cancer; Real Estate*

The Department of Transportation is required to issue rodeo special license plates if a person pays \$32,000 in start-up costs by December 31, 2022. Of the \$25 annual fee, \$8 is an administrative fee and \$17 is a donation to the newly established Support Cancer Victims Special Plate Fund, to be allocated to a charitable organization that supports cancer victims, families and caregivers, that has been in operation in Arizona for over 20 years, and that meets other specified requirements. The Department of Transportation is required to issue real estate professional special license plates if a person pays \$32,000 in start-up costs by December 31, 2021. Of the \$25 annual fee, \$8 is an administrative fee and \$17 is a donation to the newly established Real Estate Professional Special Plate Fund, to be allocated to a charitable organization that is a trade organization representing more than 50,000 real estate professionals, and that meets other specified requirements.

SB 1310 was signed by the Governor on March 23, 2021. A.R.S. Titles Affected: [28](#)

SB 1322

(Chapter 243) *Eviction Proceedings; Virtual Appearances*

In a special detainer or forcible detainer proceeding before the court, and upon written notice to the court, any party, including an attorney or witness, must be permitted to participate at the initial appearance remotely by using a telephone or video conference connection. If the court continues a contested matter to a later date, at the discretion of the court, the court is permitted to require all parties, attorneys and witnesses to participate in person.

SB 1322 was signed by the Governor on April 16, 2021. A.R.S. Titles Affected: [22](#)