

COMMITTEE ON COMMERCE, ENERGY AND MILITARY

SENATE AMENDMENTS TO H.B. 2525

(Reference to House engrossed bill)

1 Page 1, after line 10, insert:

2 “Sec. 2. Section 32-2181.02, Arizona Revised Statutes, is amended to
3 read:

4 32-2181.02. Exempt sales and leases

5 A. The following are exempt under this article:

6 1. The sale or lease in bulk of six or more lots, parcels or
7 fractional interests to one buyer in one transaction.

8 2. The sale or lease of lots or parcels of one hundred sixty acres or
9 more.

10 B. The following are exempt from section 32-2181, subsection A and
11 section 32-2183, subsection A:

12 1. The sale or lease of parcels, lots, units or spaces that are zoned
13 and restricted to commercial or industrial uses.

14 2. The sale or lease of lots or parcels located in a single platted
15 subdivision by a subdivider if:

16 (a) A public report has been issued within the past ~~two~~ FIVE years
17 pursuant to this article on the subdivision lots or parcels.

18 (b) The subdivision meets all current requirements otherwise required
19 of a subdivision under this article.

20 (c) The method of sale or lease of lots or parcels meets all current
21 requirements under this article.

22 (d) The lots or parcels are included on a recorded subdivision plat
23 that is approved by a municipal or county government.

24 (e) All roads within the subdivision, all utilities to the lots or
25 parcels being offered for sale or lease and all other required improvements
26 within the subdivision, other than a residence to be built, are complete,
27 paid for and free of any blanket encumbrances.

1 (f) The roads, utilities or other improvements are not complete, but
2 the completion of all improvements is assured pursuant to section 32-2183,
3 subsection F.

4 (g) Except for matters relating to ownership, there have been no
5 material changes to the information set forth in the most recent public
6 report issued for the subdivision lots that would require an amendment to the
7 public report.

8 (h) No owner of a ten per cent or greater interest, subdivider,
9 director, partner, agent, officer or developer of the subdivision has:

10 (i) Been convicted of a felony or any crime involving theft,
11 dishonesty, violence against another person, fraud or real estate, regardless
12 of whether the convictions were subsequently expunged.

13 (ii) Had a civil judgment entered against the person in a case
14 involving allegations of misrepresentation, fraud, breach of fiduciary duty,
15 misappropriation, dishonesty or, if the subject matter involved real
16 property, securities or investments.

17 (iii) Had a business or professional license, including a real estate
18 license, denied, suspended or revoked or voluntarily surrendered a business
19 or professional license during the course of an investigative or disciplinary
20 proceeding or other disciplinary action taken in this state or any other
21 state.

22 (i) The sale of the subdivided lands violates no laws or ordinances of
23 any governmental authority.

24 (j) Before the buyer's or lessee's execution of a purchase contract or
25 lease, the subdivider has provided the buyer or lessee with a copy of the
26 most recent public report on the lot and has taken a receipt from the buyer
27 for the copy.

28 (k) The subdivider has provided to the buyer or lessee, along with the
29 public report, a signed statement that the subdivider has reviewed and is in
30 compliance with the terms of the exemption provided in this paragraph.

31 (l) Before sale or lease, the subdivider has notified the
32 commissioner, on a form provided by the department, of the subdivider's

1 intent to sell or lease lots or parcels pursuant to this paragraph. The
2 notice shall include:

- 3 (i) The name, address and telephone number of the subdivider.
- 4 (ii) The name, address and telephone number of any real estate broker
5 retained by the subdivider to make sales or leases of the lots.
- 6 (iii) The name and location of the subdivision.
- 7 (iv) The most recent subdivision public report reference number on the
8 lots.
- 9 (v) The completion status of subdivision improvements.

10 3. The conveyance to a person who previously conveyed the lot to a
11 home builder for the purpose of constructing a dwelling for the person.

12 4. The sale or lease by a person of individual lots or parcels that
13 were separately acquired by the person from different persons and that were
14 not acquired for the purpose of development if:

- 15 (a) The lots or parcels are not located in a platted subdivision.
- 16 (b) Each lot or parcel bears the same legal description that it bore
17 when the lot or parcel was acquired by the person.
- 18 (c) The seller or lessor is in compliance with all other applicable
19 state and local government requirements.

20 5. The sale of an improved lot in a subdivision that is located
21 outside of this state if:

22 (a) The subdivision is located within the United States and the sale
23 is exempt from the interstate land sales full disclosure act (P.L. 90-448; 82
24 Stat. 590; 15 United States Code sections 1701 through 1720).

25 (b) The subdivider is required by the state where the subdivision is
26 located to deliver a public report or equivalent disclosure document to
27 prospective purchasers and the subdivider delivers the report or equivalent
28 disclosure document.

29 6. The sale of an improved lot in a subdivision located in this state
30 where five or more sales were previously made by the seller if:

31 (a) The sale is the seller's first or second sale in the subdivision
32 within the previous twelve month period.

1 (b) The subdivision is located within the corporate limits of a town
2 or city.

3 (c) Electricity and telephone service are complete and available to
4 the improved lot.

5 (d) Water and sewage service is complete and available to the improved
6 lot.

7 (e) Streets and roads located outside of the subdivision provide
8 permanent access to the subdivision and are complete and maintained by the
9 county, town or city, or by a legally created and operational property
10 owners' association.

11 (f) Streets within the subdivision are dedicated, provide permanent
12 access to the lot, are complete to town or city standards and are maintained
13 by the town or city or, in the case of private streets, a legally created and
14 operational property owners' association accepts the responsibility of
15 perpetual maintenance.

16 (g) All subdivision common area improvements, including landscaping,
17 recreational facilities and other jointly used and maintained improvements,
18 are complete and maintained by a legally created and operational property
19 owners' association.

20 (h) The purchaser's down payment, earnest money, deposit or other
21 advanced money is placed and held in a neutral escrow depository in this
22 state until escrow closes and the deed is delivered to the purchaser.

23 (i) Within the previous twelve months the seller has not had an
24 ownership interest in more than two lots in the subdivision, including an
25 interest by option, an agreement for sale, a beneficial interest under a
26 trust or a purchase contract.

27 C. Nothing in this section shall be construed to increase, decrease or
28 otherwise affect any rights or powers granted the commissioner under this
29 chapter.

30 D. This section does not apply to lands on which the commissioner has
31 issued orders pursuant to sections 32-2154 and 32-2157 and section 32-2183,

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1 subsection M unless the commissioner has issued a public report on those
2 lands subsequent to the date of the orders.

3 E. Nothing in this section shall be construed to increase, to decrease
4 or to otherwise affect any rights or powers granted to political subdivisions
5 of this state with respect to their jurisdictions."

6 Amend title to conform

3/12/13

4:14 PM

S: JT/ly