CHAPTER 170

HOUSE BILL 2747

AN ACT

AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 15.1; RELATING TO SALES OF PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:
Section 1. Title 44, Arizona Revised Statutes, is amended by adding chapter 15.1, to read:

CHAPTER 15.1
RESIDENTIAL PROPERTY
ARTICLE 1. GENERAL PROVISIONS
44-5101. Wholesale buyers; wholesale sellers; disclosure; unlawful practice; definitions
A. BEFORE THE PARTIES ENTER INTO ANY BINDING AGREEMENT:
1. A WHOLESALE BUYER OF RESIDENTIAL REAL PROPERTY SHALL DISCLOSE IN WRITING TO THE SELLER THAT THE BUYER IS A WHOLESALE BUYER.
2. A WHOLESALE SELLER OF RESIDENTIAL REAL PROPERTY SHALL DISCLOSE IN WRITING TO THE BUYER THAT THE SELLER IS A WHOLESALE SELLER THAT HOLDS AN EQUITABLE INTEREST IN THE REAL PROPERTY AND THAT THE WHOLESALE SELLER MAY NOT BE ABLE TO CONvey TITLE TO THE PROPERTY.
B. NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED IN THE CONTRACT FOR SALE, IF A WHOLESALE BUYER VIOLATES THIS SECTION, THE SELLER MAY CANCEL THE CONTRACT FOR SALE AT ANY TIME PRIOR TO THE CLOSE OF ESCROW WITHOUT PENALTY AND MAY RETAIN ANY EARNEST MONEY PAID BY THE WHOLESALE BUYER.
C. NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED IN THE CONTRACT FOR SALE, IF A WHOLESALE SELLER VIOLATES THIS SECTION, THE BUYER MAY CANCEL THE CONTRACT FOR SALE AT ANY TIME PRIOR TO THE CLOSE OF ESCROW WITHOUT PENALTY AND SHALL BE REFUNDED ALL EARNEST MONEY PAID BY THE BUYER.
D. FOR THE PURPOSES OF THIS SECTION:
1. "RESIDENTIAL REAL PROPERTY" MEANS REAL PROPERTY WITH FEWER THAN FIVE DWELLING UNITS.
2. "WHOLESALE BUYER" MEANS A PERSON OR ENTITY THAT ENTERS INTO A PURCHASE CONTRACT FOR RESIDENTIAL REAL PROPERTY AS THE BUYER AND ASSIGNS THAT SAME CONTRACT TO ANOTHER PERSON OR ENTITY.
3. "WHOLESALE SELLER" MEANS A PERSON OR ENTITY THAT ENTERS INTO A PURCHASE CONTRACT FOR RESIDENTIAL REAL PROPERTY AS THE SELLER, THAT DOES NOT HOLD LEGAL TITLE TO THAT REAL PROPERTY AND THAT ASSIGNS THAT SAME CONTRACT TO ANOTHER PERSON OR ENTITY.

APPROVED BY THE GOVERNOR APRIL 22, 2022.