



Members of the LTAA Legislative Committee:

The Legislature has officially reached the completion of “Hell Week” (the first of two) where bills face their first hurdle and must be considered in the chamber in which they were introduced. Only the House and Senate Appropriations Committees received extensions from the deadline and will have very lengthy hearings on Monday and Tuesday, respectively. Otherwise, Legislators will be “sequestered” for much of the coming week in floor consideration of bills that have cleared committees as both chambers seek to cross over House bills to the Senate and vice versa.

Inconclusive progress was made on a number of major issues, including negotiations between the Legislature and the Governor’s Office on tax conformity, efforts to rebuild the coalition around the Drought Contingency Plan, and movement on various big-ticket fiscal items, including bills to pay off past debt, eliminate the K-12 “rollover” and accelerate payments to the Rainy Day Fund.

The following updates are of particular interest to the LTAA:

- [SB 1030 \(remote online notarization; registration\)](#): The bill, as amended, passed out of the Senate by unanimous vote. It has been transmitted to the House and awaits committee assignment.
- [SB 1218 \(beneficiary deeds; separate property; nonlapse\)](#): Spearheaded by the LTAA, the bill passed out of the Senate by unanimous vote. It has been transmitted to the House and awaits committee assignment.
- [SB 1309 \(renewal of judgments; applicability\)](#): Spearheaded by the LTAA, the bill passed out of the Senate by unanimous vote. It has been transmitted to the House and awaits committee assignment.
- [SB 1304 \(mechanics' liens; notice\)](#): This bill was brought to the sponsor by the Arizona Rock Products Association. Despite initial reservations given the strong pushback from multiple stakeholders, the sponsor has decided to move forward, but with a significantly pared-down version of the language. Introduced as a [strike-everything amendment](#), the bill increases, from 20 percent to 30 percent over estimated costs, the threshold at which a preliminary 20-day notice is required to be updated during the contracting of construction projects. All other

provisions of the mechanics' liens statute remain the same. Given the scope of the proposal, the LTAA will not be engaging on this issue.

- [HB 2230 \(writ of garnishment; certified mail\)](#): Spearheaded by the Arizona Creditors Bar Association, this bill, as introduced, raised some concerns from a title perspective. The result of several productive conversations with the lobbyist representing the Creditors Bar, a floor amendment will be introduced exempting title companies.
- [HB 2673 \(property; products; services; sandbox\)](#): As part of a broader "regulatory sandbox" effort at the Legislature, the sponsor is seeking to bring innovative solutions to the real estate industry in Arizona. The bill includes a number of [provisions](#) surrounding potential applications of new technology products. The Arizona Association of REALTORS remains neutral on the bill and is heavily involved in discussions with the sponsor and Arizona Department of Real Estate regarding this legislation.
- [SB 1471 \(homeless youth; families; funding sources\)](#): Spearheaded by several nonprofit organizations seeking to identify funding streams for homeless youth support services, this bill, as introduced, would effectively create a significantly burdensome and antagonistic withholding mandate for the title industry. Larry Phelps and Tyler Newlon, as co-chairs of the LTAA Legislative Committee, and Roy Poll, as president of the LTAA, have been heavily engaged in discussions with the bill sponsor, the Arizona Department of Revenue, and the bill proponents. The bill is scheduled for a hearing in the Senate Appropriations Committee on Tuesday. The sponsor will be introducing an amendment that strikes the withholding mandate, and she has committed to continue working with the LTAA to identify a possible notification or reporting mechanism that is neither overly burdensome nor costly for title companies. If you have any questions, comments and/or ideas, or if you are interested in participating in an ad-hoc committee on this issue, please let Larry and/or Tyler know as soon as possible.
- [HB 2637 \(condominium, homeowners' associations; lien priority\)](#): Brought to the sponsor by two constituents, this bill would have established super lien priority for HOAs. Given the extremely concerning consequences of this proposal, the LTAA immediately engaged. After hearing these concerns from key stakeholders, including the title industry, the bill sponsor held the bill in committee and will not be pursuing the issue.

Please see attached for the comprehensive list of bills we are tracking for the LTAA. For those joining the meeting tomorrow (9 a.m.) via GoToMeeting, please see below.

LTAA Legislative Committee Meeting

To join from your computer, tablet or smartphone: <https://global.gotomeeting.com/join/423181613>

You can also dial in using your phone: +1 (571) 317-3122; Access Code: 423-181-613

Hope you all had a great weekend.

Lauren

Lauren King

TRIADVOCATES LLC

40 North Central Avenue

Suite 1980

Phoenix, AZ 85004

www.triadvocates.com

Direct: (602) 761-2771

Fax: (602) 761-2841

Mobile: (602) 561-0740

E-mail: lauren@triadvocates.com