

REFERENCE TITLE: single family residence purchases; limitations.

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **SB 1542**

Introduced by  
Senators Mendez: Hernandez, Sundareshan

AN ACT

AMENDING TITLE 33, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 33-401.01; AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY  
ADDING CHAPTER 41; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 33, chapter 4, article 1, Arizona Revised  
3 Statutes, is amended by adding section 33-401.01, to read:

4 33-401.01. Single family residence purchases; corporate  
5 buyer; county recorder; deed; requirements;  
6 exception; definitions

7 A. IF A CORPORATION, LIMITED LIABILITY COMPANY OR AFFILIATE OF A  
8 CORPORATION OR LIMITED LIABILITY COMPANY PURCHASES A SINGLE FAMILY  
9 RESIDENCE:

10 1. THE COUNTY RECORDER MAY NOT RECORD THE DEED UNLESS:

11 (a) THE DEED CONTAINS THE INFORMATION ABOUT THE OWNERSHIP OF THE  
12 CORPORATION, LIMITED LIABILITY COMPANY OR AFFILIATE OF THE CORPORATION OR  
13 LIMITED LIABILITY COMPANY THAT IS IN THE REGISTRY THAT THE SECURITIES  
14 DIVISION OF THE CORPORATION COMMISSION ESTABLISHES PURSUANT TO SECTION  
15 44-8041.

16 (b) THE CORPORATION, LIMITED LIABILITY COMPANY OR AFFILIATE OF THE  
17 CORPORATION OR LIMITED LIABILITY COMPANY SUBMITS TO THE COUNTY RECORDER A  
18 COPY OF THE CERTIFICATE OF REGISTRATION THAT IS ISSUED BY THE CORPORATION  
19 COMMISSION PURSUANT TO SECTION 44-8041 AND THE NAME OF THE CORPORATION,  
20 LIMITED LIABILITY COMPANY OR AFFILIATE OF THE CORPORATION OR LIMITED  
21 LIABILITY COMPANY ON THE DEED MATCHES THE NAME ON THE CERTIFICATE OF  
22 REGISTRATION ACCOMPANYING THE DEED.

23 2. THE DEED MUST CLEARLY STATE THAT THE SINGLE FAMILY RESIDENCE IS  
24 NOT THE PRIMARY RESIDENCE OF THE OWNER.

25 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A CORPORATION,  
26 LIMITED LIABILITY COMPANY OR AFFILIATE OF A CORPORATION OR LIMITED  
27 LIABILITY COMPANY THAT OWNS LESS THAN TEN SINGLE FAMILY RESIDENCES IN THIS  
28 STATE.

29 C. FOR THE PURPOSES OF THIS SECTION:

30 1. "CORPORATION" HAS THE SAME MEANING PRESCRIBED IN SECTION  
31 44-8041.

32 2. "LIMITED LIABILITY COMPANY" HAS THE SAME MEANING PRESCRIBED IN  
33 SECTION 44-8041.

34 3. "SINGLE FAMILY RESIDENCE" HAS THE SAME MEANING PRESCRIBED IN  
35 SECTION 33-1310.

36 Sec. 2. Title 44, Arizona Revised Statutes, is amended by adding  
37 chapter 41, to read:

38 CHAPTER 41

39 SINGLE FAMILY RESIDENCE PURCHASES

40 ARTICLE 1. GENERAL PROVISIONS

41 44-8041. Corporations; limited liability companies;  
42 affiliates; single family residence purchases;  
43 limitations; exceptions; registration; fee;  
44 registry; rules; definitions

45 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION:

46 1. THE TOTAL AGGREGATE NUMBER OF SINGLE FAMILY RESIDENCES IN THIS  
47 STATE THAT MAY BE PURCHASED IN A CALENDAR YEAR BY A CORPORATION, LIMITED

1 LIABILITY COMPANY OR AFFILIATE OF A CORPORATION OR LIMITED LIABILITY  
2 COMPANY MAY NOT EXCEED ONE HUNDRED UNITS.

3 2. A CORPORATION, LIMITED LIABILITY COMPANY OR AFFILIATE OF A  
4 CORPORATION OR LIMITED LIABILITY COMPANY MAY NOT PURCHASE A SINGLE FAMILY  
5 RESIDENCE IN THIS STATE IF, AS A RESULT OF THE PURCHASE, THE TOTAL  
6 AGGREGATE NUMBER OF SINGLE FAMILY RESIDENCES PURCHASED IN THIS STATE  
7 DURING THE CURRENT CALENDAR YEAR BY THE CORPORATION, LIMITED LIABILITY  
8 COMPANY OR AFFILIATE OF THE CORPORATION OR LIMITED LIABILITY COMPANY WILL  
9 EXCEED ONE HUNDRED UNITS.

10 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO:

11 1. THE SALE OR TRANSFER OF SINGLE FAMILY RESIDENCES WITHIN A  
12 CORPORATION OR LIMITED LIABILITY COMPANY.

13 2. THE SALE OF NEWLY CONSTRUCTED SINGLE FAMILY RESIDENCES.

14 C. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A CORPORATION,  
15 LIMITED LIABILITY COMPANY OR AFFILIATE OF A CORPORATION OR LIMITED  
16 LIABILITY COMPANY MUST REGISTER WITH THE SECURITIES DIVISION OF THE  
17 CORPORATION COMMISSION BEFORE PURCHASING A SINGLE FAMILY RESIDENCE IN THIS  
18 STATE. THE REGISTRATION MUST INCLUDE THE NAME UNDER WHICH THE ENTITY  
19 CONDUCTS BUSINESS. THE CORPORATION COMMISSION MAY CHARGE A FEE FOR  
20 REGISTRATION IN AN AMOUNT TO BE DETERMINED BY THE CORPORATION COMMISSION.  
21 THE REGISTRATION REQUIREMENT DOES NOT APPLY TO A CORPORATION, LIMITED  
22 LIABILITY COMPANY OR AFFILIATE OF A CORPORATION OR LIMITED LIABILITY  
23 COMPANY THAT OWNS LESS THAN TEN SINGLE FAMILY RESIDENCES IN THIS STATE.

24 D. THE CORPORATION COMMISSION SHALL ISSUE A CERTIFICATE OF  
25 REGISTRATION TO EACH CORPORATION, LIMITED LIABILITY COMPANY OR AFFILIATE  
26 OF A CORPORATION OR LIMITED LIABILITY COMPANY THAT REGISTERS PURSUANT TO  
27 THIS SECTION.

28 E. THE SECURITIES DIVISION OF THE CORPORATION COMMISSION SHALL  
29 ESTABLISH AND MAINTAIN A REGISTRY OF CORPORATIONS, LIMITED LIABILITY  
30 COMPANIES AND AFFILIATES OF CORPORATIONS AND LIMITED LIABILITY COMPANIES  
31 THAT PURCHASE OR OWN SINGLE FAMILY RESIDENCES IN THIS STATE. THE  
32 SECURITIES DIVISION OF THE CORPORATION COMMISSION SHALL MAKE THE REGISTRY  
33 AVAILABLE ON THE CORPORATION COMMISSION'S WEBSITE.

34 F. THE CORPORATION COMMISSION SHALL ADOPT RULES NECESSARY TO CARRY  
35 OUT THIS SECTION.

36 G. FOR THE PURPOSES OF THIS SECTION:

37 1. "CORPORATION":

38 (a) MEANS A CORPORATION THAT IS ORGANIZED PURSUANT TO TITLE 10.

39 (b) DOES NOT INCLUDE A HOUSING AUTHORITY AS DEFINED IN SECTION  
40 36-1401.

41 2. "LIMITED LIABILITY COMPANY" MEANS A LIMITED LIABILITY COMPANY  
42 THAT IS ORGANIZED BY FILING ARTICLES OF ORGANIZATION WITH THE CORPORATION  
43 COMMISSION PURSUANT TO TITLE 29.

44 3. "SINGLE FAMILY RESIDENCE" HAS THE SAME MEANING PRESCRIBED IN  
45 SECTION 33-1310.