2020 Legislative Summary

The 54th, 2nd Regular Legislative Session adjourned Sine Die at 11:21 am on Tuesday, May 26, 2020. Session ran a total of 135 days. 1,607 bills were introduced this year, a 17.9% percent increase over 2019. Of those bills, 90 were passed by the legislature and the governor has ten days from adjournment, June 5, 2020, to either sign or veto any bill currently on his desk.

With adjournment, the Arizona REALTORS® state association was successful in achieving our 2020 legislative policies as well as protecting our membership and homeowners. The Arizona REALTORS® Government Affairs staff and Legislative Committee reviewed every bill this session and actively took positions on 106 bills that directly impacted the real estate industry.

With the exception of budget bills, which become law when they are signed, all other legislation signed or passed into law without the signature of the governor will become effective on August 24, 2020- (90 days after the legislature adjourned), unless the legislation contains an emergency clause or a delayed effective date.

This year, the state association successfully passed common sense legislation to expand the use of electronic signatures and we stood our ground when faced with another attempt to chip away at the integrity of licensure.

In all, the Arizona REALTORS® had a very successful legislative year. Below are some of the legislative issues that the state association successfully advanced, defeated or will be back in 2021 to advance.

**SB 1021: Department of Revenue, Electronic Signatures**

Requires the Arizona Department of Revenue (ADOR) to accept electronic signatures and outline requirements that an electronic signature must meet.

**Signed by the Governor**

*What This Victory Means for You…* An “electronic signature” is permitted to be used to sign a document that is submitted to the Department of Revenue and has the same force and effect as a written signature.

**SB 1212: Broad Licensure; Certification; Residents**

Requires that an Arizona resident or a person who is accompanying and married to an active duty member of the U.S. armed forces (military spouse) to a change of station to a military installation located in Arizona must be issued an occupational license if certain criteria are satisfied.

**Held in House**

*What This Victory Means for You…*Unless held, this would have allowed further deterioration of the licensing model, as REALTORS® relocating into the state of Arizona would have not been required to take an exam specific to Arizona real estate laws.

**SB 1096 Property Management Records; Residential Records**

For the purpose of statute requiring property management firms to keep residential rental agreements and related documents for one year from the expiration of the rental agreement or until the rental agreement and related documents are given to the owner at the termination of any property management agreement, "related documents" is defined to include copies of rental applications with tenant-identifying information, move-in forms, and default notices. If a broker keeps records at an "off-site storage location" (defined), the broker is required to provide to the State Real Estate Department prior written notification and the street address of the off-site storage location.

**Signed by Governor**

*What This Victory Means for You*… Property management firms now have flexibility

in regards to required residential rental agreement “related documents” (defined). Now, property managers may keep related documents for one year from expiration of the rental agreement or until the rental agreement and related documents are given to the owner at the termination of any property management agreement; these documents include: copies of rental applications with tenant-identifying information, move-in forms, and default notices. Also, allows for records to be stored at an “off-site storage location” (defined) with prior written notification to the Department of Real Estate.

**HB 2351: Real Estate; Employee; 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 upon payment. AS PASSED HOUSE.

**Died in Senate**

*What This Victory Would Have Meant for You…* Currently prohibited, this would have allowed a person who is not a real estate licensee would have been permitted to collect in-person rent payments if employed or contacted by licensed broker or salesperson.

**HB 2696: Building Permits; Utilities; Restrictions; Prohibitions**

For the purpose of statute requiring property management firms to keep residential rental agreements and related documents for one year from the expiration of the rental agreement or until the rental agreement and related documents are given to the owner at the termination of any property management agreement, "related documents" is defined to include copies of rental applications with tenant-identifying information, move-in forms, and default notices. If a broker keeps records at an "off-site storage location" (defined), the broker is required to provide to the State Real Estate Department prior written notification and the street address of the off-site storage location.

**Signed by the Governor**

*What This Means for You…* Sets statewide preemption to prohibit a city, town or county from denying a building permit based on the project’s utility provider or from imposing a fine or requirement that restricts an authorized utility provider’s service or operation. Additionally, requires municipal and county regulations to preserve use of the services of an authorized utility provider and declares the regulation of building permits and the choice of utility providers a matter of statewide concern that is not subject to further regulation.