

House Engrossed

wholesale real estate buyers; disclosure

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

# 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.