



1682.641

Legislative Agenda
Call-In: 1-605-475-6333
Access Code: 395798#
February 4th, 2019

Disc. 2d. 2A

1. Update on AACo Legislation

House behind due to water issue

- SB1235 Improvements on Possessory Rights Sen. Mesnard - Being heard in Sen. Finance 2/6
- HB2551 Property Tax Exemptions Rep. Biasiucci - Awaiting Bill Assignment
- HCR 2023 Property tax Exemptions Rep. Biasiucci - Awaiting Bill Assignment
- HB2079 County Salary Bill Rep. Kavanagh - Being heard in H. Gov 2/7
- Constituent Privacy Sen. Pratt - Awaiting Bill Introduction
- HB2501 Digital Repository Rep. Blackman - Awaiting Bill Assignment
- SB1068 Detention Officer Authority Sen. Livingston - Passed S. Trans/Public Safety 1/30
- HB2363 Reneged Tax Lien Bid Rep. Toma - Being heard in H. Ways and Means 2/7
- SB1236 Treasures Revisions Sen Mesnard - Being heard in Sen. Finance 2/6
- School Audit Rotation Item included in another bill
- SB1104 Juvenile Detention School Funding Sen. Carter - Passed S. Education 1/30
- HB2356 Public Safety Guardianship Rep. Barto - Assigned to House Jud & HHS

2. Consent Agenda (One Motion To Approve Full Consent Agenda)

Suggested "Support" Items

Leslie Pisha

HB2127 Nomination Petitions; Filing Period
SB1293 Approps; EORP Contributions; Counties

SB1064 Court Security Officers, Certification; Powers
SB1351 Peace Officer Memorial Board; Continuation

Suggested "Oppose" Items

HB2197 Damaged Ballots; Voter Notice; Duplication
SB1338 Veteran Special Plates; Branch Seal

HB2362 Expungement; Sentencing Records

1. Legislation for Discussion and Possible Position

Robin oppose HB2026 Public resources; Influencing Elections; Penalties opposes HB2196 Early Ballots; Polling Place; Tabulation elect.
 Tabled HB2191 Criminal Justice Records; Prohibited Uses opp. HB2361 Sentencing; Repetitive Offenders - Bill, Robin
 support HB2480 Setting Aside Judgement; Felony Offense Support HB2521 Carrying of Firearms; Constables - Bill, Robin
SB1188 Permanent Early Voting List Support SB1165 Prohibition; Texting While Driving no position
 Sarah Pughing - oppose mtg 10am - Bill Support
 Mike Tax conformity bill vetoed Mike

February 4th Consent Oppose

<u>Bill Number/Short Title/Sponsor</u>	<u>Summary</u>	<u>Position Justification</u>
HB2197 Damaged Ballots; Voter Notice; Duplication (Carroll/Jen)	Damaged ballot-1st contact voter, get permission to dupe. Voter not found THEN dupe on your own	9 ELEC/10 REC = oppose At damage stage, ballot is separated from voter info – how would we know who to contact?
HB2362 Expungement; Arrest; Conviction; Sentencing Records (Toma/Jen)	Allows for the expungement of various criminal records	Overly broad, prosecutors need access to this information
SB1338 Veteran Special Plates; Branch Seal (Carter/Megan)	Creates several new veteran license plates	Sheriffs have traditionally opposed all new plates

February 4th Consent Support

<u>Bill Number/Short Title/Sponsor</u>	<u>Summary</u>	<u>Position Justification</u>
HB2127 Nomination Petitions; Filing Period (Thorpe/Jen)	Nomination papers due 120-150 days before Primary (was 90-120)	8 ELEC/5 REC support (# REC defer, 2, NP) – no one opposed
SB1064 Court Security Officers, Certification; Powers (Borrelli/Jen)	Allows the AOC to train and use their own court security personnel	AOC's court security bill. Fixed Sheriff's concerns pre-session
SB1293 Approps; EORP Contributions; Counties (Gowan/Jen)	CSA Bill - mirror to 2469 re EORP Backfill	Senate version of CSA bill 2429 re: EORP
SB1351 Peace Officers Memorial Board; Continuation (Borrelli/Jen)	Continue Peace Officer Memorial Board 10 more years	Continue Peace Officer Memorial Board for 10 more years

February 4th Discussion

<u>Bill Number/Short Title/Sponsor</u>	<u>Summary</u>	<u>Feedback</u>
HB2026 Public resources; Influencing Elections; Penalties (Kavanagh/Jen)	Any resident can initiate lawsuit if they think public funds are being used to influence election	CSA = opposed, limited AACo feedback...2 opposed, 2 support, 2 NP
HB2196 Early Ballots; Polling Place; Tabulation (Carroll/Megan)	A correct precinct early voter who verifies ID can put early into tabulator	Many counties such as Yavapai, do not tabulate at the voting location. This would be an unfunded mandate to purchase more equipment. This would also increase lines at the polls dramatically, create frustration, confusion for pollworkers and the voters.
HB2191 Criminal Justice Records; Prohibited Uses (Payne/Jen)	Prohibits the use of criminal justice records to solicit business or for financial gain	Enforceability is an issue – many sites are overseas. If this moves we need to clean the language.
HB2361 Sentencing; Repetitive Offenders (Toma/Megan)	Modifies sentencing structure for repeat offenders	2 Attorneys have responded to oppose. The current method of historical prior felony convictions is operating as intended.
HB2480 Setting Aside Judgement; Felony Offense (Bowers/Jen)	Set aside does not apply to felony if victim under 15 (was just "offense" no felony qualifier)	Current law allows defendants who have completed all terms of their sentence to have most convictions set aside. Current law does not allow misdemeanor and felony convictions involving a victim under 15 to be set aside. This bill will apply that exclusion only to felony convictions involving a minor under 15. 3 Attorneys Support.
HB2521 Carrying of Firearms; Constables (Roberts/Megan)	Allows Constables to carry firearms if certain conditions are met	This bill is being proposed by the Constable's Association. CSA has expressed concerns from an insurance perspective - though they have not yet taken a position. ACIP has indicated that for them to be covered they would have to possess a CCW, but the bill does not require that. The Constables have officially asked for the support of the Sheriff's Association.
SB1188 Permanent Early Voting List (Ugenti/Jen)	Allow PEVL records to be purged if those voters don't vote	Don't need this anymore due to better provisional processing.

		Some people only vote in the GE. Poor results on the Nation.
SB1165: Prohibition; Texting While Driving (Brophy-McGee/Megan)	Specifically bans texting while driving, pre-empts local ordinances.	2 Attorneys and 1 Sheriff support.



**Fact Sheet: County Elected Official Salary Adjustment
NO GENERAL FUND IMPACT**

Provisions:

- Raises the salary of **county assessors, attorneys, recorders, school superintendents, supervisors, sheriffs, and treasurers** by 22% - effective 1-1-21
- Raises the salary of **county superior court clerks** by 22% - effective 1-1-23
- Complies with Constitution's requirement that salary not be adjusted within a term of office.
- Slightly less than inflation increases since last salary adjustment (Clerks 2007, Others 2009)
- No State General Fund Impact.

Salary Impact on Counties:

Salary Impact for Counties Effective January 1, 2021					
Big Counties – 5 Supervisors Each (Maricopa & Pima)					
	Current	+ 22%	New Salary	# of Positions	Total Add'l Salary Impact
Assessor	\$76,600	\$16,852	\$93,452	1	\$16,852
Attorney	\$123,678	\$27,209	\$150,887	1	\$27,209
Recorder	\$76,600	\$16,852	\$93,452	1	\$16,852
School Sup	\$76,600	\$16,852	\$93,452	1	\$16,852
Sheriff	\$100,824	\$22,181	\$123,005	1	\$22,181
Supervisor	\$76,600	\$16,852	\$93,452	5	\$84,260
Treasurer	\$76,600	\$16,852	\$93,452	1	\$16,852
		TOTAL ADD'I COUNTY SALARY IMPACT			\$201,058

Small Counties – 5 Supervisors Each (Coconino, Mohave, Navajo, Pinal, Santa Cruz, Yavapai, & Yuma)

	Current	+ 22%	New Salary	# of Positions	Total Add'l Salary Impact
Assessor	\$63,800	\$14,036	\$77,836	1	\$14,036
Attorney	\$123,678	\$27,209	\$150,887	1	\$27,209
Recorder	\$63,800	\$14,036	\$77,836	1	\$14,036
School Sup	\$63,800	\$14,036	\$77,836	1	\$14,036
Sheriff	\$100,824	\$22,181	\$123,005	1	\$22,181
Supervisor	\$63,800	\$14,036	\$77,836	5	\$70,180
Treasurer	\$63,800	\$14,036	\$77,836	1	\$14,036
		TOTAL ADD'I SALARY COUNTY IMPACT			\$175,714

Small Counties – 3 Supervisors Each (Apache, Cochise, Gila, Graham, Greenlee & La Paz)

	Current	+ 22%	New Salary	# of Positions	Total Add'l Salary Impact
Assessor	\$63,800	\$14,036	\$77,836	1	\$14,036
Attorney	\$123,678	\$27,209	\$150,887	1	\$27,209
Recorder	\$63,800	\$14,036	\$77,836	1	\$14,036
School Sup	\$63,800	\$14,036	\$77,836	1	\$14,036
Sheriff	\$100,824	\$22,181	\$123,005	1	\$22,181
Supervisor	\$63,800	\$14,036	\$77,836	3	\$42,108
Treasurer	\$63,800	\$14,036	\$77,836	1	\$14,036
		TOTAL ADD'I SALARY COUNTY IMPACT			\$147,642

Fiscal Impact for Counties Effective January 1, 2023					
Big Counties(Maricopa & Pima)					
	Current	+ 22%	New Salary	# of Positions	Total Add'l Salary Impact
Clerk of Superior Court	\$76,600	\$16,852	\$93,452	1	\$16,852
		TOTAL ADD'I COUNTY IMPACT			\$16,852
Small Counties (all other counties)					
	Current	+ 22%	New Salary	# of Positions	Total Add'l Impact
Clerk of Superior Court	\$63,800	\$14,036	\$77,836	1	\$14,036
		TOTAL ADD'I COUNTY IMPACT			\$14,036

For More Information: Please contact Jennifer Marson at the Arizona Association of Counties at 602.252.6563 x 222 or via e-mail at jmarson@azcounties.org.

Traywick, Cathy

From: Beth Ford <beth.ford@pima.gov>
Sent: Friday, February 01, 2019 10:02 AM
To: 'Benatar, Sarah'; Apache- Marleita Begay; Traywick, Cathy; Gila- Debbie Savage; Graham - Mary Bingham; Greenlee- Diane Berube; La Paz- Leah Castro; Mohave - Cindy Landa Cox; Navajo - Debra Kester; Pinal - Michael McCord; Santa Cruz - Liz Gutfahr; Yavapai - Ross Jacobs; Yuma- Angela Moreno
Cc: Megan Kintner
Subject: RE: Response Needed - Tax Lien Reform Proposals this Session

Sarah shared his email with me earlier and these are my comments. Please note on the post-petition cost recovery issue, we fought him and a couple other attorneys who were trying to recover post-judgment costs and we prevailed. Basically, they want to be able to recover the costs to obtain a judgment for their attorney's fees. I believe it is the leveraged land case that says they are not entitled to costs after redemption. So that one is my fault ☺ Mark has been a challenge over the years and always is looking to benefit himself and his investors, not the taxpayer or us.

In summary, here's what I'm working for:

- Placing some parameters on "charitable gift redemptions" – leave as is. We don't need to complicate things more by having the owner acknowledge the give
- Conforming statutes to *Friedemann v Kirk* (2000) (redemption right ends with entry of judgment, not issuance of treasurer's deed) We have enough trouble with people getting judgments we don't know about and not issuing deeds. This will make it worse.
- Explicitly extending tax foreclosure jurisdiction/venue to the Arizona Tax Court We have enough trouble tracking these in Superior Court
- Allowing the tax foreclosure judgment (technically, foreclosure of the right to redeem), like any quiet title judgment, to serve as the transfer of title, and eliminating the treasurer's deed altogether We need the deeds to know about the transfer
- Repose language in 42-18204 to hopefully make tax titles more insurable – Personal service is the key
- Explicitly broadening recoverable costs to title reports, and elevating money judgments to the same priority as the tax liens being foreclosed. (The alternative would be making satisfaction of legal expenses a prerequisite to redemption, as I think is the case in New Jersey and Maryland.) Additionally, ARS 42-18206 would be amended to clarify the Supreme Court's holding in *Leveraged Land Co. v. Hodges*, 226 Ariz 382 (2011), which the Court declined to do last year, in denying a Petition for Review that I filed. I don't like his language and this relates to his attempt to get post-petition cost here in Pima county. They want to collect fees incurred to collect their fees. Leveraged Land doesn't allow for that.
- Explicitly exempting multiple lot foreclosures in a subdivision from subdivision public report requirements We've tried to do this in the past by putting Tax liens in the same position as bank loans, but we couldn't get it done. Otherwise, I'm in favor of what he is trying to accomplish.
- Re-stating the superpriority of property tax liens over other state claims (which often provide for *in personam* liability) Definitely in favor of this one, but good luck getting the state to take a back seat to our lien. I think an argument could be made that the current language was for the priority of the state's property tax lien.

From: Benatar, Sarah [mailto:sbenatar@coconino.az.gov]
Sent: Thursday, January 31, 2019 5:04 PM
To: Beth Ford; Apache- Marleita Begay; Cochise- Cathy Traywick; Gila- Debbie Savage; Graham - Mary Bingham; Greenlee- Diane Berube; La Paz- Leah Castro; Mohave - Cindy Landa Cox; Navajo - Debra Kester; Pinal - Michael McCord; Santa Cruz - Liz Gutfahr; Yavapai - Ross Jacobs; Yuma- Angela Moreno
Cc: Megan Kintner
Subject: Response Needed - Tax Lien Reform Proposals this Session
Importance: High

This message and sender come from outside Pima County. If you did not expect this message, proceed with caution. Verify the sender's identity before performing any action, such as clicking on a link or opening an attachment.

Hi Everyone,

I received the email below from Mark Manoil. He is planning on having a bill drop this session that would make changes to the tax lien process. I spoke with him earlier today and have added in red some additional comments he gave me during the conversation. Attached is the proposed language changes he sent me. He's identified a sponsor already in the house but has asked for our input.

Personally, I have a number of concerns with what he's proposing. I feel like we shouldn't touch ARS 42-18151 (who may redeem) any further than what it already has been, I don't want to stop doing Treasurer Deeds for a number of reasons, and worry about expanding post-petition costs that can be collected.

If everyone could send their feedback/comments that would be great. I've included Megan so she can see where we are on this and has a heads up for if/when it drops.

Thanks!

Sarah

From: Mark Manoil <mmanoil@manoilkime.com>
Sent: Tuesday, January 29, 2019 4:04 PM
To: Benatar, Sarah <sbenatar@coconino.az.gov>
Subject: Tax lien reform proposals

Treasurer Benatar:

I was a little occupied last year and didn't manage to get the attached proposals to you and your colleagues in advance of the legislative session. The attachment contains my boiled-down suggestions for some basic improvements to the property tax enforcement system, and I invite your opinions/reactions.

These are the statutory amendments I think would improve the area of property tax enforcement and collection in our state, as well as restore a little predictability to the process. I think it will be impractical to move these ideas in the next session because it will be an election year for county treasurers.

In summary, here's what I'm working for:

- Placing some parameters on "charitable gift redemptions"
 - Concerned on the ability to recover legal expenses. Specifically gave an example that "title raiders" will use this to avoid having to pay attorney fees per ARS 42-18206 once action has begun. Feels the word "charitable" has income tax implications as well.
- Conforming statutes to *Friedemann v Kirk* (2000) (redemption right ends with entry of judgment, not issuance of treasurer's deed)
 - This would bring the fee we'd recover from \$50/parcel to no more than \$15/parcel and removes us from the deeding process.
- Explicitly extending tax foreclosure jurisdiction/venue to the Arizona Tax Court
 - Feels that Arizona Tax Court would offer more consistency because the judge doesn't change so often. Would allow investors to stay in Phoenix vs. having to travel to each county for Superior Court.

- Wants to use the county assessor description of a property for notice only (ARS 42-18202)
- Allowing the tax foreclosure judgment (technically, foreclosure of the right to redeem), like any quiet title judgment, to serve as the transfer of title, and eliminating the treasurer's deed altogether
- Repose language in 42-18204 to hopefully make tax titles more insurable
- Explicitly broadening recoverable costs to title reports, and elevating money judgments to the same priority as the tax liens being foreclosed. (The alternative would be making satisfaction of legal expenses a prerequisite to redemption, as I think is the case in New Jersey and Maryland.) Additionally, ARS 42-18206 would be amended to clarify the Supreme Court's holding in *Leveraged Land Co. v. Hodges*, 226 Ariz 382 (2011), which the Court declined to do last year, in denying a Petition for Review that I filed.
 - Wants to recover more post-petition costs essentially.
- Explicitly exempting multiple lot foreclosures in a subdivision from subdivision public report requirements
- Re-stating the superpriority of property tax liens over other state claims (which often provide for *in personam* liability)
- He intends to add something in regards to foreclosing on property that is now owned by the federal government. Supposedly, Arizona tax lien laws are not in compliance with federal law when it comes to this issue. In order to foreclose it has to be in a manner similar to that of a mortgage foreclosure, calling for a public sale at the end of the day to enforce judgement. I guess New Jersey has this in their laws and he wants to change ours to be more like theirs. He didn't include it in what was sent, but plans on including it in the bill. I asked him for more information on this but have yet to receive it.

Thanks,
Mark



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January 2019 Arizona tax lien related proposals

Mark Manoil 602-456-1985; mmanoil@manoilkime.com

First

Section 1. ARS 42-18151 is amended as follows:

42-18151. Who may redeem real property tax liens; persons owning partial interest

A. A real property tax lien that is sold under article 3 of this chapter may be redeemed by:

1. The owner.
2. Any person that wants to pay on behalf of the owner by making a charitable gift, PROVIDED THE OWNER HAS CONFIRMED IN WRITING ACCEPTANCE OF THE GIFT REDEMPTION.
3. The owner's agent, assignee or attorney.
4. Any person who has a legal or equitable claim in the property WHOSE CLAIM IS EVIDENCED IN THE RECORDS OF THE COUNTY RECORDER IN WHICH THE SUBJECT REAL PROPERTY IS LOCATED, OR WHO HOLDS ~~including~~ a certificate of purchase of a different date.

B. A person who owns an interest in real property less than the whole may redeem a tax lien against that interest as a percentage of the entire liability reported by the county assessor by paying the proportionate part of the whole amount due.

Section 2. ARS 42-18152 is amended as follows:

42-18152. When lien may be fully redeemed; partial payment refund

A. A real property tax lien may be fully redeemed at any time:

1. Within three years after the date of sale.
2. After three years but before ~~the delivery of a treasurer's deed~~ ENTRY OF JUDGMENT PURSUANT TO SECTION 42-18204 IN FAVOR OF ~~to~~ the purchaser or the purchaser's heirs or assigns.

B. A lien that has been partially redeemed under section 42-18056, subsection C must be fully redeemed before ENTRY OF JUDGMENT PURSUANT TO SECTION 42-18204 IN FAVOR OF ~~the delivery of a treasurer's deed to~~ the purchaser OR THE PURCHASER'S HEIRS OR ASSIGNS.

C. The county treasurer shall refund all partial payment amounts impounded under section 42-18056, subsection E, to the person or persons or their heirs or assigns within thirty days after RECEIVING NOTICE OF THE ENTRY OF JUDGMENT PURSUANT TO SECTION 42-18204 ~~delivering the treasurer's deed to the purchaser.~~

Section 3. ARS 42-18201 is amended as follows:

42-18201. Action to foreclose right to redeem; subsequent certificates of purchase by assignment

A. Except as provided in subsection B of this section, at any time beginning three years after the sale of a tax lien but not later than ten years after the last day of the month in which the lien was acquired pursuant to section 42-18114, if the lien is not redeemed, the purchaser or the

purchaser's heirs or assigns, or the state if it is the assignee, may bring an action to foreclose the right to redeem. The action to foreclose the right to redeem shall be filed in the superior court in the county in which the real property is located, OR IN THE ARIZONA TAX COURT, and shall name the county treasurer as a party to the action. If any applicable law or court order prohibits bringing an action to foreclose the right to redeem, the limitation provided herein shall be extended twelve months following the termination of such prohibition.

B. For a subsequent year certificate of purchase by assignment issued under section 42-18121, subsection B, at any time beginning three years after the date the subsequent year certificate of purchase was assigned but not later than ten years after the last day of the month in which the tax lien was assigned under section 42-18121, if the lien is not redeemed, the purchaser or the purchaser's heirs or assigns, or the state if it is the assignee, may bring an action to foreclose the right to redeem the lien represented by certificates of purchase acquired by assignment and held by the party that filed the action to foreclose. All certificates of purchase held by other parties remain in place. The action to foreclose the right to redeem shall be filed in the superior court in the county in which the real property is located OR IN THE ARIZONA TAX COURT and shall name the county treasurer as a party to the action. If any applicable law or court order prohibits bringing an action to foreclose the right to redeem, the limitation provided in this subsection shall be extended twelve months following the termination of the prohibition.

Section 4. ARS 42-18202 is amended as follows:

42-18202. Notice

A. At least thirty days before filing an action to foreclose the right to redeem under this article, but not more than one hundred eighty days before such an action is commenced or may be commenced under section ~~42-18104~~ **18201** the purchaser shall send notice of intent to file the foreclosure action by certified mail to:

1. The property owner of record according to the records of the county recorder in the county in which the property is located or to all of the following:

(a) The property owner according to the records of the county assessor in the county in which the property is located as determined by section 42-13051.

(b) The situs address of the property, if shown on the tax roll and if different from the owner's address under subdivision (a) of this paragraph.

(c) The tax bill mailing address according to the records of the county treasurer in the county in which the property is located, if that address is different from the addresses under subdivisions (a) and (b) of this paragraph.

2. The treasurer of the county in which the real property is located. The county treasurer may not accept partial payments under section 42-18056, subsection C after the date the treasurer receives a notice of action to foreclose the right to redeem.

B. The notice shall include:

1. The property owner's name.

2. The real property tax parcel identification number.

3. The ~~legal~~ COUNTY ASSESSOR'S description of the real property.

4. The certificate of purchase number.

5. The proposed date of filing the action.

C. If the purchaser fails to send the notice required by this section, the purchaser is considered to have substantially failed to comply with this section. A court shall not enter JUDGMENT ~~any action~~ to foreclose the right to redeem under this article until AFTER ALL OTHER STATUTORY AND JURISDICTIONAL REQUIREMENTS HAVE BEEN MET AND 30 DAYS HAVE EXPIRED AFTER the purchaser sends the notice required by this section.

Section 5. ARS 42-18204 is amended as follows:

42-18204. Judgment foreclosing right to redeem: effect

A. In an action to foreclose the right to redeem, if the court finds that the sale is valid and that the tax lien has not been redeemed, the court shall enter judgment:

1. Foreclosing the right of the defendant to redeem.

~~2. Directing the county treasurer to expeditiously execute and deliver to the party in whose favor judgment is entered, including the state, a deed conveying the property described in the certificate of purchase.~~

2. DECLARING THE PARTY IN WHOSE FAVOR JUDGMENT IS ENTERED, INCLUDING THE STATE, OWNER OF THE PROPERTY DESCRIBED IN THE CERTIFICATE OF PURCHASE.

3. THE JUDGMENT SHALL BE EFFECTIVE AS OF THE DATE OF ENTRY IF A CERTIFIED COPY IS RECORDED, AND A CERTIFIED COPY IS PRESENTED TO THE OFFICE OF THE COUNTY TREASURER ON OR BEFORE 30 DAYS FOLLOWING ENTRY OF THE JUDGMENT WITH AN ADMINISTRATIVE FEE NOT TO EXCEED \$15. IN ALL OTHER CASES, THE JUDGMENT SHALL TAKE EFFECT UPON THE LATTER DATE OF RECORDING OR PRESENTATION TO THE COUNTY TREASURER WITH THE ADMINISTRATIVE FEE.

B. After entering judgment the parties whose rights to redeem the tax lien are thereby foreclosed have no further legal or equitable right, title or interest in the property subject to the right of appeal and stay of execution as in other civil actions.

C. ANY PARTY, INCLUDING THE UNKNOWN HEIR, ASSIGNEE, OR SUCCESSOR IN INTEREST OF ANY PARTY ENTITLED TO REDEEM UNDER SECTION 42-18151, SHALL FOREVER WAIVE ALL DEFENSES, OBJECTIONS, OR RIGHTS TO RELIEF FROM THE JUDGMENT PROVIDED IN THIS SECTION IF THAT PARTY DOES NOT BRING AN ACTION FOR SUCH RELIEF BEFORE THE EXPIRATION OF TWO YEARS AFTER THE RECORDING DATE OF THE JUDGMENT WITH THE COUNTY RECORDER IN WHICH THE SUBJECT PROPERTY IS LOCATED. IF SUCH A PARTY FILES SUCH AN ACTION FOR RELIEF FROM JUDGMENT OR FINAL ORDER AFTER THE EXPIRATION OF TWO YEARS, JUDGMENT SHALL BE ENTERED AGAINST THAT PARTY FOR COSTS AND A REASONABLE ATTORNEY FEE. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO AFFECT THE FINALITY OF ANY JUDGMENT GRANTED UNDER THIS SECTION.

GD. The foreclosure of the right to redeem does not extinguish any easement on or appurtenant to the property.

DE. The foreclosure of the right to redeem does not extinguish any lien for an assessment levied pursuant to title 48, chapter 4, 6, 14 or 18, or section 9-276.

F. THIS SECTION APPLIES TO ANY JUDGMENT ENTERED PRIOR TO THE EFFECTIVE DATE OF THIS ACT FOR WHICH A TREASURER'S DEED HAS NOT BEEN APPLIED OR ISSUED.

Section 2. A.R.S. 42-18205 is repealed.

Section 6. ARS 42-18206 is amended as follows:

42-18206. Redemption during pendency of action to foreclose

Any person who is entitled to redeem under article 4 of this chapter may redeem at any time before judgment is entered, notwithstanding that an action to foreclose has been commenced, but if the person who redeems has been served personally or by publication in the action, REDEEMS AS A [CHARITABLE] GIFT TO THE OWNER, or if the person became an ~~owner~~ INTEREST HOLDER IN THE PROPERTY after the action began and redeems after a notice is recorded pursuant to section 12-1191, judgment shall be entered in favor of the plaintiff against the person for the costs incurred by the plaintiff, INCLUDING A TITLE REPORT, AND including reasonable attorney fees to be determined by the court FOR SERVICES PROVIDED THROUGH THE DATE THE JUDGMENT IS ENTERED. PROVIDED THAT A NOTICE PURSUANT TO SECTION 12-1191 WAS RECORDED PRIOR TO ENTRY OF JUDGMENT, A FINAL JUDGMENT ENTERED UNDER THIS SECTION AND RECORDED SHALL HAVE THE SAME PRIORITY AS THE TAX LIEN UNDER SECTION 42-17153.

Second

Section 1. ARS 32-2181 is amended as follows:

32-2181. Notice to commissioner of intention to subdivide lands; unlawful acting in concert; exceptions; deed restrictions; definition

A. Before offering subdivided lands for sale or lease, the subdivider shall notify the commissioner in writing of the subdivider's intention. The notice shall contain:

1. The name and address of the owner. If the holder of any ownership interest in the land is other than an individual, such as a corporation, partnership or trust, a statement naming the type of legal entity and listing the interest and the extent of any interest of each principal in the entity. For the purposes of this section, "principal" means any person or entity having a ten per cent or more financial interest or, if the legal entity is a trust, each beneficiary of the trust holding a ten per cent or more beneficial interest.
2. The name and address of the subdivider.
3. The legal description and area of the land.
4. A true statement of the condition of the title to the land, including all encumbrances on the land, and a statement of the provisions agreed to by the holder of any blanket encumbrance enabling a purchaser to acquire title to a lot or parcel free of the lien of the blanket encumbrance on completion of all payments and performance of all of the terms and provisions required to be made or performed by the purchaser under the real estate sales contract by which the purchaser has acquired the lot or parcel. The subdivider shall file copies of documents acceptable to the department containing these provisions with the commissioner before the sale of any subdivision lot or parcel subject to a blanket encumbrance.
5. The terms and conditions on which it is intended to dispose of the land, together with copies of any real estate sales contract, conveyance, lease, assignment or other instrument intended to be used, and any other information the owner or the owner's agent or subdivider desires to present.
6. A map of the subdivision that has been filed in the office of the county recorder in the county in which the subdivision is located.
7. A brief but comprehensive statement describing the land on and the locality in which the subdivision is located.
8. A statement of the provisions that have been made for permanent access and provisions, if any, for health department approved sewage and solid waste collection and disposal and public utilities in the proposed subdivision, including water, electricity, gas and telephone facilities.
9. A statement as to the location of the nearest public common and high schools available for the attendance of school age pupils residing on the subdivision property.
10. A statement of the use or uses for which the proposed subdivision will be offered.
11. A statement of the provisions, if any, limiting the use or occupancy of the parcels in the subdivision, together with copies of any restrictive covenants affecting all or part of the subdivision.
12. The name and business address of the principal broker selling or leasing, within this state, lots or parcels in the subdivision.

13. A true statement of the approximate amount of indebtedness that is a lien on the subdivision or any part of the subdivision and that was incurred to pay for the construction of any on-site or off-site improvement, or any community or recreational facility.
14. A true statement or reasonable estimate, if applicable, of the amount of any indebtedness that has been or is proposed to be incurred by an existing or proposed special district, entity, taxing area or assessment district, within the boundaries of which the subdivision, or any part of the subdivision, is located, and that is to pay for the construction or installation of any improvement or to furnish community or recreational facilities to the subdivision, and which amounts are to be obtained by ad valorem tax or assessment, or by a special assessment or tax upon the subdivision or any part of the subdivision.
15. A true statement as to the approximate amount of annual taxes, special assessments or fees to be paid by the buyer for the proposed annual maintenance of common facilities in the subdivision.
16. A statement of the provisions for easements for permanent access for irrigation water where applicable.
17. A true statement of assurances for the completion of off-site improvements, such as roads, utilities, community or recreational facilities and other improvements to be included in the offering or represented as being in the offering, and approval of the offering by the political subdivision with authority. This statement shall include a trust agreement or any other evidence of assurances for delivery of the improvements and a statement of the provisions, if any, for the continued maintenance of the improvements.
18. A true statement of the nature of any improvements to be installed by the subdivider, the estimated schedule for completion and the estimated costs related to the improvements that will be borne by purchasers of lots in the subdivision.
19. A true statement of the availability of sewage disposal facilities and other public utilities, including water, electricity, gas and telephone facilities in the subdivision, the estimated schedule for their installation, and the estimated costs related to the facilities and utilities that will be borne by purchasers of lots in the subdivision.
20. A true statement as to whether all or any portion of the subdivision is located in an open range or area in which livestock may roam at large under the laws of this state and what provisions, if any, have been made for the fencing of the subdivision to preclude livestock from roaming within the subdivided lands.
21. If the subdivider is a subsidiary corporation, a true statement identifying the parent corporation and any of the following in which the parent or any of its subsidiaries is or has been involved within the past five years:
 - (a) Any subdivision in this state.
 - (b) Any subdivision, wherever located, for which registration is required pursuant to the federal interstate land sales full disclosure act.
 - (c) Any subdivision, wherever located, for which registration would have been required pursuant to the federal interstate land sales full disclosure act but for the exemption for subdivisions whose lots are all twenty acres or more in size.

22. A true statement identifying all other subdivisions, designated in paragraph 21 of this subsection, in which any of the following is or, within the last five years, has been directly or indirectly involved:

- (a) The holder of any ownership interest in the land.
- (b) The subdivider.
- (c) Any principal or officer in the holder or subdivider.

23. A true statement as to whether all or any portion of the subdivision is located in territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, in territory in the vicinity of a public airport as defined in section 28-8486, on or after July 1, 2001, in a high noise or accident potential zone as defined in section 28-8461 or on or after July 1 of the year in which the subdivision becomes located in a high noise or accident potential zone.

The statement required pursuant to this paragraph does not require the amendment or refiling of any notice filed before July 1, 2001 or before July 1 of the year in which the subdivision becomes located in a high noise or accident potential zone.

24. If the subdivision is a conversion from multifamily rental to condominiums as defined in section 33-1202, a true statement as to the following:

- (a) That the property is a conversion from multifamily rental to condominiums.
- (b) The date original construction was completed.

25. Other information and documents and certifications as the commissioner may reasonably require provided that the subdivider shall not be required to disclose any critical infrastructure information as defined in section 41-1801 or any information contained in a report issued pursuant to section 41-4273.

B. The commissioner, on application, may grant a subdivider of lots or parcels within a subdivision for which a public report was previously issued by the commissioner an exemption from all or part of the notification requirements of subsection A of this section. The subdivider shall file a statement with the commissioner indicating the change of ownership in the lots or parcels together with any material changes occurring subsequent to the original approval of the subdivision within which the lots or parcels are located. The statement shall further refer to the original approval by the commissioner.

C. If the subdivision is within an active management area, as defined in section 45-402, the subdivider shall accompany the notice with a certificate of assured water supply issued by the director of water resources along with proof that all applicable fees have been paid pursuant to sections 48-3772 and 48-3774.01, unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an assured water supply by the director of water resources pursuant to section 45-576 or is exempt from the requirement pursuant to section 45-576. If the subdivider has submitted a certificate of assured water supply to a city, town or county prior to approval of the plat by the city, town or county and this has been noted on the face of the plat, the submission constitutes compliance with this subsection if the subdivider provides proof to the commissioner that all applicable fees have been paid pursuant to sections 48-3772 and 48-3774.01.

D. It is unlawful for a person or group of persons acting in concert to attempt to avoid this article by acting in concert to divide a parcel of land or sell subdivision lots by using a series of owners or conveyances or by any other method that ultimately results in the division of the lands into a

subdivision or the sale of subdivided land. The plan or offering is subject to this article.

Unlawful acting in concert pursuant to this subsection with respect to the sale or lease of subdivision lots requires proof that the real estate licensee or other licensed professional knew or with the exercise of reasonable diligence should have known that property which the licensee listed or for which the licensee acted in any capacity as agent was subdivided land subject to this article. A familial relationship alone is not sufficient to constitute unlawful acting in concert.

E. A creation of six or more lots, parcels or fractional interests in improved or unimproved land, lots or parcels of any size is subject to this article except when:

1. Each of the lots, parcels or fractional interests represents, on a partition basis, thirty-six acres or more in area of land located in this state, including to the centerline of dedicated roads or easements, if any, contiguous to the land in which the interests are held.
2. The lots, parcels or fractional interests are the result of a foreclosure sale, FORECLOSURE OF RIGHTS OF REDEMPTION UNDER CHAPTER 18 OF TITLE 42, the exercise by a trustee under a deed of trust of a power of sale or the grant of a deed in lieu of foreclosure. This paragraph does not allow circumvention of the requirements of this article.
3. The lots, parcels or fractional interests are created by a valid order or decree of a court pursuant to and through compliance with title 12, chapter 8, article 7 or by operation of law. This paragraph does not allow circumvention of the requirements of this article.
4. The lots, parcels or fractional interests consist of interests in any oil, gas or mineral lease, permit, claim or right therein and such interests are regulated as securities by the United States or by this state.
5. The lots, parcels or fractional interests are registered as securities under the laws of the United States or the laws of this state or are exempt transactions under section 44-1844, 44-1845 or 44-1846.
6. The commissioner by special order exempts offerings or dispositions of any lots, parcels or fractional interests from compliance with this article on written petition and on a showing satisfactory to the commissioner that compliance is not essential to the public interest or for the protection of buyers.
7. A sale or lease of a lot, parcel or fractional interest occurs ten or more years after the sale or lease of another lot, parcel or fractional interest and the other lot, parcel or fractional interest is not subject to this article and is treated as an independent parcel unless, upon investigation by the commissioner, there is evidence of intent to subdivide.

F. In areas outside of active management areas established pursuant to title 45, chapter 2, article 2:

1. If the subdivision is located in a county that has adopted the provision authorized by section 11-823, subsection A, or in a city or town that has enacted an ordinance pursuant to section 9-463.01, subsection O, the subdivider shall accompany the notice with a report issued by the director of water resources pursuant to section 45-108 stating that the subdivision has an adequate water supply, unless one of the following applies:

- (a) The subdivider submitted the report to a city, town or county before approval of the plat by the city, town or county and this has been noted on the face of the plat.

(b) The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

(c) The plat was approved pursuant to an exemption authorized by section 9-463.01, subsection K, pursuant to an exemption authorized by section 11-823, subsection B, paragraph 1, pursuant to an exemption granted by the director of water resources under section 45-108.02 and the exemption has not expired or pursuant to an exemption granted by the director under section 45-108.03. If the plat was approved pursuant to an authorized exemption, the state real estate commissioner shall require that all promotional material and contracts for the sale of lots in the subdivision adequately display the following:

(i) The director of water resources' report or the developer's brief summary of the report as approved by the commissioner on the proposed water supply for the subdivision.

(ii) A statement describing the exemption under which the subdivision was approved, including the specific conditions of the exemption that were met. If the plat was approved by the legislative body of a city or town pursuant to an exemption authorized by section 9-463.01, subsection K or by the board of supervisors of a county pursuant to an exemption authorized by section 11-823, subsection B, paragraph 1, the subdivider shall record the document required by section 33-406.

(d) The subdivision received final plat approval from the city, town or county before the requirement for an adequate water supply became effective in the city, town or county, and there have been no material changes to the plat since the final plat approval. If changes were made to the plat after the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If this subdivision applies, the state real estate commissioner shall require that all promotional materials and contracts for the sale of lots in the subdivision adequately display the director of water resources' report or the developer's brief summary of the report as approved by the commissioner on the proposed water supply for the subdivision.

2. If the subdivision is not located in a county that has adopted the provision authorized by section 11-823, subsection A or in a city or town that has enacted an ordinance pursuant to section 9-463.01, subsection O, and if the director of water resources, pursuant to section 45-108, reports an inadequate on-site supply of water to meet the needs projected by the developer or if no water is available, the state real estate commissioner shall require that all promotional material and contracts for the sale of lots in subdivisions approved by the commissioner adequately display the director of water resources' report or the developer's brief summary of the report as approved by the commissioner on the proposed water supply for the subdivision.

G. The commissioner may require the subdivider to supplement the notice of intention to subdivide lands and may require the filing of periodic reports to update the information contained in the original notice of intention to subdivide lands.

H. The commissioner may authorize the subdivider to file as the notice of intention to subdivide lands, in lieu of some or all of the requirements of subsection A of this section, a copy of the statement of record filed with respect to the subdivision pursuant to the federal interstate land

sales full disclosure act if the statement complies with the requirements of the act and the regulations pertinent to the act.

I. Neither a real estate sales contract, conveyance, lease, assignment or other instrument to transfer any interest in subdivided land nor any covenant or restriction affecting real property shall contain any provision limiting the right of any party to appear or testify in support of or opposition to zoning changes, building permits or any other official acts affecting real property before a governmental body or official considering zoning changes, building permits or any other official acts affecting real property, whether the property is located within or outside of the boundaries of the subdivision. All contractual provisions that conflict with this subsection are declared to be contrary to public policy. Nothing contained in this subsection shall prohibit private restrictions on the use of any real property.

J. Before offering subdivided lands for lease or sale, the subdivider who makes any promises through any form of advertising media that the subdivided lands will be exclusively a retirement community or one that is limited to the residency of adults or senior citizens shall include the promises in the deed restrictions affecting any interest in real property within the subdivided lands.

K. Except as otherwise provided in this section, a subdivider shall not be required to disclose items that are over one mile from the subdivision boundaries. The existence of foreign nations or tribal lands shall also be disclosed if located within the one mile radius of the subdivision boundaries.

Third

Section 1. ARS 42-17153 is amended as follows:

42-17153. Lien for taxes; time lien attaches; priority

A. Except as provided in subsection B of this section, a tax that is levied on real or personal property is a lien on the assessed property.

B. A tax that is levied against personal property of a person who owns real property of a value of less than two hundred dollars in the county is a personal liability of the property owner, in addition to being a lien against the property.

C. The lien:

1. Attaches on January 1 of the tax year.

2. Is not satisfied or removed until one of the following occurs:

(a) The taxes, penalties, charges and interest are paid.

(b) Title to the property has finally vested in a purchaser under a sale for taxes.

(c) A certificate of removal and abatement has been issued pursuant to section 42-18353.

3. Is prior and superior to all other liens and encumbrances on the property, except:

(a) Liens or encumbrances held by this state ARISING UNDER TITLE 37.

(b) Liens for taxes accruing in any other years.

D. For taxpayers valued by the department pursuant to section 42-14151, the lien shall attach to all property, real and personal, regardless of the taxing jurisdiction where such property is located. Such lien will attach to the entire system and may not be released by payment of a portion of the tax liability relating to a single portion or component of the system.

E. If a political subdivision of this state acquires title to property after December 31, 1998, any lien for delinquent taxes on the property:

1. Is not abated, extinguished, discharged or merged in the title to the property unless approved by the county board of supervisors.

2. Is enforceable in the same manner as other delinquent tax liens.

Section 2. Legislative Intent

IT IS THE INTENT OF THE LEGISLATURE THAT THE AMENDMENT TO SECTION 42-17153, SUBSECTION C, PARAGRAPH 3, ARIZONA REVISED STATUTES, IS MERELY EXPLANATORY AND CONFIRMS AND CLARIFIES THE EXISTING PRIORITY AND SUPERPRIORITY OF TAX LIENS.

[This revisits HB2308 from the 2014 session - restating tax lien superpriority over other other liens, except carry-back liens which was the focus of *Steinfeld v State* (1930) and the immediate amendment that introduced the "except liens and encumbrances held by the state" language to the priority statute.]