Senate Engrossed House Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 285

HOUSE BILL 2221

AN ACT

AMENDING TITLE 9, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 12; AMENDING SECTION 33-1247, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1814; AMENDING SECTION 33-1902, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 17, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1906; AMENDING SECTION 42-15103, ARIZONA REVISED STATUTES; RELATING TO RESIDENTIAL RENTAL INSPECTION PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 9, Arizona Revised Statutes, is amended by adding chapter 12, to read:

CHAPTER 12

RESIDENTIAL RENTAL INSPECTION PROGRAMS

ARTICLE 1. GENERAL PROVISIONS

9-1301. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BUILDING CODE" MEANS THE CONSTRUCTION CODES THAT WERE IN FORCE AT TIME OF BUILDING CONSTRUCTION, INCLUDING PLUMBING AND MECHANICAL CODES, ELECTRIC CODES, RESIDENTIAL CONSTRUCTION CODES, ENERGY CONSERVATION CODES AND EXISTING BUILDING CONSTRUCTION CODES, AND INCLUDES ANY PROPERTY MAINTENANCE CODES, NEIGHBORHOOD PRESERVATION CODES, ANTI-BLIGHT CODES OR OTHER SIMILAR CODES, HOWEVER DENOMINATED. WITH RESPECT TO MOBILE HOMES AS DEFINED IN SECTION 33-1409, BUILDING CODE MEANS THE FEDERAL CONSTRUCTION CODES APPLICABLE TO HOMES CONSTRUCTED AFTER JUNE 15, 1976, AND THE ARIZONA CODES APPLICABLE TO HOMES CONSTRUCTED BEFORE THAT DATE.

2. "CITYWIDE RESIDENTIAL RENTAL PROPERTY INSPECTION PROGRAM" MEANS ANY PROGRAM THAT INCLUDES SYSTEMATIC OR PERIODIC INSPECTIONS OF A MAJORITY OF RENTAL PROPERTIES IN THE CITY THAT HAVE NOT PREVIOUSLY BEEN FOUND TO MEET THE REQUIREMENTS OF SECTION 9-1304.

3. "EXTERIOR INSPECTION" MEANS THE VISUAL INSPECTION OF ANY PORTION OF A RESIDENTIAL DWELLING UNIT THAT CAN BE SEEN FROM A PUBLIC STREET OR OTHER RIGHT-OF-WAY, OR THAT CAN BE SEEN FROM AN ADJACENT PROPERTY IF A COMPLAINT OR CONSENT IS RECEIVED FROM THE ADJACENT PROPERTY OWNER, LAWFUL RESIDENT OR LAWFUL TENANT.

4. "INITIAL INSPECTION" MEANS THE FIRST INSPECTION OF A RESIDENTIAL RENTAL DWELLING UNIT AFTER THE ESTABLISHMENT BY ORDINANCE OR RESOLUTION OF A RESIDENTIAL RENTAL INSPECTION PROGRAM.

5. "INTERIOR INSPECTION" MEANS A PHYSICAL OR VISUAL INSPECTION OF THE INTERIOR OF A RESIDENTIAL RENTAL DWELLING UNIT AND OTHER PORTIONS OF A RESIDENTIAL RENTAL DWELLING UNIT THAT ARE NOT VISIBLE FROM A PUBLIC STREET, RIGHT-OF-WAY OR NEIGHBORING PROPERTY THAT IS MADE FOR THE PURPOSE OF LOOKING FOR BUILDING CODE VIOLATIONS.

6. "MOBILE HOME PARK" HAS THE SAME MEANING AS PRESCRIBED IN SECTION 33-1409.

7. "MULTIFAMILY HOUSING" MEANS SITE BUILT BUILDINGS CONTAINING RESIDENTIAL DWELLING UNITS, BUT DOES NOT INCLUDE MOBILE HOME PARKS.

8. "OWNER" MEANS THE PERSON, CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, LIMITED PARTNERSHIP, TRUST OR REAL ESTATE INVESTMENT TRUST SHOWN ON THE LAWFULLY RECORDED TITLE TO THE PROPERTY.

9. "RESIDENTIAL DWELLING UNIT" MEANS A BUILDING OR STRUCTURE OR PART OF A BUILDING OR STRUCTURE THAT IS USED FOR A HOME OR RESIDENCE BY ONE OR MORE PERSONS WHO MAINTAIN A HOUSEHOLD. IT ALSO MEANS A MOBILE HOME REGARDLESS OF OWNERSHIP OF THE LAND.

10. "RESIDENTIAL RENTAL DWELLING UNIT" MEANS A DWELLING UNIT THAT IS LEASED OR RENTED TO ONE OR MORE TENANTS. A DWELLING UNIT THAT IS OCCUPIED IN PART BY THE OWNER OF THE DWELLING UNIT IS NOT A RESIDENTIAL RENTAL DWELLING UNIT UNLESS A TENANT OCCUPIES A PART OF THE DWELLING UNIT THAT HAS ITS OWN COOKING AND SLEEPING AREAS, A BATHROOM AND A SEPARATE ENTRANCE, UNLESS OTHERWISE PROVIDED IN A ZONING ORDINANCE OF THE CITY OR TOWN. RESIDENTIAL RENTAL DWELLING UNIT DOES NOT INCLUDE AN OWNER OCCUPIED MOBILE HOME IN A MOBILE HOME PARK THAT IS NOT OWNED BY THE LANDLORD OF THE MOBILE HOME PARK.

11. "RESIDENTIAL RENTAL LICENSING REQUIREMENT" MEANS A REQUIREMENT ESTABLISHED BY A CITY OR TOWN THAT PROPERTY OWNERS OR PROPERTY MANAGERS OBTAIN A LICENSE OR PERMIT FROM THE CITY OR TOWN, WITH OR WITHOUT AN ASSOCIATED FEE, BEFORE THEY CAN LEGALLY ENGAGE IN THE RENTAL OF DWELLING UNITS IN THE CITY OR TOWN.

12. "RESIDENTIAL RENTAL REGISTRATION REQUIREMENT" MEANS ANY REQUIREMENT ESTABLISHED BY A CITY OR TOWN FOR RENTAL HOUSING OWNERS OR MANAGERS TO SUBMIT INFORMATION TO THE CITY OR TOWN AS ALREADY REQUIRED TO BE SUBMITTED TO THE COUNTY ASSESSOR UNDER SECTION 33-1902.

9-1304. Individual property inspections

A. FOR INDIVIDUAL RESIDENTIAL RENTAL PROPERTIES THE CITY OR TOWN MAY CONDUCT INTERIOR INSPECTIONS IF AN EXTERIOR INSPECTION OF THE PROPERTY REVEALS OR IF THE PROPERTY IS FOUND TO HAVE ANY OF THE FOLLOWING:

1. CONDITIONS THAT MATERIALLY AFFECT THE HEALTH AND SAFETY OF THE OCCUPANTS AS PRESCRIBED BY SECTION 9-1305.

2. A SIGNIFICANT LEVEL OF CRIME ASSOCIATED WITH THE PROPERTY.

3. A DOCUMENTED HISTORY OF BUILDING CODE VIOLATIONS.

4. THE OWNER REPEATEDLY FAILS TO COMPLY WITH BUILDING CODE ENFORCEMENT REQUIREMENTS IMPOSED BY THE CITY OR TOWN.

5. THERE IS PROBABLE CAUSE THAT THE RESIDENTIAL RENTAL PROPERTY IS NOT IN COMPLIANCE WITH THE CITY'S BUILDING CODE.

6. A COMPLAINT IS RECEIVED FROM OR CONSENT FOR INSPECTION IS GIVEN BY THE OWNER OF RECORD, AGENT OR PROPERTY MANAGER, A LAWFUL RESIDENT OR A LAWFUL TENANT OF THE RESIDENTIAL RENTAL UNIT.

B. IF THE CITY OR TOWN DETERMINES PURSUANT TO SUBSECTION A OF THIS SECTION THAT AN INTERIOR INSPECTION IS REASONABLY NECESSARY AND THE PROPERTY'S TENANT HAS VACATED, THE CITY OR TOWN MAY REQUIRE AN ADDITIONAL INSPECTION AND APPROVAL BY THE CITY OR TOWN BEFORE A NEW OCCUPANCY IS PERMITTED.

C. BEFORE ENTRY THE CITY OR TOWN SHALL RECEIVE CONSENT OF THE OWNER OF RECORD OR A LAWFUL TENANT OR ON ISSUANCE OF A WARRANT.

D. THIS SECTION DOES NOT LIMIT THE AUTHORITY OF A CITY OR TOWN TO:

1. PERFORM AN EXTERIOR INSPECTION OF ANY PROPERTY IN THE CITY OR TOWN'S JURISDICTION AT ANY TIME.

2. ON RECEIPT OF A COMPLAINT OR CONSENT FROM THE OWNER OR LAWFUL TENANT, PERFORM AN INTERIOR INSPECTION OF ANY PROPERTY IN THE CITY OR TOWN'S JURISDICTION.

3. PERFORM INTERIOR, EXTERIOR OR CONSTRUCTION JOB SITE INSPECTIONS OF NEW CONSTRUCTION BEFORE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.

4. PERFORM INTERIOR OR EXTERIOR INSPECTIONS OF ILLEGAL CONSTRUCTION THAT OCCURRED WITHOUT A REQUIRED BUILDING PERMIT.

5. PERFORM AN INTERIOR INSPECTION OF ANY PROPERTY DURING AN EMERGENCY OR NATURAL DISASTER.

E. A CITY OR TOWN MAY DESIGNATE ANY OF ITS DEPARTMENTS TO PERFORM ALL OR PART OF THE DUTIES GRANTED TO THE CITY OR TOWN PURSUANT TO THIS CHAPTER.

9-1305. Material affect on health and safety of occupants

FOR THE PURPOSES OF THIS CHAPTER, A CONDITION THAT MATERIALLY AFFECTS THE HEALTH AND SAFETY OF THE OCCUPANTS OF A RESIDENTIAL RENTAL DWELLING UNIT INCLUDES ANY OF THE FOLLOWING CONDITIONS:

1. INADEQUATE SANITATION, VENTILATION OR SPACE REQUIREMENTS, INCLUDING THE FOLLOWING:

(a) LACK OF OR INADEQUATE WATER CLOSETS, LAVATORIES, BATHTUBS OR SHOWERS.

(b) LACK OF A REQUIRED KITCHEN SINK OR A KITCHEN SINK THAT DOES NOT COMPLY WITH THE BUILDING CODE OF THE CITY OR TOWN IN WHICH THE PROPERTY IS LOCATED.

(c) LACK OF HOT AND COLD RUNNING WATER TO PLUMBING FIXTURES.

(d) LACK OF ADEQUATE HEATING AND COOLING.

(e) LACK OF OR IMPROPER OPERATION OF REQUIRED VENTILATING EQUIPMENT OR BROKEN OR MISSING WINDOWS OR DOORS THAT CREATE A HAZARDOUS CONDITION OR A POTENTIAL ATTRACTION TO TRESPASSERS.

(f) LACK OF MINIMUM AMOUNTS OF NATURAL LIGHT AND VENTILATION AS REQUIRED BY THE BUILDING CODE.

(g) INADEQUATE ROOM AND SPACE DIMENSIONS AS REQUIRED BY THE BUILDING CODE.

(h) LACK OF REQUIRED ADEQUATE ELECTRICITY AND LIGHTING AS REQUIRED BY THE BUILDING CODE.

(i) INFESTATION OF INSECTS, VERMIN OR RODENTS.

(j) LACK OF CONNECTION TO A SEWAGE DISPOSAL SYSTEM AS REQUIRED BY THE BUILDING CODE.

(k) LACK OF ADEQUATE GARBAGE AND RUBBISH STORAGE AND REMOVAL FACILITIES.

2. STRUCTURAL HAZARDS, INCLUDING THE FOLLOWING:

(a) SIGNIFICANTLY DETERIORATED OR INADEQUATE FOUNDATIONS OR FOUNDATION AREAS THAT ARE NOT PROVIDED WITH ADEQUATE DRAINAGE.

(b) FLOORING OR FLOOR SUPPORTS OF INSUFFICIENT SIZE TO CARRY IMPOSED LOADS WITH SAFETY.

(c) MEMBERS OF WALLS, PARTITIONS OR OTHER VERTICAL SUPPORTS THAT SPLIT, LEAN, LIST OR BUCKLE DUE TO DEFECTIVE MATERIAL OR DETERIORATION.

(d) MEMBERS OF CEILINGS, ROOFS, CEILING AND ROOF SUPPORTS OR OTHER HORIZONTAL MEMBERS THAT SIGNIFICANTLY SAG, SPLIT OR BUCKLE DUE TO DEFECTIVE MATERIAL OR DETERIORATION.

(e) FIREPLACES OR CHIMNEYS THAT LIST, BULGE OR SETTLE DUE TO DEFECTIVE MATERIAL OR DETERIORATION OR THAT ARE OF INSUFFICIENT SIZE OR STRENGTH TO CARRY IMPOSED LOADS WITH SAFETY.

3. HAZARDOUS WIRING THAT DOES NOT CONFORM WITH THE BUILDING CODE OR THAT HAS NOT BEEN MAINTAINED IN GOOD CONDITION, OR BOTH, AND THAT IS NOT BEING USED IN A SAFE MANNER.

4. HAZARDOUS PLUMBING THAT DOES NOT CONFORM WITH THE BUILDING CODE OR THAT HAS NOT BEEN MAINTAINED IN GOOD CONDITION, OR BOTH, AND THAT IS NOT FREE OF CROSS-CONNECTIONS AND SIPHONAGE BETWEEN FIXTURES.

5. HAZARDOUS MECHANICAL EQUIPMENT INCLUDING VENTS THAT DO NOT CONFORM WITH THE BUILDING CODE OR THAT HAVE NOT BEEN MAINTAINED IN GOOD AND SAFE CONDITION AND THAT ARE NOT WORKING PROPERLY.

6. FAULTY WEATHER PROTECTION THAT MAY INCLUDE:

(a) SIGNIFICANTLY DETERIORATED, CRUMBLING OR LOOSE PLASTER.

(b) DETERIORATED OR INEFFECTIVE WATERPROOFING OF EXTERIOR WALLS, ROOF, FOUNDATIONS OR FLOORS, INCLUDING BROKEN WINDOWS OR DOORS.

(c) DEFECTIVE OR LACK OF WEATHER PROTECTION FOR EXTERIOR WALL COVERINGS, INCLUDING LACK OF PAINT, OR WEATHERING DUE TO LACK OF PAINT OR OTHER APPROVED PROTECTIVE COVERING.

(d) BROKEN, ROTTED, SPLIT OR BUCKLED EXTERIOR WALL COVERINGS OR ROOF COVERINGS.

7. FIRE HAZARDS OR INADEQUATE FIRE PROTECTION, INCLUDING:

(a) ANY BUILDING OR PORTION OF A BUILDING OR ANY DEVICE, APPARATUS, EQUIPMENT, COMBUSTIBLE WASTE OR VEGETATION THAT IS NOT IN COMPLIANCE WITH THE BUILDING CODE AND THAT IS IN SUCH A CONDITION AS TO CAUSE A FIRE OR EXPLOSION OR TO PROVIDE A READY FUEL TO AUGMENT THE SPREAD AND INTENSITY OF A FIRE OR EXPLOSION ARISING FROM ANY CAUSE.

(b) ANY BUILDING OR PORTION OF A BUILDING THAT IS NOT PROVIDED WITH FIRE-RESISTIVE CONSTRUCTION OR FIRE EXTINGUISHING SYSTEMS OR EQUIPMENT REQUIRED BY THE BUILDING CODE, EXCEPT THOSE BUILDINGS OR PORTIONS OF BUILDINGS THAT CONFORMED WITH ALL APPLICABLE BUILDING CODE LAWS AND THAT HAVE FIRE-RESISTIVE INTEGRITY AND FIRE EXTINGUISHING SYSTEMS OR EQUIPMENT THAT HAS BEEN ADEQUATELY MAINTAINED AND IMPROVED IN RELATION TO ANY INCREASE IN OCCUPANT LOAD, ALTERATION OR ADDITION, OR ANY CHANGE IN OCCUPANCY.

(c) LACK OF ADEQUATE FIRE DETECTION SYSTEMS AS REQUIRED BY LAW.

8. FAULTY MATERIALS OR CONSTRUCTION THAT IS NOT SPECIFICALLY ALLOWED OR APPROVED BY THE BUILDING CODE OR THAT HAS NOT BEEN ADEQUATELY MAINTAINED IN GOOD AND SAFE CONDITION.

9. HAZARDOUS OR UNSANITARY PREMISES, INCLUDING THOSE PREMISES ON WHICH AN ACCUMULATION OF WEEDS, VEGETATION, REFUSE, DEAD ORGANIC MATTER, DEBRIS, GARBAGE, OFFAL, RAT HARBORAGES, STAGNANT WATER, COMBUSTIBLE MATERIALS AND SIMILAR MATERIALS OR CONDITIONS CONSTITUTE FIRE, HEALTH OR SAFETY HAZARDS.

10. INADEQUATE MAINTENANCE, INCLUDING ANY BUILDING OR PORTION OF A BUILDING THAT IS DETERMINED TO BE AN UNSAFE BUILDING IN ACCORDANCE WITH THE BUILDING CODE.

11. UNHEALTHY CONDITIONS, INCLUDING ANY CONDITION AS DEFINED IN THE BUILDING CODE THAT RESULTS IN THE FAILURE TO MAINTAIN MINIMUM STANDARDS OF SANITATION, HEALTH OR SAFETY OR THAT RENDERS AIR, FOOD OR DRINK UNWHOLESOME OR DETRIMENTAL TO HEALTH.

12. INADEQUATE EXITS, INCLUDING ALL BUILDINGS OR PORTIONS OF A BUILDING THAT ARE NOT PROVIDED WITH ADEQUATE EXIT FACILITIES AS REQUIRED BY THE BUILDING CODE AND THAT HAVE BEEN ADEQUATELY MAINTAINED AND INCREASED IN RELATION TO ANY INCREASE IN OCCUPANT LOAD, ALTERATION OR ADDITION, OR ANY CHANGE IN OCCUPANCY.

13. IMPROPER OCCUPANCY, INCLUDING ALL BUILDINGS OR PORTIONS OF A BUILDING THAT ARE OCCUPIED FOR LIVING, SLEEPING, COOKING OR DINING PURPOSES AND THAT WERE NOT DESIGNED AND PERMITTED TO BE USED FOR SUCH OCCUPANCIES, OR THAT ARE OCCUPIED IN EXCESS OF THE MAXIMUM OCCUPANCY LOAD ALLOWED BY ANY APPLICABLE PROVISION OF THE BUILDING CODE OR STATE LAW.

9-1306. <u>Adoption of citywide residential rental property licensing, registration or inspection program; requirements</u>

A. A CITY OR TOWN MAY ADOPT A CITYWIDE RESIDENTIAL RENTAL PROPERTY INSPECTION PROGRAM ONLY IF THE FOLLOWING OCCURS:

1. THE CITY OR TOWN CONDUCTS A PUBLIC HEARING AND ADOPTS THE RENTAL PROPERTY INSPECTION PROGRAM ORDINANCE OR RESOLUTION AT A REGULARLY HELD CITY OR TOWN COUNCIL MEETING THAT OCCURS AT LEAST THIRTY DAYS AFTER THE PUBLIC HEARING.

2. THE ORDINANCE OR RESOLUTION IS ADOPTED BY AT LEAST A THREE-FOURTHS VOTE OF THE ENTIRE COUNCIL.

3. THE CITY OR TOWN NOTIFIES ALL OWNERS OF RESIDENTIAL RENTAL PROPERTIES WHO ARE THEN CURRENTLY REGISTERED WITH THE COUNTY ASSESSOR OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

4. THE NOTICE TO OWNERS IS MAILED BY FIRST CLASS MAIL AT LEAST TWENTY DAYS IN ADVANCE OF THE REQUIRED PUBLIC HEARING.

5. A NOTICE OF THE PUBLIC HEARING IS PUBLISHED IN A LOCAL NEWSPAPER OF GENERAL CIRCULATION AND ANY OFFICIAL MUNICIPAL WEB SITE NOT LESS THAN TWO WEEKS BEFORE THE REQUIRED PUBLIC HEARING.

B. A CITY OR TOWN SHALL NOT ADOPT A RESIDENTIAL RENTAL LICENSING REQUIREMENT FOR RESIDENTIAL RENTAL PROPERTIES OR PROPERTY OWNERS. THIS SUBSECTION DOES NOT PROHIBIT A CITY OR TOWN THAT IMPOSES A SALES TAX ON RENT FROM REQUIRING A TRANSACTION PRIVILEGE TAX LICENSE FOR RESIDENTIAL RENTAL PROPERTY OWNERS.

C. A CITY OR TOWN SHALL NOT ADOPT A RESIDENTIAL RENTAL REGISTRATION REQUIREMENT. A CITY OR TOWN SHALL OBTAIN RENTAL REGISTRATION INFORMATION ONLY FROM THE COUNTY ASSESSOR'S OFFICE FOR THE COUNTY IN WHICH THE RESIDENTIAL RENTAL PROPERTY IS LOCATED.

9-1307. Inspection fees; penalties

A. A CITY OR TOWN SHALL NOT CHARGE A FEE FOR NONPERMIT RELATED INITIAL EXTERIOR INSPECTIONS, INITIAL INTERIOR INSPECTIONS THAT ARE REQUESTED BY AN OWNER OF RECORD OR A LAWFUL TENANT, FOR INITIAL INTERIOR INSPECTIONS PURSUANT TO ISSUANCE OF A WARRANT, INITIAL ANNUAL INSPECTION PURSUANT TO A RESIDENTIAL RENTAL INSPECTION PROGRAM OR FOR AN INITIAL FOLLOW-UP INSPECTION WHERE ALL BUILDING CODE VIOLATIONS IDENTIFIED TO THE PROPERTY OWNER WITH A WRITTEN NOTICE OR CITATION HAVE BEEN CORRECTED.

B. A CITY OR TOWN MAY CHARGE A REASONABLE FEE:

1. FOR EACH SUBSEQUENT FOLLOW-UP INTERIOR OR EXTERIOR INSPECTION TO ENSURE COMPLIANCE WITH A CITATION OR NOTICE ISSUED FOR VIOLATIONS OF THE BUILDING CODE THAT MATERIALLY AFFECT THE HEALTH AND SAFETY OF RESIDENTS.

2. IF AN OWNER FAILS TO CORRECT A VIOLATION FOR WHICH A NOTICE OR CITATION HAS BEEN ISSUED AND THE OWNER HAS BEEN GIVEN ADEQUATE TIME TO CORRECT THE VIOLATION. FOR THE PURPOSES OF THIS PARAGRAPH, ADEQUATE TIME SHALL BE NO LESS THAN FIFTEEN CALENDAR DAYS. FOR THE PURPOSE OF THIS SECTION, A REASONABLE FEE MAY INCLUDE THE COSTS INCURRED BY THE CITY OR TOWN FOR ALL RELATED INSPECTIONS PRIOR TO THE FAILURE OF THE OWNER TO CORRECT IDENTIFIED VIOLATIONS.

C. NOTWITHSTANDING SUBSECTION B, A VIOLATION OF THE BUILDING CODE THAT IMMEDIATELY THREATENS THE HEALTH AND SAFETY OF OCCUPANTS SHALL BE CITED AND REPAIRED IMMEDIATELY.

Sec. 2. Section 33-1247, Arizona Revised Statutes, is amended to read:

33-1247. Upkeep of the condominium

A. Except to the extent provided by the declaration, subsection ~~B~~ C of this section or section 33-1253, subsection B, the association is responsible for maintenance, repair and replacement of the common elements and each unit owner is responsible for maintenance, repair and replacement of ~~his~~ THE unit. On reasonable notice, each unit owner shall afford to the association and the other unit owners, and to their agents or employees, access through ~~his~~ THE unit reasonably necessary for those purposes. If damage is inflicted on the common elements or any unit through which access is taken, the unit owner responsible for the damage, or the association if it is responsible, is liable for the prompt repair of the damage.

B. FOR ANY RESIDENTIAL RENTAL UNITS THAT HAVE BEEN DECLARED A SLUM PROPERTY BY THE CITY OR TOWN PURSUANT TO SECTION 33-1905 AND THAT ARE IN THE CONDOMINIUM COMPLEX, THE ASSOCIATION IS RESPONSIBLE FOR ENFORCING ANY REQUIREMENT FOR A LICENSED PROPERTY MANAGEMENT FIRM THAT IS IMPOSED BY A CITY OR TOWN PURSUANT TO SECTION 33-1906.

~~B.~~ C. In addition to the liability borne by the declarant as a unit owner under this chapter, the declarant alone is liable for the maintenance, repair and replacement of any portion of the common elements which the declarant reserves the right to withdraw from the condominium, as long as ~~he~~ THE UNIT OWNER maintains that right.

Sec. 3. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1814, to read:

33-1814. Slum property; professional management

FOR ANY RESIDENTIAL RENTAL UNITS THAT HAVE BEEN DECLARED A SLUM PROPERTY BY THE CITY OR TOWN PURSUANT TO SECTION 33-1905 AND THAT ARE IN THE PLANNED COMMUNITY, THE ASSOCIATION IS RESPONSIBLE FOR ENFORCING ANY REQUIREMENT FOR A LICENSED PROPERTY MANAGEMENT FIRM THAT IS IMPOSED BY A CITY OR TOWN PURSUANT TO SECTION 33-1906.

Sec. 4. Section 33-1902, Arizona Revised Statutes, is amended to read:

33-1902. Residential rental property; recording with the assessor; agent designation; civil penalty

A. An owner of residential rental property shall maintain with the assessor in the county where the property is located information required by this section in a manner to be determined by the assessor. The owner shall update any information required by this section within ten days after a change in the information occurs. The following information shall be maintained:

1. The name, address and telephone number of the property owner.

2. If the property is owned by a corporation, limited liability company, partnership, limited partnership, trust or real estate investment trust, the name, address and telephone number of any of the following:

(a) For a corporation, a corporate officer.

(b) For a partnership, a general partner.

(c) For a limited liability company, the managing or administrative member.

(d) For a limited partnership, a general partner.

(e) For a trust, a trustee.

(f) For a real estate investment trust, a general partner or an officer.

3. The street address and parcel number of the property.

4. The year the building was built.

B. An owner of residential rental property who lives outside this state shall designate and record with the assessor a statutory agent who lives in this state and who will accept legal service on behalf of the owner. The owner shall designate the agent in a manner to be determined by the assessor. The information shall include the name, address and telephone number of the agent.

C. Residential rental property shall not be occupied if the information required by this section is not on file with the county assessor. If the owner has not filed the information required by this section with the county assessor and the residential rental property is occupied by a tenant and the tenant chooses to terminate the tenancy, the tenant shall deliver to the landlord, owner or managing agent of the property a written ten day notice to comply with this section. The notice shall be delivered by certified mail, return receipt requested, or by hand delivery. If the owner

1 does not comply with this section within ten days after receipt of the
2 notice, the tenant may terminate the rental agreement and the landlord shall
3 return all prepaid rent to the tenant. Security deposits shall be returned
4 in accordance with section 33-1321, subsection D. The landlord shall return
5 those monies by certified mail, return receipt requested, or by hand delivery
6 to the tenant within ten days after the termination of the rental
7 agreement. This subsection applies to any existing lease and to any new
8 lease after ~~the effective date of this amendment to this section~~ AUGUST 25,
9 2004. Notwithstanding this subsection, an owner is in compliance with this
10 subsection only if the owner had filed the information required by subsection
11 A of this section with the county assessor.
12 D. All records, files and documents that are required by this section
13 are public records.
14 E. FOR RESIDENTIAL RENTAL PROPERTY THAT IS ACQUIRED BY AN OWNER AFTER
15 THE DATE OF THE NOTICE OF ASSESSED VALUATION AND THE NOTICE PRESCRIBED BY
16 SECTION 42-15103 AND UNTIL THE ISSUANCE OF THE NEXT NOTICE OF ASSESSED
17 VALUATION, A CITY OR TOWN SHALL ASSESS A CIVIL PENALTY OF ONE THOUSAND
18 DOLLARS AGAINST a person who fails to comply with this section ~~shall be~~
19 ~~assessed a civil penalty of one thousand dollars~~, plus an additional one
20 hundred dollars for each month after the date of the original violation until
21 compliance occurs. The court shall not suspend any portion of the civil
22 penalty provided by this subsection.
23 F. Notwithstanding subsection E of this section, if a person complies
24 within ten days after receiving the complaint that notices the violation, the
25 court shall dismiss the complaint and shall not impose a civil penalty.
26 G. EXCEPT FOR NEWLY ACQUIRED RESIDENTIAL RENTAL PROPERTY AS PRESCRIBED
27 BY SUBSECTION E OF THIS SECTION, IF A RESIDENTIAL RENTAL PROPERTY OWNER FAILS
28 TO REGISTER WITH THE COUNTY ASSESSOR AS PRESCRIBED BY THIS SECTION, THE CITY
29 OR TOWN MAY IMPOSE A CIVIL PENALTY IN THE AMOUNT OF ONE HUNDRED FIFTY DOLLARS
30 PER DAY FOR EACH DAY OF VIOLATION AFTER THE DATE OF THE MOST RECENT NOTICE OF
31 ASSESSED VALUATION AND THE NOTICE PRESCRIBED BY SECTION 42-15103. IF A
32 PERSON COMPLIES WITHIN TEN DAYS AFTER RECEIVING THE NOTICE FROM THE COUNTY
33 ASSESSOR, THE COURT SHALL DISMISS THE COMPLAINT AND SHALL NOT IMPOSE A CIVIL
34 PENALTY.
35 ~~G.~~ H. In carrying out this section, the county assessor shall have
36 immunity as provided in section 12-820.01.
37 I. THE COUNTY ASSESSOR MAY ASSESS A FEE OF NOT MORE THAN TEN DOLLARS
38 FOR EACH INITIAL REGISTRATION AND EACH CHANGE OF INFORMATION IN THE REGISTRY.
39 J. ON REQUEST FROM A CITY OR TOWN THE COUNTY ASSESSOR SHALL PROVIDE
40 THE MOST CURRENT LIST OF ALL REGISTERED RENTAL PROPERTY OWNERS WITHIN THE
41 CITY'S OR TOWN'S BOUNDARIES.

Sec. 5. Title 33, chapter 17, article 1, Arizona Revised Statutes, is amended by adding section 33-1906, to read:

33-1906. Licensed property management company; training program

A CITY OR TOWN MAY REQUIRE A RESIDENTIAL RENTAL PROPERTY OWNER WHOSE PROPERTY HAS BEEN DESIGNATED AS A SLUM OR EXHIBITS THE CRITERIA PRESCRIBED IN SECTION 9-1305, RELATING TO VIOLATIONS THAT MATERIALLY AFFECT THE HEALTH AND SAFETY OF THE OCCUPANTS OF THE PROPERTY, TO HIRE A PROPERTY MANAGEMENT FIRM THAT IS REGULATED PURSUANT TO TITLE 32, CHAPTER 20, ARTICLE 3.1 TO MANAGE THE PROPERTY, PARTICIPATE IN THE CITY OR TOWN'S CRIME FREE MULTIHOUSING PROGRAM, IF APPLICABLE, AND ATTEND CITY OR TOWN APPROVED LANDLORD TENANT TRAINING CLASSES IF AVAILABLE FROM THE CITY OR TOWN. THE CITY OR TOWN MAY ALSO REQUIRE THE PROPERTY OWNER TO PARTICIPATE IN COMPARABLE TRAINING PROVIDED BY A NONPROFIT CORPORATION THAT IS DESIGNATED AS A SECTION 501(c)(3), 501(c)(4), 501(c)(5) OR 501(c)(6) CORPORATION AND THAT IS CERTIFIED BY THE CITY OR TOWN TO PROVIDE THAT TRAINING. THIS SHALL NOT APPLY TO MOBILE HOME PARKS WHICH ARE IN COMPLIANCE WITH SECTION 33-1437.

Sec. 6. Section 42-15103, Arizona Revised Statutes, is amended to read:

42-15103. Contents of notice form

The notice form shall:

1. Prominently display a statement informing property owners that if a parcel of property is used as a rental unit and the property is listed on the notice as class three pursuant to section 42-12003, the owner must notify the county assessor of the rental use of the property or be subject to a civil penalty prescribed by section 42-12052.

2. Include a form with instructions on the procedure and deadlines for appealing the assessed valuation shown on the notice. The appeal form for property that is listed as class three pursuant to section 42-12003 shall contain simplified instructions and shall be separate from the appeal form for other classes of property.

3. PROVIDE IN A SEPARATE ADDENDUM A STATEMENT INFORMING PROPERTY OWNERS OF ALL OF THE FOLLOWING:

(a) IF A PARCEL OF PROPERTY IS USED FOR RESIDENTIAL RENTAL PURPOSES, THE PARCEL MUST BE LISTED ON THE NOTICE AS CLASS FOUR, AND THE OWNER MUST REGISTER THE RESIDENTIAL RENTAL PROPERTY WITH THE COUNTY ASSESSOR PURSUANT TO SECTION 33-1902 OR THE OWNER MAY BE SUBJECT TO A PENALTY.

(b) IF THE OWNER IS REQUIRED TO REGISTER THE RENTAL PROPERTY WITH THE COUNTY ASSESSOR AND FAILS TO DO SO AFTER RECEIPT OF THIS NOTICE, THE CITY OR TOWN MAY IMPOSE A CIVIL PENALTY PAYABLE TO THE CITY OR TOWN IN THE AMOUNT OF ONE HUNDRED FIFTY DOLLARS PER DAY FOR EACH DAY OF VIOLATION, AND THE CITY OR TOWN MAY IMPOSE ENHANCED INSPECTION AND ENFORCEMENT MEASURES ON THE PROPERTY.

1 (c) IF THE CITY OR TOWN IN WHICH THE PROPERTY IS LOCATED REQUIRES THE
2 LESSOR TO PAY TRANSACTION PRIVILEGE TAX ON RESIDENTIAL RENT, A NOTICE OF
3 APPLICABLE REQUIREMENTS IMPOSED BY THE CITY OR TOWN AND THAT FAILURE TO PAY
4 THE APPLICABLE SALES TAX COULD RESULT IN A PENALTY OR FINE BY THE CITY OR
5 TOWN.
6 (d) A NOTICE THAT RESIDENTIAL RENTAL PROPERTIES ARE REQUIRED TO COMPLY
7 WITH THE LANDLORD TENANT LAW PURSUANT TO TITLE 33, CHAPTERS 10 AND 11.

APPROVED BY THE GOVERNOR MAY 19, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 19, 2006.