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)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. "Residential leasing agent or manager" has the same meaning 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.