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ARIZONA DEPARTMENT OF REAL ESTATE
Promoting Mutual Respect and Protecting the Public
2007 Real Estate Laws Update

This announcement is provided by Commissioner Sam Wercinski and the Arizona Department of Real Estate (ADRE) to educate the Public and Industry of important changes in laws that may affect you and your community. These laws strengthen consumer protection through better resource utilization and balanced oversight. These changes are effective September 19, 2007, unless otherwise noted.

Commissioner Wercinski and ADRE provide regular workshops in your county on real estate topics. Please visit our website: www.azre.gov for details or call us at (602) 771-7760.

Consumer Protection

SB 1546 – Condominium Recovery Fund
Laws 2007, Chapter 221

Directs the Real Estate Commissioner to establish the Condominium Recovery Fund to pay for losses to a buyer aggrieved by the failure of the subdivider of a condominium to complete the condominium project.

HB 2040 – Residential Mortgage Fraud
Laws 2007, Chapter 243

Establishes the crime of mortgage fraud. Residential mortgage fraud is classified as either a class 2 or class 4 felony.

HB 2323 – Hazard Disclosure Reports,
Third Party Providers
Laws 2007, Chapter 27

A third party may provide an optional hazard disclosure report to the buyer or seller of a property. The report shall be based on officially adopted and electronically posted or otherwise readily available governmental maps or information.

Landlords and Tenants

SB 1255 – Landlord-Tenant Act Amendments
Laws 2007, Chapter 231

Permits a landlord to request a tenant to specify a person authorized to remove the tenant's property in the case of death. Permits a landlord to use refundable deposits in accordance with a property management agreement. Requires a tenant to notify a landlord of a situation requiring maintenance.

HB 2077 – Writ of Restitution, Criminal Trespass
Laws 2007, Chapter 111

A writ of restitution is issued to persons who are ordered by the court to leave their place of dwelling because of charges brought up against them by the landlord/property owner. This law clarifies that persons who return to the place where they lived after being served a writ of restitution are guilty of criminal trespass in the 3rd degree.

SB 1227 – Domestic Violence; Lease Termination
Laws 2007, Chapter 100

Allows a tenant to terminate a rental agreement if the tenant was a victim of domestic violence, subject to specified requirements.

Real Estate Agents and Educators

SB 1349 – Real Estate Department

Laws 2007, Chapter 136

Real Estate agents now receive a four-year license upon renewal. New agents remain at a two-year license. Aligns designated broker and entity expiration dates. Authorizes the Department to levy fines against a school or instructor for wrongdoing. Effective July 1, 2007.

HB 2110 – Real Estate Education

Laws 2007, Chapter 9

ADRE may provide educational seminars that are not considered in competition with Real Estate Schools. Schools may allow other schools to teach a course but must notify ADRE fourteen days prior for auditing purposes.

Home Owners Associations

SB 1062 – HOA; For-Sale Signs

Laws 2007, Chapter 228

Allows indoor or outdoor display of a for sale sign and a sign rider by a unit owner on that owner's property.

HB 2503 – HOA; Caution Signs; Children

Laws 2007, Chapter 82

Specifies that a planned community cannot prohibit the use of cautionary signs regarding children, under certain stipulations.

HB 2254 – HOA; Telecommunications Vehicles

Laws 2007, Chapter 74

Exempts telecommunications employees from citation or fine by their HOA for parking a qualified work vehicle at their residence.

County Special Districts

HB 2489 – Special District Amendments

Laws 2007, Chapter 216

Makes numerous changes to county procedures with regards to special districts. County improvement districts are formed to provide services to rural areas where no city government exists. If a rural community needs services such as roads, lights, sewer or water, then a special district can be formed with the community paying for the desired service through secondary taxes or assessments.

Water

SB 1575 – Water Adequacy Amendments

Laws 2007, Chapter 240

Allows counties, cities and towns to require new subdivisions that are located outside an Active Management Area (AMA) to have an adequate water supply in order for the proposed development to be approved.

HB 2321 – Water, Adequate Supply; Municipalities

Laws 2007, Chapter 75

Modifies the circumstances that allow Colorado River water to be considered when evaluating whether an adequate water supply exists for a new subdivision that is located outside an AMA.

HB 2484 – Well Impacts; Contamination

Laws 2007, Chapter 209

Prohibits drilling a new well that is likely to cause contaminated groundwater to move from one polluted site to another well.

Commissioner Sam Wercinski and staff are visiting your county with our Fall/Winter Community Outreach and Education series. Please see our calendar at www.AZRE.gov for details.

“Paid for by grants made to the Real Estate Education Fund at no expense to taxpayers.”