

REFERENCE TITLE: single-family residence purchases; limitations

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2705

Introduced by
Representative De Los Santos

AN ACT

AMENDING TITLE 33, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-401.01; AMENDING SECTION 41-3955, ARIZONA REVISED STATUTES; AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 14; 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 OR A LIMITED LIABILITY COMPANY OR AN AFFILIATE
8 OF A CORPORATION OR A LIMITED LIABILITY COMPANY PURCHASES A SINGLE-FAMILY
9 RESIDENCE:

10 1. THE COUNTY RECORDER MAY NOT RECORD THE DEED UNLESS BOTH OF THE
11 FOLLOWING OCCUR:

12 (a) THE DEED THAT CONTAINS THE INFORMATION ABOUT THE OWNERSHIP OF
13 THE CORPORATION OR THE LIMITED LIABILITY COMPANY OR THE AFFILIATE OF THE
14 CORPORATION OR THE LIMITED LIABILITY COMPANY IS REGISTERED PURSUANT TO
15 SECTION 44-4003.

16 (b) THE CORPORATION OR THE LIMITED LIABILITY COMPANY OR THE
17 AFFILIATE OF THE CORPORATION OR THE LIMITED LIABILITY COMPANY SUBMITS TO
18 THE COUNTY RECORDER A COPY OF THE CERTIFICATE OF REGISTRATION ISSUED BY
19 THE CORPORATION COMMISSION PURSUANT TO SECTION 44-4003 AND THE NAME OF THE
20 CORPORATION OR THE LIMITED LIABILITY COMPANY OR THE AFFILIATE OF THE
21 CORPORATION OR THE LIMITED LIABILITY COMPANY ON THE DEED MATCHES THE NAME
22 ON THE CERTIFICATE OF 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. THE COUNTY RECORDER SHALL SUBMIT MONTHLY REPORTS TO THE
26 CORPORATION COMMISSION THAT NAME EACH CORPORATION OR LIMITED LIABILITY
27 COMPANY THAT PURCHASED A SINGLE-FAMILY RESIDENCE IN THE PRECEDING MONTH
28 AND THE NUMBER OF SINGLE-FAMILY RESIDENCES PURCHASED BY EACH CORPORATION
29 AND LIMITED LIABILITY COMPANY.

30 C. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A CORPORATION OR
31 A LIMITED LIABILITY COMPANY OR AN AFFILIATE OF A CORPORATION OR A LIMITED
32 LIABILITY COMPANY THAT OWNS FEWER THAN TEN SINGLE-FAMILY RESIDENCES
33 LOCATED IN THIS STATE.

34 D. FOR THE PURPOSES OF THIS SECTION:

35 1. "CORPORATION" HAS THE SAME MEANING PRESCRIBED IN SECTION
36 44-4001.

37 2. "LIMITED LIABILITY COMPANY" HAS THE SAME MEANING PRESCRIBED IN
38 SECTION 44-4001.

39 3. "SINGLE-FAMILY RESIDENCE":

40 (a) MEANS A STRUCTURE THAT IS MAINTAINED AND USED AS A SINGLE
41 DETACHED DWELLING UNIT.

42 (b) DOES NOT INCLUDE A DWELLING UNIT THAT SHARES ONE OR MORE WALLS
43 WITH ANOTHER DWELLING UNIT.

1 Sec. 2. Section 41-3955, Arizona Revised Statutes, is amended to
2 read:

3 41-3955. Housing trust fund; purpose; annual report

4 A. The housing trust fund is established, and the director shall
5 administer the fund. The fund consists of monies from unclaimed property
6 deposited in the fund pursuant to section 44-313, MONIES DEPOSITED IN THE
7 FUND PURSUANT TO SECTION 44-4003, monies transferred pursuant to section
8 35-751 and investment earnings.

9 B. On notice from the department, the state treasurer shall invest
10 and divest monies in the fund as provided by section 35-313, and monies
11 earned from investment shall be credited to the fund.

12 C. Except as provided in subsection D of this section, fund monies
13 shall be spent on approval of the department for developing projects and
14 programs connected with providing housing opportunities for low and
15 moderate income households and for housing affordability programs. A
16 portion of fund monies shall be used exclusively for housing in rural
17 areas.

18 D. Fund monies may be spent on constructing or renovating
19 facilities and on housing assistance, including support services. Fund
20 monies shall be awarded in the following order of priority for the first
21 four months of each fiscal year:

22 1. Constructing or renovating emergency shelter facilities or for
23 any operational expenses for emergency shelter services.

24 2. Constructing or renovating transitional housing units.

25 3. Constructing or renovating other types of shelter or housing as
26 determined by the department to best serve the needs of individuals who
27 have been determined to be seriously mentally ill and chronically
28 resistant to treatment.

29 E. For the purposes of subsection C of this section, in approving
30 the expenditure of monies, the director shall give priority to funding
31 projects that provide for operating, constructing or renovating facilities
32 for housing for low-income families and that provide housing and shelter
33 to families that have children.

34 F. After the four-month period prescribed in subsection D of this
35 section, fund monies that have not been awarded or encumbered pursuant to
36 the priority list prescribed in subsection D of this section may be spent
37 based on stakeholder feedback.

38 G. The department shall submit for review by the joint legislative
39 budget committee all programs established by the department and funded by
40 the housing trust fund pursuant to this section.

41 H. The director shall report annually to the legislature on the
42 status of the housing trust fund. The report shall include a summary of
43 facilities for which funding was provided during the preceding fiscal year
44 and shall show the cost and geographic location of each facility and the

number of individuals benefiting from the operation, construction or renovation of the facility. The report shall also include the number of individuals who benefit from housing assistance pursuant to subsection D of this section. The report shall be submitted to the president of the senate and the speaker of the house of representatives, and a copy provided to the secretary of state, not later than September 1 of each year.

I. Monies in the housing trust fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

J. An amount not to exceed ten percent of the housing trust fund monies may be appropriated annually by the legislature to the department for administrative costs in providing services relating to the housing trust fund.

K. For any construction project financed by the department pursuant to this section, the department shall notify a city, town, county or tribal government that a project is planned for its jurisdiction and, before proceeding, shall seek comment from the governing body of the city, town, county or tribal government or an official authorized by the governing body of the city, town, county or tribal government. The department shall not interfere with or attempt to override the local jurisdiction's planning, zoning or land use regulations.

Sec. 3. Title 44, Arizona Revised Statutes, is amended by adding chapter 14, to read:

CHAPTER 14

SINGLE-FAMILY RESIDENCE PURCHASES

ARTICLE 1. GENERAL PROVISIONS

44-4001. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "COMMISSION" MEANS THE CORPORATION COMMISSION.

2. "CORPORATION":

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

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

3. "LIMITED LIABILITY COMPANY" MEANS A LIMITED LIABILITY COMPANY THAT IS ORGANIZED BY FILING ARTICLES OF ORGANIZATION WITH THE COMMISSION PURSUANT TO TITLE 29.

4. "SINGLE-FAMILY RESIDENCE":

(a) MEANS A STRUCTURE THAT IS MAINTAINED AND USED AS A SINGLE DETACHED DWELLING UNIT.

(b) DOES NOT INCLUDE A DWELLING UNIT THAT SHARES ONE OR MORE WALLS WITH ANOTHER DWELLING UNIT.

1 44-4002. Corporations; limited liability companies;
2 affiliates; single-family residence purchases;
3 limits; rules; exceptions; attorney general

4 A. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION:

5 1. THE TOTAL NUMBER OF SINGLE-FAMILY RESIDENCES LOCATED IN THIS
6 STATE THAT MAY BE PURCHASED BY A CORPORATION OR A LIMITED LIABILITY
7 COMPANY OR AN AFFILIATE OF A CORPORATION OR A LIMITED LIABILITY COMPANY IN
8 ANY CENSUS TRACT MAY NOT EXCEED FIVE PERCENT OF THE TOTAL NUMBER OF
9 SINGLE-FAMILY RESIDENCES IN THAT CENSUS TRACT.

10 2. THE TOTAL NUMBER OF SINGLE-FAMILY RESIDENCES THAT MAY BE
11 PURCHASED IN THIS STATE BY A CORPORATION OR A LIMITED LIABILITY COMPANY IS
12 FIFTY UNITS PER CALENDAR YEAR.

13 B. A CORPORATION OR LIMITED LIABILITY COMPANY MAY NOT OWN MORE THAN
14 TWO THOUSAND SINGLE-FAMILY RESIDENCES IN THIS STATE.

15 C. THE COMMISSION SHALL ADOPT RULES NECESSARY TO CARRY OUT THIS
16 SECTION.

17 D. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO THE SALE OR
18 TRANSFER OF SINGLE-FAMILY RESIDENCES WITHIN A CORPORATION OR A LIMITED
19 LIABILITY COMPANY.

20 E. THE ATTORNEY GENERAL MAY ENFORCE THIS SECTION PURSUANT TO TITLE
21 44, CHAPTER 10, ARTICLE 7.

22 44-4003. Corporations; limited liability companies;
23 affiliates; single-family residence purchases;
24 registration; limits; exceptions; civil penalty;
25 rules; attorney general

26 A. A CORPORATION OR A LIMITED LIABILITY COMPANY OR AN AFFILIATE OF
27 A CORPORATION OR A LIMITED LIABILITY COMPANY SHALL REGISTER WITH THE
28 SECURITIES DIVISION OF THE COMMISSION BEFORE PURCHASING A SINGLE-FAMILY
29 RESIDENCE LOCATED IN THIS STATE. THE REGISTRATION MUST INCLUDE THE NAME
30 UNDER WHICH THE CORPORATION OR LIMITED LIABILITY COMPANY OR THE AFFILIATE
31 OF THE CORPORATION OR LIMITED LIABILITY COMPANY CONDUCTS BUSINESS AND ANY
32 BENEFICIAL OWNERS OF THE CORPORATION OR LIMITED LIABILITY COMPANY OR
33 AFFILIATE OF THE CORPORATION OR LIMITED LIABILITY COMPANY. AN ENTITY THAT
34 IS REQUIRED TO REGISTER PURSUANT TO THIS SUBSECTION SHALL FILE AN ANNUAL
35 REPORT WITH THE SECURITIES DIVISION OF THE COMMISSION THAT PROVIDES ANY
36 CHANGE IN THE ENTITY'S REGISTRATION INFORMATION AND THAT CONFIRMS THAT THE
37 INFORMATION IS ACCURATE AND COMPLETE.

38 B. THE COMMISSION MAY CHARGE A FEE FOR THE REGISTRATION IN AN
39 AMOUNT TO BE DETERMINED BY THE COMMISSION.

40 C. THE COMMISSION SHALL ISSUE A CERTIFICATE OF REGISTRATION TO EACH
41 CORPORATION OR EACH LIMITED LIABILITY COMPANY OR AN AFFILIATE OF A
42 CORPORATION OR A LIMITED LIABILITY COMPANY THAT REGISTERS PURSUANT TO THIS
43 SECTION.

1 D. THE REGISTRATION REQUIREMENT DOES NOT APPLY TO ANY OF THE
2 FOLLOWING:

3 1. A CORPORATION OR A LIMITED LIABILITY COMPANY OR AN AFFILIATE OF
4 A CORPORATION OR A LIMITED LIABILITY COMPANY THAT OWNS FEWER THAN TEN
5 SINGLE-FAMILY RESIDENCES LOCATED IN THIS STATE.

6 2. A GOVERNMENTAL ENTITY. FOR THE PURPOSES OF THIS PARAGRAPH,
7 "GOVERNMENTAL ENTITY" MEANS THIS STATE OR ANY COUNTY, CITY, TOWN OR OTHER
8 POLITICAL SUBDIVISION OF THIS STATE.

9 3. ANY NONPROFIT GROUP THAT IS RECOGNIZED BY THE UNITED STATES
10 INTERNAL REVENUE SERVICE UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
11 CODE.

12 4. A LAND TRUST.

13 5. A GROUP HOME. FOR THE PURPOSES OF THIS PARAGRAPH, "GROUP HOME"
14 MEANS A HOME THAT IS CERTIFIED PURSUANT TO TITLE 36, CHAPTER 7.1,
15 ARTICLE 4.

16 6. AN EMPLOYER THAT RENTS SINGLE-FAMILY RESIDENCES TO EMPLOYEES.

17 E. THE SECURITIES DIVISION OF THE COMMISSION SHALL ESTABLISH AND
18 MAINTAIN A REGISTRY OF CORPORATIONS AND LIMITED LIABILITY COMPANIES AND
19 AFFILIATES OF THE CORPORATIONS AND THE LIMITED LIABILITY COMPANIES THAT
20 PURCHASE OR OWN SINGLE-FAMILY RESIDENCES LOCATED IN THIS STATE. THE
21 SECURITIES DIVISION OF THE COMMISSION SHALL MAKE THE REGISTRY AVAILABLE ON
22 THE COMMISSION'S WEBSITE AND SHALL PROVIDE THE REGISTRATION INFORMATION TO
23 THE ATTORNEY GENERAL.

24 F. A CORPORATION OR A LIMITED LIABILITY COMPANY OR AN AFFILIATE OF
25 A CORPORATION OR A LIMITED LIABILITY COMPANY THAT DOES NOT REGISTER WITH
26 THE SECURITIES DIVISION IN COMPLIANCE WITH THIS SECTION OR THAT
27 INTENTIONALLY PROVIDES MISLEADING INFORMATION ON THE APPLICATION IS IN
28 VIOLATION OF THIS SECTION, AND THE COMMISSION SHALL PROVIDE NOTICE AND AN
29 OPPORTUNITY FOR A FORMAL HEARING. IF A CORPORATION OR A LIMITED LIABILITY
30 COMPANY OR AN AFFILIATE OF A CORPORATION OR A LIMITED LIABILITY COMPANY IS
31 FOUND TO BE IN VIOLATION OF THIS SECTION AFTER A FORMAL HEARING, THE
32 COMMISSION SHALL IMPOSE A CIVIL PENALTY OF NOT MORE THAN \$20,000 FOR EACH
33 VIOLATION. THE COMMISSION SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND
34 35-147, PENALTIES COLLECTED PURSUANT TO THIS SECTION IN THE HOUSING TRUST
35 FUND ESTABLISHED BY SECTION 41-3955. A VIOLATION OF THIS SECTION DOES NOT
36 APPLY TO EXCUSABLE NEGLECT.

37 G. THE COMMISSION SHALL ADOPT RULES NECESSARY TO CARRY OUT THIS
38 SECTION.

39 H. THE ATTORNEY GENERAL MAY ENFORCE THIS SECTION PURSUANT TO TITLE
40 44, CHAPTER 10, ARTICLE 7.

41 44-4004. Annual report

42 ON OR BEFORE JANUARY 31, 2027 AND EACH YEAR THEREAFTER, THE
43 COMMISSION SHALL SUBMIT A REPORT TO THE GOVERNOR, THE PRESIDENT OF THE
44 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE MINORITY LEADER

1 OF THE SENATE AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND
2 SHALL PROVIDE A COPY TO THE SECRETARY OF STATE. THE REPORT MUST CONTAIN
3 ALL OF THE FOLLOWING:

4 1. THE IDENTIFICATION OF ANY CORPORATION OR ANY LIMITED LIABILITY
5 COMPANY OR ANY AFFILIATE OF A CORPORATION OR A LIMITED LIABILITY COMPANY
6 THAT:

7 (a) PURCHASED A SINGLE-FAMILY RESIDENCE IN THE PREVIOUS YEAR. THE
8 REPORT MUST INCLUDE THE ZIP CODE OF EACH PURCHASE.

9 (b) SOLD A SINGLE-FAMILY RESIDENCE IN THE PREVIOUS YEAR. THE
10 REPORT MUST INCLUDE THE ZIP CODE OF EACH SALE.

11 2. ANY OTHER INFORMATION THAT THE COMMISSION DEEMS NECESSARY.