ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

COMMITTEE ON REGULATORY AFFAIRS

Report of Special Meeting
Wednesday, March 20, 2024
House Hearing Room 5 -- UPON ADJOURNMENT OF REGULAR RA

Convened 3:32 P.M.
Recessed
Reconvened
Adjourned 3:43 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
3/22/24

Members Present	Members Absent
Representative Crews	
Representative Hernandez	
Representative Liguori	
Representative Payne	
Representative Peña	
Representative McGarr, Vice-Chairman	
Representative Hendrix, Chairman	

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
SB1042	DPA/SE	7-0-0-0	4, 5, 6

Julie Ryberg, Committee Secretary
March 22, 2024

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

Convened 3:32 pm

SPECIAL MEETING AGENDA

Adjourned 3:43 pm

COMMITTEE ON REGULATORY AFFAIRS

DATE Wednesday, March 20, 2024 ROOM HHR 5 TIME Upon adjournment of regular RA

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2024031094

Members:

Representative Crews	Representative Payne	Representative McGarr, Vice-Chairman
Representative Hernandez A	Representative Peña	Representative Hendrix, Chairman
Representative Liguori		

Bills	Short Title	Strike Everything Title
SB1042 DPA/SE 7-0-0-0	cremation (Shope) RA, RULES	**S/E: title companies; recorded documents; DIFI**

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

VC
03/18/2024

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

Attachment 1

Information Registered on the Request to Speak System

House Regulatory Affairs (3/20/2024)

SB1042, cremation

Support:

Lauren King, LAND TITLE ASSOCIATION OF ARIZONA (LTAA)

All Comments:

Lauren King, LAND TITLE ASSOCIATION OF ARIZONA (LTAA): The LTAA is supportive of the strike-everything amendment.

Attachment 2

ARIZONA STATE LEGISLATURE

Fifty-sixth Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **REGULATORY AFFAIRS**

CHAIRMAN: Laurin Hendrix VICE-CHAIRMAN: Cory McGarr

DATE	03/20/24	/24	/24	/24	/24
CONVENED	3:32 pm	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	3:43 pm				
MEMBERS					
Crews	✓				
Hernandez A	✓				
Liguori	✓				
Payne	✓				
Peña	✓				
McGarr, Vice-Chairman	✓				
Hendrix, Chairman	✓				

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session
House: FICO DP 7-0-1-0 | 3rd Read 21-5-4-0

SB 1042: cremation
S/E: DIFI; title companies; recorded documents
Sponsor: Senator Shope, LD 16

Committee on Regulatory Affairs

Summary of the Strike-Everything Amendment to SB 1042

Overview
Prescribes requirements relating to the enforceability of title insurance agreements.

History
The Arizona Department of Insurance and Financial Institutions (DIFI) licenses and regulates the title insurance industry as part of its duties. DIFI stipulates that a business enterprise must be formed as a corporation or limited liability company and must be licensed in Arizona to solicit business, collect premiums or countersign policies on a title insurer's behalf. Additionally, a title insurance agent is a stock corporation or limited liability company authorized by a title insurer to solicit insurance and collect premiums for insurance that covers owners of real property or others with interest in the real property against loss or damage suffered by liens, encumbrances, defects or unmarketability of the title to the property (A.R.S. § 20-1562).

Provisions
1. Stipulates that an agreement to indemnify or hold harmless from risks that arise from an instrument that is properly recorded by the county recorder may only be enforced if:
   a) the instrument had not been recorded at the time the agreement was executed;
   b) the agreement specifically describes the instrument;
   c) the title insurance policy specifically exempts the instrument;
   d) the agreement indemnifies or holds harmless against liens from completed work or labor or professional services, materials, machinery, fixtures or tools furnished on the insured property; or
   e) the instrument secures a monetary obligation and remains an outstanding and enforceable debt. (Sec. 1)
2. States that the enforceability of title warranties that are provided by a person in a deed or mortgage is not affected by the provisions. (Sec. 1)
3. Specifies that the agreement must be in writing to be enforceable. (Sec. 1)
4. Adds a legislative intent clause. (Sec. 2)
5. Makes technical changes. (Sec. 1)

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1042

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section. 1. Section 20-1591, Arizona Revised Statutes, is amended to read:

20-1591. Forms of policies and other contracts of title insurance; approval or disapproval

A. Every title insurer shall file with the director all forms of title policies and other contracts of title insurance before issuance of any policy or contract. A title insurance rating organization may make filings on behalf of all of its members or subscribers. A title insurer shall not issue any policy or contract until thirty days after the policy or contract has been filed with the director. A policy or contract is approved thirty days after filing unless the director has issued, within the ~~thirty day~~ THIRTY-DAY period, an order affirmatively approving or disapproving the form. On written notice given within the ~~thirty day~~ THIRTY-DAY period to the person making the filing, the director may extend the period for up to fifteen additional days to enable the director to complete the review of the filing.

B. Forms of title policies and other contracts of insurance, as used in this section, shall specifically exclude:

1. Reinsurance contracts or agreements. ~~;~~

2. All specific defects in title that may be ascertained from an examination of the risk and excepted in reports, binders or policies, together with any affirmative assurance of the title insurer with respect to the defects whether given by endorsement or otherwise. ~~; and~~

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

Attachment 5

3. Further exceptions from coverage by reason of limitations on the examination of the risk imposed by an applicant for insurance or through failure of an applicant for insurance to provide the date requisite to a judgment of insurability.

C. AN AGREEMENT BY A PERSON TO INDEMNIFY OR HOLD HARMLESS A TITLE INSURER FROM RISKS ARISING FROM AN INSTRUMENT THAT IS OR BECOMES PROPERLY RECORDED AND INDEXED IN THE OFFICE OF THE COUNTY RECORDER IS ONLY ENFORCEABLE WITH RESPECT TO THAT INSTRUMENT IF THE AGREEMENT IS IN WRITING AND ANY OF THE FOLLOWING APPLIES:

1. THE INSTRUMENT WAS NOT OF RECORD AT THE TIME THE AGREEMENT WAS EXECUTED.

2. THE INSTRUMENT IS SPECIFICALLY DESCRIBED IN THE AGREEMENT.

3. THE INSTRUMENT IS SHOWN AS AN EXCEPTION FROM COVERAGE IN THE TITLE INSURANCE POLICY.

4. THE AGREEMENT INDEMNIFIES FOR OR HOLDS HARMLESS AGAINST LIENS ARISING FROM WORK OR LABOR DONE OR PROFESSIONAL SERVICES, MATERIALS, MACHINERY, FIXTURES OR TOOLS FURNISHED ON THE INSURED PROPERTY.

5. THE INSTRUMENT IS OR SECURES A MONETARY OBLIGATION OF THE PERSON, AND REMAINS AN OUTSTANDING AND ENFORCEABLE DEBT.

NOTHING IN THIS SUBSECTION SHALL AFFECT THE ENFORCEABILITY OF TITLE WARRANTIES PROVIDED BY A PERSON IN A DEED OR MORTGAGE.

Sec. 2. Legislative intent

The legislature intends that the amendments to section 20-1591, Arizona Revised Statutes, as amended by this act, are clarifying changes only and do not constitute substantive changes to existing law."

Amend title to conform

LAURIN HENDRIX

1042HENDRIX SE.docx
03/18/2024
03:13 PM
H: DC/ls

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Regulatory Affairs BILL NO. SB 1042

DATE March 20, 2024 MOTION: DPA/SE

	PASS	AYE	NAY	PRESENT	ABSENT
Crews		✓			
Hernandez A		✓			
Liguori		✓			
Payne		✓			
Peña		✓			
McGarr, Vice-Chairman		✓			
Hendrix, Chairman		✓			
		7	0	0	0

APPROVED:

LAURIN HENDRIX, Chairman
CORY MCGARR, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 6