

LTAA Legislative Report – February 1, 2021

Attached for your review is a comprehensive list of bills we are tracking for the LTAA. In particular, please note the following bills for review/discussion:

- [HB 2617 \(judgments; liens; homestead\)](#): Originally intended to address an issue raised by the Arizona Attorney General's Office, this bill broadens a proposal brought forward by Representative Ben Toma last year by expanding it to include the private sector. As drafted, HB 2617 removes the exclusion of homestead property from civil judgment liens, increases the homestead exemption to \$250,000, and applies retroactively.
 - Larry Phelps and I met with Representative Toma this afternoon to discuss the LTAA's concerns; he was very receptive and has agreed to work with us to find a solution. Many thanks to Larry and Scott Peterson for their efforts in drafting a proposed amendment.
- [HB 2702 \(federal government; land acquisition; consent\)](#): Representative Mark Finchem is again seeking legislation that would require "express, affirmative consent" by the Legislature and by the governor of any sale of private property to the federal government that removes the land from the state, county and municipal tax rolls. As drafted, this would put title companies in an extremely problematic position, being unable to close such a transaction unless and until the required consents are obtained. Despite multiple conversations last session regarding the consequences this proposal would have on the title industry, he is pursuing the same measure. The bill has yet to be assigned to a committee; if it appears to be moving, we will reach out to legislative leadership in the House to discuss our concerns.
- [HB 2306 \(right to redeem; lien; sale\)](#): This is another carryover bill from last session. It proposes a significant departure from the historical process, and one that would likely terminate all investment in tax certificates. From what I've gathered, it appears that Pacific Legal Foundation (a right-wing interest group) is the ideological backer of the bill. Last year, the Maricopa County Treasurer's Office actively lobbied for it, while the other 14 county treasurers, as well as the Arizona Association of Counties (AACo), have expressed significant concerns. As expected, the tax lien investors are strongly opposed.
 - The LTAA Legislative Committee reviewed and discussed this legislation on Jan. 28. The LTAA will not be taking a formal position on HB 2306 but Triadvocates will continue to closely monitor as the bill progresses.
- [SB 1115 \(revised uniform law; notarial act\)](#): Spearheaded by the Uniform Law Commission (ULC), this bill is a carryover from last session. It incorporates key pieces of RULONA into Arizona's

recording statutes and is a good upgrade to our notarial laws. More specifically, it adds a papering out provision that we did not previously have in our RON law. It also cleans up and clarifies the recording statutes to bring them in line with RULONA's "validity" provision and provides safety against the threat of challenges for improperly notarized documents. Triadvocates worked closely with the ULC lobbyist to ensure this legislation does not impact the RON statute or corresponding rules under the Arizona Secretary of State's Office per our 2019 bill (which recently took effect under Governor Ducey's executive order).

- o The LTAA supports this legislation. It passed the Senate Commerce Committee unanimously and is expected to pass out of the full Senate without opposition this week.

Lauren King
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