



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR H.B. 2590

~~real estate disclosures; water; solar~~
(NOW: seller disclosure; water; solar; batteries)

Purpose

Requires a seller's affidavit of disclosure (affidavit) for land divisions to include information regarding the water hauler and water supply for a property that requires water transportation, whether the property has battery storage devices and whether the sale of the property complies with subdivision laws.

Background

A county may adopt ordinances and regulations for review and approval of land divisions of five or fewer lots, parcels or fractional interests, any of which is ten acres or smaller. The county must approve a land division if: 1) the lots, parcels or fractional interests each meet the minimum applicable county zoning requirements of the applicable zoning designation; 2) the applicant provides a standard preliminary title report or other acceptable document that demonstrates legal access to the lots, parcels or fractional interests; 3) the applicant provides a statement from a licensed surveyor or engineer, or other evidence acceptable to the county, stating whether each lot, parcel or fractional interest has physical access that is traversable by a two-wheel drive passenger motor vehicle; and 4) the applicant reserves the necessary and appropriate utility easements to serve each lot, parcel or fractional interest the land division creates ([A.R.S. § 11-831](#)).

A seller of five or fewer parcels of land, other than subdivided land, in an unincorporated area of a county and any subsequent seller of a parcel must furnish a written affidavit to the buyer at least seven days before transferring the property. The buyer must acknowledge receipt of the affidavit and has the right to rescind the transaction for a period of five days. The affidavit discloses information regarding: 1) access to the property; 2) road maintenance; 3) location in a floodplain; 4) whether the property is subject to fissures or expansive soils; 5) utilities that are currently provided; 6) the property's water supply and water provider; 7) solar devices on the property; 8) whether the property meets county zoning and statutory land division requirements; 9) location near a military airport or ancillary military facility, military restricted airspace or a military electronics range; and 10) limitations on the property's use ([A.R.S. § 33-422](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Includes the following disclosures in the affidavit for land divisions:
 - a) the name and contact information of the water hauler or water hauling company that is currently providing the transportation services to the property and the name and location of the water supply from which the water is currently being transported, if the property is served by a water supply that requires transportation of water to the property;

- b) whether the property has one or more battery energy storage devices and whether the devices are leased or owned; and
 - c) whether the sale of the property meets the requirement to provide notice to the State Real Estate Commissioner (Commissioner) of an intention to subdivide.
2. Includes, in the affidavit for land divisions, a notice that:
 - a) it is unlawful for a person or group of persons to attempt to avoid subdivision laws by acting in concert to divide a parcel of land into six or more lots or parcels; and
 - b) the county where the land division occurred or Arizona Department of Real Estate (ADRE) may investigate and enforce the prohibition against acting in concert to unlawfully divide a parcel of land into six or more lots or parcels.
 3. Requires the seller to disclose the leasing company's name and contact information in the affidavit, if the battery energy storage devices are leased.
 4. Specifies that an affidavit must contain all the outlined statutory disclosures and be completed by the seller.
 5. Requires, for county approval of an application to split a parcel of land into five or fewer lots, parcels or fractional interests, the applicant to sign an affidavit or similar document under oath acknowledging that the applicant is aware that:
 - a) it is unlawful for a person or group of persons to attempt to avoid land division or subdivision laws by acting in concert to divide a parcel of land into six or more lots or parcels; and
 - b) the county where the land division occurred or ADRE may investigate and enforce the prohibition against acting in concert to unlawfully divide a parcel of land into six or more parcels.
 6. Increases, from \$1,000 to \$2,000, the maximum civil penalty for each infraction that may be assessed by the Commissioner against a subdivider or agent who violates any law, rule or order issued by the Commissioner or engages in any unlawful practice with respect to the sale or lease of subdivided lands.
 7. Makes technical and conforming changes.
 8. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Requires, for county approval of an application to split a parcel of land into five or fewer lots, parcels or fractional interests, the applicant to sign an affidavit or similar document under oath acknowledging that the applicant is aware that:
 - a) it is unlawful for a person or group of persons to attempt to avoid land division or subdivision laws by acting in concert to divide a parcel of land into six or more lots or parcels; and
 - b) the county where the land division occurred or the ADRE may investigate and enforce the prohibition against acting in concert to unlawfully divide a parcel of land into six or more parcels.

2. Increases, from \$1,000 to \$2,000, the maximum civil penalty for each infraction that may be assessed by the Commissioner against a subdivider or agent who violates any law, rule or order issued by the Commissioner or engages in any unlawful practice with respect to the sale or lease of subdivided lands.
3. Includes, in the affidavit for land divisions, a disclosure of whether the sale of the property meets the requirement to provide notice to the Commissioner of an intention to subdivide.
4. Includes, in the affidavit for land divisions, a notice that:
 - a) it is unlawful for a person or group of persons to attempt to avoid subdivision laws by acting in concert to divide a parcel of land into six or more lots or parcels; and
 - b) the county where the land division occurred or ADRE may investigate and enforce the prohibition against acting in concert to unlawfully divide a parcel of land into six or more lots or parcels.

House Action

Senate Action

NREW	2/14/23	DPA/SE	8-0-0-2	COM	3/15/23	DP	6-1-0
3 rd Read	3/1/23		31-28-1				

Prepared by Senate Research

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JT/FB/sr