

REFERENCE TITLE: foreclosures; rentals; landlord duties

State of Arizona  
House of Representatives  
Fiftieth Legislature  
Second Regular Session  
2012

# HB 2618

Introduced by  
Representatives Hobbs, Tovar: Hale, Judd

AN ACT

AMENDING SECTION 33-1331, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA  
RESIDENTIAL LANDLORD AND TENANT ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-1331, Arizona Revised Statutes, is amended to  
3 read:

4 ~~33-1331.~~ Notice of foreclosure; effect on lease; damages

5 A. IF A TENANT OR SUBTENANT IS LAWFULLY IN POSSESSION OF THE PROPERTY  
6 WHEN A FORECLOSURE ACTION IS INITIATED, THE TENANT MAY CONTINUE TO RENT THE  
7 PROPERTY FOR THE REMAINDER OF THE LEASE PERIOD OR FOR AN ADDITIONAL NINETY  
8 DAYS AFTER THE RECORDING OF THE CONVEYANCE TO THE NEW OWNER, WHICHEVER IS  
9 LONGER. DURING THE REMAINDER OF THE LEASE OR THE NINETY DAYS, WHICHEVER  
10 APPLIES, THE NEW OWNER IS LIMITED TO AND OBLIGATED AS THE LANDLORD ON THE  
11 EXISTING TERMS OF THE LEASE, INCLUDING THE AMOUNT OF ANY RENT.

12 ~~A.~~ B. If a rental agreement is entered into after the foreclosure  
13 action was initiated, the owner shall include written notice of possible  
14 foreclosure with the rental agreement with the tenant. The notice shall  
15 include a statement that is substantially in the following form:

16 This property is undergoing foreclosure. For more  
17 information on this action, you should contact \_\_\_\_\_  
18 (name, address and phone number of the court where the action is  
19 filed or trustee, attorney or other responsible party).

20 A sale at auction may or may not occur as a result of this  
21 foreclosure. Currently, the sale of this property has been set  
22 for \_\_\_\_\_ (time, date and place) or no date for sale of this  
23 property has been established.

24 ~~B.~~ C. If the owner fails to provide notice as prescribed in this  
25 section the tenant may deliver a written notice pursuant to section 33-1361  
26 and recover damages and obtain injunctive relief. The security deposit shall  
27 be returned to the tenant as prescribed in SECTION 33-1321.

28 ~~C.~~ D. This section shall not apply to multifamily residential rental  
29 units consisting of four or more connected units.