



ARIZONA STATE SENATE
Fifty-Fourth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR S.B. 1096

property management records; residential rentals

Purpose

Outlines *related documents* that a property management firm must store for the specified time frame. Requires a property management firm to keep required records in the broker's main office or branch office, electronically or at an off-site storage location in Arizona.

Background

Property management firms must keep a residential rental agreement and related documents for one year from the expiration of the rental agreement or until the documents are given to the owner upon termination of any property management agreement. The records must be kept at the broker's main office or at an off-site storage location in Arizona if the broker provides prior written notice of the storage location to the Arizona Department of Real Estate.

Current statute also requires a property management firm to keep: 1) property management agreements; 2) all financial records pertaining to clients; 3) a broker's delegation of authority to sign nonresidential rental agreements; 4) nonresidential real estate agreements and transaction folders; and 5) on-site residential rental transaction folders ([A.R.S. § 32-2175](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Specifies that *related documents*, which a property management firm must keep for one year after the expiration of the rental agreement or until the records are provided to the property owner at the termination of the property management agreement, includes:
 - a) rental applications with tenant-identifying information;
 - b) move-in forms; and
 - c) default notices.
2. Includes lease amendments and addenda in the requirement that a property management firm must keep a residential rental agreement for the specified time frame.
3. Directs a property management firm to keep the following required records in the broker's main office or branch office, electronically or at an off-site storage location in Arizona:
 - a) all financial records pertaining to clients;
 - b) a broker's delegation of authority to sign nonresidential rental agreements;
 - c) property management agreements;
 - d) nonresidential real estate lease agreements and transaction folders; and
 - e) on-site residential rental transaction folders.

4. Allows property management firms to keep rental agreements, related documents and records of finder fees paid to tenants electronically or at a broker's branch office.
5. Deems a multi-family leasing office to be an *off-site storage location* for the purpose of keeping outlined records.
6. Makes technical and conforming changes.
7. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Specifies that rental applications must have tenant-identifying information.
2. Removes the requirement that a property management firm keep identification documents and replaces *property inventories* and *pet permits* with *move-in forms* and *animal records*.
3. Outlines other required records that a property management firm must keep in the broker's main office, electronically or at an off-site storage location in Arizona.
4. Specifies that a multi-family leasing office is considered an *off-site storage location*.

Amendments Adopted by Committee of the Whole

1. Removes *animal records* from the specified documents related to residential agreements that a property management firm must keep.
2. Adds a broker's branch office to the locations where a property management firm may keep outlined required records.

Senate Action

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Prepared by Senate Research
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