

House Engrossed

wholesale real estate buyers; disclosure

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 170
HOUSE BILL 2747

AN ACT

AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 15.1;
RELATING TO SALES OF PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 44, Arizona Revised Statutes, is amended by adding
3 chapter 15.1, to read:

4 CHAPTER 15.1

5 RESIDENTIAL PROPERTY

6 ARTICLE 1. GENERAL PROVISIONS

7 44-5101. Wholesale buyers; wholesale sellers; disclosure;
8 unlawful practice; definitions

9 A. BEFORE THE PARTIES ENTER INTO ANY BINDING AGREEMENT:

10 1. A WHOLESALER BUYER OF RESIDENTIAL REAL PROPERTY SHALL DISCLOSE IN
11 WRITING TO THE SELLER THAT THE BUYER IS A WHOLESALER BUYER.

12 2. A WHOLESALER SELLER OF RESIDENTIAL REAL PROPERTY SHALL DISCLOSE
13 IN WRITING TO THE BUYER THAT THE SELLER IS A WHOLESALER SELLER THAT HOLDS
14 AN EQUITABLE INTEREST IN THE REAL PROPERTY AND THAT THE WHOLESALER SELLER
15 MAY NOT BE ABLE TO CONVEY TITLE TO THE PROPERTY.

16 B. NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED IN THE CONTRACT
17 FOR SALE, IF A WHOLESALER BUYER VIOLATES THIS SECTION, THE SELLER MAY
18 CANCEL THE CONTRACT FOR SALE AT ANY TIME PRIOR TO THE CLOSE OF ESCROW
19 WITHOUT PENALTY AND MAY RETAIN ANY EARNEST MONEY PAID BY THE WHOLESALER
20 BUYER.

21 C. NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED IN THE CONTRACT
22 FOR SALE, IF A WHOLESALER SELLER VIOLATES THIS SECTION, THE BUYER MAY
23 CANCEL THE CONTRACT FOR SALE AT ANY TIME PRIOR TO THE CLOSE OF ESCROW
24 WITHOUT PENALTY AND SHALL BE REFUNDED ALL EARNEST MONEY PAID BY THE BUYER.

25 D. FOR THE PURPOSES OF THIS SECTION:

26 1. "RESIDENTIAL REAL PROPERTY" MEANS REAL PROPERTY WITH FEWER THAN
27 FIVE DWELLING UNITS.

28 2. "WHOLESALER BUYER" MEANS A PERSON OR ENTITY THAT ENTERS INTO A
29 PURCHASE CONTRACT FOR RESIDENTIAL REAL PROPERTY AS THE BUYER AND ASSIGNS
30 THAT SAME CONTRACT TO ANOTHER PERSON OR ENTITY.

31 3. "WHOLESALER SELLER" MEANS A PERSON OR ENTITY THAT ENTERS INTO A
32 PURCHASE CONTRACT FOR RESIDENTIAL REAL PROPERTY AS THE SELLER, THAT DOES
33 NOT HOLD LEGAL TITLE TO THAT REAL PROPERTY AND THAT ASSIGNS THAT SAME
34 CONTRACT TO ANOTHER PERSON OR ENTITY.

APPROVED BY THE GOVERNOR APRIL 22, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 22, 2022.