



GOVERNMENT AFFAIRS REPORT

March 2022

Prescott Area Association of REALTORS®, in conjunction with the National Association of REALTORS® and the Arizona Association of REALTORS®, provide superior industry knowledge and a genuine understanding of real estate issues. Prescott Area Association of REALTORS® is committed to bringing you the most up-to-date legislation and political news that affect the real estate industry and its members.

National Update:

Below are important Federal updates as of March 2022:

- **NAR Supports Health Insurance Affordability:** NAR provided comments to the Congressional Healthy Future Task Force Affordability Subcommittee's request for information regarding considerations for legislation to make healthcare more affordable. As health care costs continue to rise each year, affordability remains a primary concern for many Americans, especially self-employed real estate professionals facing limited insurance options in the individual or small group markets. In the letter, NAR advocated for a return to expanded association health plans (AHPs), which makes these insurance options available to sole proprietors, and support for innovative policy solutions that improve quality and affordability in insurance.
- **NAR Comments on Proposed Anti-Money Laundering Regulations:** NAR submitted a comment letter in response to the Financial Crime Enforcement Network's (FinCEN) Advance Notice of Proposed Rulemaking on anti-money laundering regulations for the real estate sector. NAR provided several recommendations to FinCEN, including robust educational training on money laundering in real estate for real estate professionals, expansion of the current Geographic Targeting Orders (GTOs) nationwide for non-financed residential real estate transactions, continuation of reporting and recordkeeping requirements for title companies and settlement agents. NAR remains engaged on this issue, and will continue to provide key updates on anti-money laundering matters.

State Update:

Below are important State updates as of March 2022:

- **HB 2674 | Update:** State Reps. Cesar Chavez, D-Phoenix, and Steve Kaiser, R-Phoenix, thought they had the answer when they introduced House Bill 2674, a municipal zoning by-right bill to solve the affordable housing shortage. Legislators shot it down and now they are proposing a statutory study committee that is headed to the Senate next week. Essentially, HB 2674 would have reduced municipal oversight and authority over residential development, forcing

developers and property owners to play the role of planning departments. AAR Opposed this bill.

- **2022 Legislative Session:** ARIZONA REALTORS® LEGISLATIVE TRACKING - The legislature continues to go through committee hearings in the chamber. Crossover is underway (when all of the bills that have passed out of committees in their introductory chamber will begin to reach the floor for a vote and “cross over” to the other chamber). Most committees will not meet as members spend most of each day either in caucus meetings or on the floor voting. Much work is ahead and the Arizona REALTORS® will continue to work hard to protect REALTOR® Party Issues.

Other bills the REALTORS® are supporting:

- HB2172: REAL ESTATE LICENSEES; EMPLOYERS; COMPENSATION (REALTOR® BILL)
 - HB2151: LAND DIVISION; ACTING IN CONCERT
 - HB2101: ELECTRIC ENERGY; RELIABILITY; PUBLIC POLICY
 - HB2275: CONDOMINIUM TERMINATION; UNIT OWNERS; PERCENTAGE
 - HB2409: MULTI-COUNTY WATER DISTRICTS; STORAGE TAX
 - HB2598/SB1372: TRANSPORTATION TAX; ELECTION; MARICOPA COUNTY
 - HB2005/SB1147: HARQUAHALA NON-EXPANSION AREA; GROUNDWATER TRANSPORTATION
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- **Issues on the Horizon:** Short Term Rentals (STRs): With the short-term rental conversation once again having time in the legislative spotlight, the Arizona REALTORS® have met with legislators on several bills relating to this issue. We understand that many communities have faced challenges with the industry, but legislation limiting the number of short-term rentals or requiring signage is not likely to make it through. We will continue to stay at the table and protect private property rights as legislators look to find balance with this relatively young industry.

Regional Update:

Below are important Regional updates as of March 2022:

- **Citizens Water Advocacy Group (CWAG) Update: The Gila Adjudication: It's All About Water Rights | Saturday, April 16, 2022, 10:00am - 12:00pm** Register in advance for this meeting: <https://us02web.zoom.us/meeting/register/tZ0tce-trDgtEtZFXPzt3kHb27UhqhQPrw08>
After registering, you will receive a confirmation email containing information about joining the meeting. What is the Gila Adjudication and why could its rulings regarding water rights in the Gila River System, which includes the Verde River, have the potential to impact both well



users and municipal water users in a significant way? Clyde Halstead, a water law attorney, will review the history of the Gila Adjudication, discuss major rulings that will affect water users in the Verde River Basin and explain how citizens can participate in the Adjudication to protect their water rights. (See link to ADWR's new interactive map to assist landowners in determining whether their properties fall within the proposed sub flow zone.) A question-and-answer period will follow the presentation. More info: <https://www.cwagaz.org/>

- **Congressional Redistricting | Update:** AZ's Independent Redistricting Commission approved new Congressional districts. The biggest shakeup is **Congressman Paul Gosar's** District 4 will be swallowed up by CD 1 to actually become CD 2. The district is the largest district by miles and stretches from the Arizona-Utah border to the north to San Manuel to the south. The district also stretches from the Arizona-New Mexico west to just west of Bagdad. The district includes Flagstaff, Prescott, Winslow, Holbrook, The White Mountains, the Navajo Nation, as well as the White Mountain Apache, San Carlos, Hopi, Hualapai and Havasupai nations. If Gosar wants to continue to be a Congressman in Arizona beyond 2022, he may have to beat current CD 1 Congressman Tom O'Halleran, if both get through the primary. Click here for [Updated Maps](#)