

REFERENCE TITLE: right to redeem; foreclosure; sale

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1431

Introduced by
Senator Mesnard

AN ACT

AMENDING SECTIONS 42-18152, 42-18204 AND 42-18205, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 42-18152, Arizona Revised Statutes, is amended
3 to read:

4 42-18152. When lien may be fully redeemed; partial payment
5 refund

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

7 1. Within three years after the date of TAX LIEN sale.

8 2. After three years but before the delivery of a treasurer's deed
9 to the ~~purchaser~~ CERTIFICATE OF PURCHASE HOLDER or the ~~purchaser's~~
10 CERTIFICATE OF PURCHASE HOLDER'S heirs or assigns OR THE SALE OF THE
11 PROPERTY FOR EXCESS PROCEEDS PURSUANT TO ARTICLE 6 OF THIS CHAPTER.

12 B. A lien that has been partially redeemed under section 42-18056,
13 subsection C must be fully redeemed before the delivery of a treasurer's
14 deed to the purchaser.

15 C. The county treasurer shall refund all partial payment amounts
16 impounded under section 42-18056, subsection E, ~~to~~ the person or persons
17 or their heirs or assigns within thirty days after delivering the
18 treasurer's deed to the purchaser OR THE SALE OF THE PROPERTY FOR EXCESS
19 PROCEEDS PURSUANT TO ARTICLE 6 OF THIS CHAPTER. .

20 Sec. 2. Section 42-18204, Arizona Revised Statutes, is amended to
21 read:

22 42-18204. Judgment foreclosing right to redeem; effect

23 A. In an action to foreclose the right to redeem: ~~;~~

24 1. If the court finds that the TAX LIEN sale is valid, ~~and that~~ the
25 tax lien has not been redeemed AND THE DEFENDANT'S REQUEST FOR AN EXCESS
26 PROCEEDS SALE IS UNREASONABLE OR THE DEFENDANT DID NOT REQUEST AN EXCESS
27 PROCEEDS SALE, the court shall enter judgment:

28 ~~1.~~ (a) Foreclosing the right of the defendant to redeem.

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

33 2. IF THE COURT FINDS THAT THE TAX LIEN SALE IS VALID, THE TAX LIEN
34 HAS NOT BEEN REDEEMED AND THE DEFENDANT'S REQUEST FOR AN EXCESS PROCEEDS
35 SALE IS REASONABLE, THE COURT SHALL ENTER JUDGMENT:

36 (a) FORECLOSING THE RIGHT OF THE DEFENDANT TO REDEEM.

37 (b) DIRECTING THE SALE OF THE PROPERTY PURSUANT TO ARTICLE 6 OF
38 THIS CHAPTER.

39 (c) SETTING THE OPENING BID FOR THE PROPERTY AS THE TOTAL OF THE
40 AMOUNTS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

41 B. A PROPERTY OWNER WHOSE RIGHT TO REDEEM IS BEING FORECLOSED MAY
42 REQUEST THE COURT TO DETERMINE IF THE SALE OF THE PROPERTY TO RECOVER
43 EXCESS PROCEEDS IS REASONABLE. THE COURT SHALL DETERMINE THAT THE SALE OF
44 THE PROPERTY FOR EXCESS PROCEEDS IS REASONABLE IF THE SALE PRICE OF THE
45 PROPERTY IS LIKELY TO BE MORE THAN A DE MINIMIS AMOUNT ABOVE THE TOTAL OF

1 THE AMOUNTS DESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION. IF A REQUEST IS
2 MADE FOR AN EXCESS PROCEEDS SALE, THE FOLLOWING INFORMATION SHALL BE
3 PROVIDED TO THE COURT FOR THE PURPOSES OF DETERMINING IF AN EXCESS
4 PROCEEDS SALE IS REASONABLE:

5 1. THE CERTIFICATE OF PURCHASE HOLDER SHALL PROVIDE ALL OF THE
6 FOLLOWING:

7 (a) THE COSTS RELATED TO FILING THE CLAIM TO FORECLOSE THE RIGHT TO
8 REDEEM, INCLUDING ESTIMATED ATTORNEY FEES AND COSTS TO BE INCURRED THROUGH
9 THE DATE OF THE EXCESS PROCEEDS SALE, IF ORDERED.

10 (b) THE AMOUNT FOR WHICH THE REAL PROPERTY TAX LIEN WAS SOLD, WITH
11 INTEREST AT A RATE OF SIXTEEN PERCENT PER ANNUM FROM THE DATE OF THE TAX
12 LIEN SALE THROUGH THE DATE OF THE EXCESS PROCEEDS SALE, IF ORDERED.

13 (c) THE AMOUNT OF ANY STATUTORY FEES THE CERTIFICATE OF PURCHASE
14 HOLDER PAID IN CONNECTION WITH THE CERTIFICATE OF PURCHASE, EXCEPT THE
15 PROCESSING FEE IMPOSED BY SECTION 42-18116, SUBSECTION C, WITH INTEREST AT
16 A RATE OF SIXTEEN PERCENT PER ANNUM FROM THE DATE OF THE TAX LIEN SALE
17 THROUGH THE DATE OF THE EXCESS PROCEEDS SALE, IF ORDERED.

18 (d) THE COSTS RELATED TO ANY TITLE SEARCHES THAT THE CERTIFICATE OF
19 PURCHASE HOLDER INCURRED TO COMPLY WITH THIS SUBSECTION.

20 (e) AN INDEPENDENT APPRAISAL OF THE PROPERTY.

21 (f) THE AMOUNT OF ALL OTHER RECORDED LIENS OR ENCUMBRANCES ON THE
22 PROPERTY AS INDICATED ON A TITLE REPORT PROVIDED BY THE CERTIFICATE OF
23 PURCHASE HOLDER, INCLUDING OTHER YEARS IN WHICH TAXES ARE DELINQUENT. FOR
24 THE PURPOSES OF THIS SUBDIVISION, THE CERTIFICATE OF PURCHASE HOLDER DOES
25 NOT HAVE TO DETERMINE THE ACTUAL BALANCE OWED ON ANY LIEN OR ENCUMBRANCE
26 ON THE PROPERTY, EXCEPT FOR PROPERTY TAXES OWED.

27 (g) THE ESTIMATED COST OF THE SALE OF PROPERTY PURSUANT TO ARTICLE
28 6 OF THIS CHAPTER.

29 (h) ANY OTHER EVIDENCE RELATING TO THE VALUE OF THE PROPERTY OR
30 OBJECTING TO THE EXCESS PROCEEDS SALE THAT THE CERTIFICATE OF PURCHASE
31 HOLDER DEEMS NECESSARY.

32 2. THE PROPERTY OWNER WHOSE RIGHT TO REDEEM IS BEING FORECLOSED
33 SHALL PROVIDE A REASONABLE ESTIMATE OF THE MARKET VALUE OF THE PROPERTY.

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

38 ~~C.~~ D. The foreclosure of the right to redeem does not extinguish
39 any OF THE FOLLOWING:

40 1. AN easement on or appurtenant to the property.

41 ~~D. The foreclosure of the right to redeem does not extinguish any~~

42 2. A lien for an assessment levied pursuant to title 48, chapter 4,
43 6, 14 or 18, or section 9-276. FOR THE PURPOSES OF THIS PARAGRAPH,
44 ASSESSMENT DOES NOT INCLUDE AN ABATEMENT LIEN IMPOSED UNDER SECTION 9-499.

1 3. IF THE COURT FINDS THAT THE REQUEST FOR AN EXCESS PROCEEDS SALE
2 IS REASONABLE, THE PROPERTY OWNER'S INTEREST IN THE EXCESS PROCEEDS FROM
3 THE SALE OF THE PROPERTY PURSUANT TO ARTICLE 6 OF THIS CHAPTER.

4 Sec. 3. Section 42-18205, Arizona Revised Statutes, is amended to
5 read:

6 42-18205. County treasurer's deed; form

7 A. On receiving a certified copy of a judgment foreclosing the
8 right to redeem ISSUED PURSUANT TO SECTION 42-18204, SUBSECTION A,
9 PARAGRAPH 1 and a fee of ~~fifty dollars~~ \$50 per parcel, the county
10 treasurer shall execute and deliver to the party in whose favor the
11 judgment was entered a deed conveying the property described in the
12 judgment.

13 B. The deed shall include the following information:

- 14 1. The date, court action number and name of the judgment.
- 15 2. The name of the purchaser.
- 16 3. The property description.
- 17 4. The date of the conveyance.
- 18 5. A formal acknowledgment by the treasurer.

19 Sec. 4. Title 42, chapter 18, Arizona Revised Statutes, is amended
20 by adding article 6, to read:

21 ARTICLE 6. SALE OF PROPERTY FOR EXCESS PROCEEDS

22 42-18231. Definition of qualified entity

23 FOR THE PURPOSES OF THIS ARTICLE, "QUALIFIED ENTITY" MEANS AN
24 ASSOCIATION OR CORPORATION DOING BUSINESS IN THIS STATE AS A BANK PURSUANT
25 TO TITLE 6, CHAPTER 2, CREDIT UNION PURSUANT TO TITLE 6, CHAPTER 4,
26 CONSUMER LENDER PURSUANT TO TITLE 6, CHAPTER 5, ESCROW AGENT PURSUANT TO
27 TITLE 6, CHAPTER 7, INSURANCE COMPANY PURSUANT TO TITLE 20 OR LAW FIRM.

28 42-18232. Notice of sale

29 A. THE QUALIFIED ENTITY CONDUCTING THE SALE OF THE PROPERTY SHALL
30 PROVIDE NOTICE OF THE TIME AND PLACE OF THE SALE, A DESCRIPTION OF THE
31 PROPERTY TO BE SOLD AND THE AMOUNT OF THE OPENING BID BY EACH OF THE
32 FOLLOWING METHODS:

- 33 1. RECORDING A NOTICE IN THE OFFICE OF THE RECORDER OF EACH COUNTY
34 WHERE THE PROPERTY IS SITUATED.
- 35 2. POSTING A COPY OF THE NOTICE OF SALE IN A CONSPICUOUS PLACE ON
36 THE PROPERTY TO BE SOLD AT LEAST TWENTY DAYS BEFORE THE SALE. IF ACCESS
37 TO THE PROPERTY IS DENIED BECAUSE A COMMON ENTRANCE TO THE PROPERTY IS
38 RESTRICTED BY A LIMITED ACCESS GATE OR SIMILAR IMPEDIMENT, THE NOTICE
39 SHALL BE POSTED AT THAT GATE OR IMPEDIMENT.
- 40 3. POSTING AT ONE OF THE PLACES PROVIDED FOR POSTING PUBLIC NOTICES
41 AT ANY BUILDING THAT SERVES AS A LOCATION OF THE SUPERIOR COURT IN THE
42 COUNTY WHERE THE PROPERTY IS TO BE SOLD.

1 4. PUBLISHING THE NOTICE OF SALE IN A NEWSPAPER OF GENERAL
2 CIRCULATION IN THE COUNTY IN WHICH THE PROPERTY TO BE SOLD IS
3 SITUATED. THE NOTICE OF SALE SHALL BE PUBLISHED AT LEAST ONCE A WEEK FOR
4 FOUR CONSECUTIVE WEEKS. THE LAST DATE OF PUBLICATION MAY NOT BE LESS THAN
5 TEN DAYS BEFORE THE DATE OF SALE. THE NEWSPAPER THAT PUBLISHES THE NOTICE
6 SHALL ALSO POST THE NOTICE ON A WEBSITE THAT POSTS THE LEGAL NOTICES OF
7 TEN OR MORE ARIZONA NEWSPAPERS.

8 5. CERTIFIED MAIL TO ALL OF THE FOLLOWING:

9 (a) THE PROPERTY OWNERS NOTIFIED PURSUANT TO SECTION 42-18202.

10 (b) ANY LIENHOLDER OF RECORD THAT HAS RECORDED A LIEN AGAINST THE
11 PROPERTY IF AN ADDRESS APPEARS ON THE RECORDED LIEN.

12 (c) ANY MORTGAGEE OF RECORD IF AN ADDRESS APPEARS ON THE RECORDED
13 MORTGAGE.

14 (d) ANY VENDEE OF A RECORDED CONTRACT FOR DEED IF AN ADDRESS
15 APPEARS ON THE RECORDED CONTRACT.

16 (e) ANY PERSON TO WHOM THE PROPERTY WAS ASSESSED ON THE TAX ROLL
17 FOR THE YEAR IN WHICH THE PROPERTY WAS LAST ASSESSED.

18 (f) ANY LIENHOLDER OF RECORD THAT HAS RECORDED A LIEN AGAINST A
19 MOBILE HOME THAT IS LOCATED ON THE PROPERTY TO THE ADDRESS AS IT APPEARS
20 ON THE RECORDED LIEN.

21 (g) ANY LEGAL TITLEHOLDER OF RECORD OF PROPERTY THAT IS CONTIGUOUS
22 TO THE PROPERTY DESCRIBED IN THE CERTIFICATE OF PURCHASE IF THE PROPERTY
23 DESCRIBED IS SUBMERGED LAND OR COMMON ELEMENTS OF A SUBDIVISION AND IF THE
24 ADDRESS OF THE TITLEHOLDER OF THE CONTIGUOUS PROPERTY APPEARS ON THE
25 RECORD OF CONVEYANCE OF THE PROPERTY TO THE LEGAL TITLEHOLDER. FOR THE
26 PURPOSES OF THIS SUBDIVISION, "CONTIGUOUS":

27 (i) MEANS TOUCHING, MEETING OR JOINING AT THE SURFACE OR BORDER,
28 OTHER THAN AT A CORNER OR A SINGLE POINT, AND NOT SEPARATED BY SUBMERGED
29 LANDS.

30 (ii) DOES NOT INCLUDE SUBMERGED LANDS THAT LIE BELOW THE ORDINARY
31 HIGH-WATER MARK AND THAT ARE SOVEREIGN LANDS.

32 6. POSTING ON A MULTIPLE LISTING SERVICE FOR AT LEAST THIRTY DAYS
33 BEFORE THE DATE OF THE SALE.

34 B. THE NOTICE OF SALE SHALL CONTAIN:

35 1. THE DATE, TIME AND PLACE OF THE SALE. THE DATE, TIME AND PLACE
36 SHALL BE SET PURSUANT TO SECTION 42-18233. THE DATE MAY NOT BE EARLIER
37 THAN THE SIXTIETH DAY AFTER THE DATE THAT THE NOTICE OF SALE WAS RECORDED.

38 2. THE STREET ADDRESS, IF ANY, OR IDENTIFIABLE LOCATION AS WELL AS
39 THE LEGAL DESCRIPTION OF THE PROPERTY.

40 3. THE COUNTY ASSESSOR'S TAX PARCEL NUMBER FOR THE PROPERTY.

41 4. THE AMOUNT OF THE OPENING BID. THE OPENING BID SHALL BE SET
42 PURSUANT TO SECTION 42-18204.

43 5. THE TELEPHONE NUMBER OF THE QUALIFIED ENTITY CONDUCTING THE
44 SALE.

1 C. THE NOTICE OF SALE IS SUFFICIENT IF MADE IN SUBSTANTIALLY THE
2 FOLLOWING FORM:

3 NOTICE OF SALE FOR EXCESS PROCEEDS

4 THERE ARE UNPAID TAXES ON THE PROPERTY LOCATED AT
5 (ADDRESS) THAT YOU MAY OWN OR HAVE A LEGAL INTEREST IN OR THAT
6 MAY BE CONTIGUOUS TO YOUR PROPERTY. THE PROPERTY WILL BE SOLD
7 AT PUBLIC AUCTION AT (SPECIFIC PLACE OF SALE) ON (DATE AND
8 TIME) AND THAT SALE WILL BE FINAL UNLESS THE OUTSTANDING TAXES
9 ARE PAID. THE OPENING BID AT THE PUBLIC AUCTION IS (OPENING
10 BID AMOUNT).

11 TO MAKE PAYMENT OR TO RECEIVE FURTHER INFORMATION,
12 CONTACT THE (COUNTY) COUNTY TREASURER IMMEDIATELY AT (ADDRESS)
13 OR (TELEPHONE NUMBER) OR THE (QUALIFIED ENTITY) AT (ADDRESS)
14 OR (TELEPHONE NUMBER).

15 (DATE)

16 (ACKNOWLEDGMENT)

17 LEGAL DESCRIPTION OF PROPERTY TO BE SOLD:

18 (STREET ADDRESS, IF ANY, OR IDENTIFIABLE

19 LOCATION OF PROPERTY)

20 (LEGAL DESCRIPTION OF PROPERTY)

21 (TAX PARCEL NUMBER)

22 D. ANY ERROR OR OMISSION IN THE INFORMATION REQUIRED BY SUBSECTION
23 B OR C OF THIS SECTION, OTHER THAN AN ERROR IN THE LEGAL DESCRIPTION OF
24 THE PROPERTY OR AN ERROR IN THE DATE, TIME OR PLACE OF SALE, DOES NOT
25 INVALIDATE THE SALE. ANY ERROR IN THE LEGAL DESCRIPTION OF THE PROPERTY
26 DOES NOT INVALIDATE THE SALE IF, CONSIDERED AS A WHOLE, THE INFORMATION
27 PROVIDED IS SUFFICIENT TO IDENTIFY THE PROPERTY BEING SOLD. IF THERE IS
28 AN ERROR OR OMISSION IN THE LEGAL DESCRIPTION SO THAT THE PROPERTY CANNOT
29 BE IDENTIFIED, OR IF THERE IS AN ERROR IN THE DATE, TIME OR PLACE OF SALE,
30 THE QUALIFIED ENTITY SHALL RECORD A CANCELLATION OF NOTICE OF SALE. THE
31 QUALIFIED ENTITY OR ANY PERSON FURNISHING INFORMATION TO THE QUALIFIED
32 ENTITY IS NOT SUBJECT TO LIABILITY FOR ANY ERROR OR OMISSION IN THE
33 INFORMATION REQUIRED BY SUBSECTION B OF THIS SECTION EXCEPT FOR THE WILFUL
34 AND INTENTIONAL FAILURE TO PROVIDE SUCH INFORMATION. THIS SUBSECTION DOES
35 NOT APPLY TO CLAIMS MADE BY AN INSURED UNDER ANY POLICY OF TITLE
36 INSURANCE.

37 E. THE NOTICE OF SALE FOR EXCESS PROCEEDS MAY NOT BE RERECORDED FOR
38 ANY REASON. THIS SUBSECTION DOES NOT PROHIBIT THE RECORDING OF A NEW OR
39 SUBSEQUENT NOTICE OF SALE REGARDING THE SAME PROPERTY.

40 42-18233. Date and time of sale

41 THE SALE SHALL BE HELD:

42 1. NOT EARLIER THAN SIXTY DAYS AFTER THE DATE OF A JUDGMENT ENTERED
43 PURSUANT TO SECTION 42-18204, SUBSECTION A, PARAGRAPH 2.

44 2. ON A DAY OTHER THAN A SATURDAY, SUNDAY OR LEGAL HOLIDAY.

45 3. BETWEEN 9:00 A.M. AND 5:00 P.M. MOUNTAIN STANDARD TIME.

1 OBLIGATION OR LIABILITY FOR THE ACCURACY OR COMPLETENESS OF THE
2 INFORMATION. OTHER NOTICE OF THE POSTPONED, CONTINUED OR RELOCATED SALE
3 IS NOT REQUIRED.

4 F. A SALE IS POSTPONED BY OPERATION OF LAW TO THE NEXT BUSINESS DAY
5 AT THE SAME SCHEDULED TIME AND PLACE IF AN ACT OF FORCE MAJEURE PREVENTS
6 ACCESS TO THE SALE LOCATION FOR THE CONDUCT OF THE SALE.

7 42-18235. Payment of bid; qualified entity's deed

8 A. THE HIGHEST BIDDER AT THE SALE, OTHER THAN THE JUDGMENT HOLDER
9 TO THE EXTENT OF THE CREDIT BID, SHALL PAY THE PRICE BID BY NOT LATER THAN
10 5:00 P.M. MOUNTAIN STANDARD TIME OF THE DAY AFTER THE SALE, OTHER THAN A
11 SATURDAY, SUNDAY OR LEGAL HOLIDAY. IF THE HIGHEST BIDDER FAILS TO PAY THE
12 AMOUNT BID FOR THE PROPERTY STRUCK OFF TO THE BIDDER AT THE SALE, THE
13 QUALIFIED ENTITY, IN THE QUALIFIED ENTITY'S SOLE DISCRETION, SHALL EITHER
14 CONTINUE THE SALE TO REOPEN BIDDING OR IMMEDIATELY OFFER THE PROPERTY TO
15 THE SECOND HIGHEST BIDDER WHO MAY PURCHASE THE PROPERTY AT THAT BIDDER'S
16 BID PRICE. THE DEPOSIT OF THE HIGHEST BIDDER WHO FAILS TO PAY THE AMOUNT
17 BID SHALL BE APPLIED TO THE COSTS OF FACILITATING THE SALE AND THE
18 BALANCE, IF ANY, AND TREATED AS ADDITIONAL SALE PROCEEDS TO BE DISTRIBUTED
19 PURSUANT TO SECTION 42-18236, SUBSECTION A. IF THE SECOND HIGHEST BIDDER
20 DOES NOT PAY THAT BIDDER'S BID PRICE BY 5:00 P.M. MOUNTAIN STANDARD TIME
21 OF THE NEXT DAY, EXCLUDING SATURDAYS, SUNDAYS AND LEGAL HOLIDAYS AFTER THE
22 QUALIFIED ENTITY OFFERS THE PROPERTY TO THAT BIDDER, THE QUALIFIED ENTITY
23 SHALL EITHER CONTINUE THE SALE TO REOPEN BIDDING OR OFFER THE PROPERTY TO
24 EACH OF THE PRIOR BIDDERS ON SUCCESSIVE DAYS EXCLUDING SATURDAYS, SUNDAYS
25 AND LEGAL HOLIDAYS IN ORDER OF THEIR HIGHEST BID, UNTIL A BID PRICE IS
26 PAID, OR IF THERE IS NO OTHER BIDDER, THE SALE SHALL BE DEEMED TO BE
27 CONTINUED TO A TIME AND PLACE DESIGNATED BY THE QUALIFIED ENTITY, OR IF
28 NOT DESIGNATED, THE SALE SHALL BE CONTINUED TO THE SAME PLACE AND AT THE
29 SAME TIME TWENTY-EIGHT DAYS AFTER THE LAST SCHEDULED SALE DATE. IF THE
30 TWENTY-EIGHTH DAY IS A SATURDAY, SUNDAY OR LEGAL HOLIDAY, THE SALE SHALL
31 BE CONTINUED TO THE NEXT BUSINESS DAY. IF THE SALE IS CONTINUED, THE
32 QUALIFIED ENTITY SHALL PROVIDE NOTICE OF THE CONTINUATION OF THE SALE BY
33 REGISTERED OR CERTIFIED MAIL, WITH POSTAGE PREPAID, TO ALL BIDDERS WHO
34 PROVIDE THEIR NAMES, ADDRESSES AND TELEPHONE NUMBERS IN WRITING TO THE
35 QUALIFIED ENTITY. IN ADDITION TO THE FORFEIT OF DEPOSIT, A HIGHEST BIDDER
36 WHO FAILS TO PAY THE AMOUNT BID BY THAT BIDDER IS LIABLE TO ANY PERSON WHO
37 SUFFERS LOSS OR EXPENSES AS A RESULT, INCLUDING ATTORNEY FEES. IN ANY
38 SUBSEQUENT SALE OF PROPERTY, THE QUALIFIED ENTITY MAY REFUSE TO ACCEPT ANY
39 BID OF THAT PERSON. IN ANY SALE THAT IS CONTINUED PURSUANT TO THIS
40 SUBSECTION, THE QUALIFIED ENTITY SHALL REJECT A BID FROM ANY PREVIOUS
41 BIDDER WHO ELECTED NOT TO PAY THAT BIDDER'S BID PRICE.

42 B. THE PRICE BID SHALL BE PAID AT THE OFFICE OF THE QUALIFIED
43 ENTITY OR THE QUALIFIED ENTITY'S AGENT, OR ANY OTHER REASONABLE PLACE
44 DESIGNATED BY THE QUALIFIED ENTITY. THE PAYMENT OF THE BID PRICE MAY BE
45 MADE AT A LATER TIME IF AGREED ON IN WRITING BY THE QUALIFIED ENTITY.

1 WITHIN SEVEN BUSINESS DAYS AFTER RECEIPT OF PAYMENT BY THE QUALIFIED
2 ENTITY OR THE QUALIFIED ENTITY'S AGENT, MADE IN A FORM THAT IS
3 SATISFACTORY TO THE QUALIFIED ENTITY, THE QUALIFIED ENTITY SHALL EXECUTE
4 AND SUBMIT THE QUALIFIED ENTITY'S DEED TO THE COUNTY RECORDER FOR
5 RECORDING AND, ON REQUEST, SHALL PROVIDE AN UNRECORDED COPY OF THE SIGNED
6 QUALIFIED ENTITY'S DEED TO THE PURCHASER. THE RECORDING OF THE QUALIFIED
7 ENTITY'S DEED ON SALE CONSTITUTES DELIVERY OF THE DEED TO THE PURCHASER.
8 THE QUALIFIED ENTITY IS NOT LIABLE FOR ANY DAMAGES RESULTING FROM THE
9 FAILURE TO RECORD THE DEED ON SALE AFTER PHYSICAL DELIVERY OF THE DEED TO
10 THE PURCHASER. THE DEED SHALL INCLUDE THE FOLLOWING INFORMATION:

11 1. THE DATE, COURT ACTION NUMBER AND NAME OF THE JUDGMENT ORDERING
12 THE SALE OF THE PROPERTY.

13 2. THE NAME OF THE PURCHASER.

14 3. THE PROPERTY DESCRIPTION.

15 4. THE DATE OF THE CONVEYANCE.

16 5. A FORMAL ACKNOWLEDGMENT BY THE QUALIFIED ENTITY.

17 C. ALL PERSONS TO WHOM THE QUALIFIED ENTITY MAILS A NOTICE OF A
18 SALE PURSUANT TO SECTION 42-18232 SHALL WAIVE ALL DEFENSES AND OBJECTIONS
19 TO THE SALE NOT RAISED IN AN ACTION THAT RESULTS IN AN INJUNCTION BEFORE
20 THE SCHEDULED DATE OF THE SALE. A COPY OF THE INJUNCTION SHALL BE
21 DELIVERED TO THE QUALIFIED ENTITY WITHIN TWENTY-FOUR HOURS AFTER THE ORDER
22 IS ENTERED.

23 D. A SALE IS NOT COMPLETE IF THE SALE VIOLATES SUBSECTION C OF THIS
24 SECTION BECAUSE OF AN UNDISCLOSED ORDER ENTERED BY THE COURT WITHIN THE
25 TIME PROVIDED FOR IN SUBSECTION C OF THIS SECTION. A SALE HELD IN
26 VIOLATION OF SUBSECTION C OF THIS SECTION SHALL BE CONTINUED TO A DATE,
27 TIME AND PLACE ANNOUNCED BY THE QUALIFIED ENTITY AT THE SALE AND SHALL
28 COMPLY WITH SECTION 42-18234. IF NOT ANNOUNCED, THE SALE SHALL BE
29 CONTINUED TO THE SAME PLACE AND AT THE SAME TIME TWENTY-EIGHT DAYS LATER.
30 IF THE TWENTY-EIGHTH DAY FALLS ON A SATURDAY, SUNDAY OR LEGAL HOLIDAY, THE
31 SALE SHALL BE CONTINUED TO THE NEXT BUSINESS DAY.

32 E. THE DEED CONVEYED PURSUANT TO THIS SECTION SHALL OPERATE TO
33 CONVEY TO THE PURCHASER TITLE OF THE PURCHASED PROPERTY. THAT CONVEYANCE
34 SHALL BE ABSOLUTE WITHOUT RIGHT OF REDEMPTION AND CLEAR OF ALL SUBORDINATE
35 LIENS, CLAIMS OR INTERESTS.

36 42-18236. Disposition of proceeds of sale

37 A. THE QUALIFIED ENTITY SHALL DISTRIBUTE THE PROCEEDS OF THE SALE
38 AS FOLLOWS:

39 1. TO THE QUALIFIED ENTITY, AN AMOUNT EQUAL TO THE COST OF
40 FACILITATING THE SALE OF THE PROPERTY, INCLUDING THE COSTS PROVIDING THE
41 NOTICE REQUIRED BY SECTION 42-18232, SUBSECTION A.

42 2. TO THE CERTIFICATE OF PURCHASE HOLDER, AN AMOUNT EQUAL TO THE
43 AMOUNTS PROVIDED IN SECTION 42-18204, SUBSECTION B, PARAGRAPH 1,
44 SUBDIVISIONS (a), (b), (c), (d) AND (e).

1 3. TO OTHER LIEN OR ENCUMBRANCE HOLDERS, AN AMOUNT EQUAL TO THEIR
2 RESPECTIVE LIEN OR ENCUMBRANCE AS INDICATED ON A TITLE REPORT PROVIDED BY
3 THE CERTIFICATE OF PURCHASE HOLDER AND PROVIDED TO THE COURT PURSUANT TO
4 42-18024, SUBSECTION B, PARAGRAPH 1, SUBDIVISION (f).

5 4. TO THE PROPERTY OWNER WHOSE RIGHT TO REDEEM WAS FORECLOSED, ANY
6 REMAINING PROCEEDS OF THE SALE.

7 B. THE QUALIFIED ENTITY SHALL DISTRIBUTE THE PROCEEDS OF THE SALE
8 PURSUANT TO SUBSECTION A OF THIS SECTION WITHIN NINETY DAYS AFTER THE SALE
9 OF THE PROPERTY AND NOTIFY THE COURT THAT THE DISTRIBUTIONS HAVE BEEN
10 MADE. THE QUALIFIED ENTITY SHALL DISPOSE OF ANY MONIES UNCLAIMED AFTER
11 NINETY DAYS PURSUANT TO TITLE 44, CHAPTER 3. IF THE QUALIFIED ENTITY
12 FAILS TO COMPLY WITH THIS SUBSECTION, THE QUALIFIED ENTITY SHALL PAY
13 INTEREST AT THE RATE PROVIDED FOR JUDGMENTS PURSUANT TO SECTION 44-1201
14 FROM THE DATE OF COMPLETION OF THE SALE UNTIL THE QUALIFIED ENTITY
15 COMPLIES WITH THIS SUBSECTION. ANY PARTY IN THE ACTION TO FORECLOSE THE
16 RIGHT TO REDEEM RELATING TO THE PROPERTY MAY COMMENCE A CIVIL ACTION
17 AGAINST THE QUALIFIED ENTITY FOR THE QUALIFIED ENTITY'S FAILURE TO COMPLY
18 WITH THIS SUBSECTION. THE COURT MAY AWARD THE PREVAILING PARTY ITS
19 REASONABLE ATTORNEY FEES AND COSTS INCURRED IN THAT CIVIL ACTION.

20 Sec. 5. Applicability

21 This act applies to actions to foreclose the right to redeem filed
22 pursuant to title 42, chapter 18, article 5, Arizona Revised Statutes,
23 from and after the effective date of this act.