

Senate Engrossed

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
Senate  
Forty-ninth Legislature  
Second Regular Session  
2010

CHAPTER 79

# **SENATE BILL 1176**

AN ACT

AMENDING SECTION 32-2176, ARIZONA REVISED STATUTES; RELATING TO FINDER FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-2176, Arizona Revised Statutes, is amended to  
3 read:

4 32-2176. Payment of finder fees to apartment tenants; limits;  
5 prohibited activities; civil penalty; definitions

6 A. Notwithstanding sections 32-2155, 32-2163 and 32-2165 or any other  
7 provision of this chapter, a property management firm or a property owner  
8 may:

9 1. Pay a finder fee to an unlicensed person who is a tenant in an  
10 apartment complex managed by the firm or owned by the owner.

11 2. Authorize a residential leasing agent or manager to deliver a  
12 finder fee to an unlicensed person who is a tenant in an apartment complex  
13 managed by the residential leasing agent or manager. A residential leasing  
14 agent or manager may not receive a finder fee. This prohibition does not  
15 affect the ability of a residential leasing agent or manager to receive a  
16 bonus pursuant to section 32-2121, subsection A, paragraph 6.

17 B. A finder fee paid pursuant to this section shall not exceed a ~~one~~  
18 TWO hundred dollar credit toward or reduction in the tenant's monthly rent.  
19 A tenant may receive a ~~MULTIPLE~~ finder fee FEES pursuant to this section up  
20 to ~~six~~ FIVE times in any twelve month period.

21 C. A TENANT SHALL LIMIT THE TENANT'S ACTIVITIES PURSUANT TO THIS  
22 SECTION TO REFERRING PROSPECTIVE LESSEES TO THE OWNER OR THE OWNER'S AGENT  
23 AND SHALL NOT DO ANY OF THE FOLLOWING:

24 1. SHOW A RESIDENTIAL DWELLING UNIT TO A PROSPECTIVE LESSEE.

25 2. DISCUSS TERMS OR CONDITIONS OF LEASING A DWELLING UNIT WITH A  
26 PROSPECTIVE LESSEE.

27 3. PARTICIPATE IN THE NEGOTIATION OF THE LEASING OF A DWELLING UNIT.

28 ~~C.~~ D. Nothing in this section permits an unlicensed person to  
29 advertise or otherwise promote the person's services in procuring or  
30 assisting to procure prospective lessors or tenants of apartment units.

31 E. FOR A LICENSEE WHO PAYS A FINDER FEE IN VIOLATION OF THIS SECTION,  
32 FOR EACH VIOLATION THE DEPARTMENT MAY SUSPEND OR REVOKE THE LICENSEE'S  
33 LICENSE OR IMPOSE A CIVIL PENALTY PURSUANT TO SECTION 32-2153.

34 ~~D.~~ F. For the purposes of this section:

35 1. "Finder fee" means a fee paid to a person for introducing or  
36 arranging an introduction between the parties to a transaction involving the  
37 rental of an apartment unit.

38 2. "Property owner" means a person who is exempt from the licensing  
39 requirements of this chapter pursuant to section 32-2121, subsection A,  
40 paragraph 1.

41 3. "Residential leasing agent or manager" has the same meaning  
42 prescribed in section 32-2121, subsection A, paragraph 6.

~~APPROVED BY THE GOVERNOR APRIL 16, 2010.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 19, 2010.~~

Passed the House April 8, 2010,

by the following vote: 36 Ayes,

19 Nays, 5 Not Voting

[Signature]  
Speaker of the House

Cheryl Laube  
Chief Clerk of the House

Passed the Senate February 15, 2010,

by the following vote: 26 Ayes,

4 Nays, 0 Not Voting

[Signature]  
President of the Senate

Charmian Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this  
12<sup>th</sup> day of April, 2010

at 1:25 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 16<sup>th</sup> day of

April, 2010,

at 4:40 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 19<sup>th</sup> day of April, 2010,

at 11:40 o'clock A. M.

[Signature]  
Secretary of State

S.B. 1176  
Third Reading