

REFERENCE TITLE: mortgage loan fraud prosecution fund.

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1296

Introduced by
Senators McCune Davis, Aboud, Aguirre, Pesquiera, Rios: Arzberger;
Representative Ulmer

AN ACT

AMENDING TITLE 6, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-123.02; AMENDING TITLE 11, CHAPTER 3, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-467; PROVIDING FOR THE DELAYED REPEAL OF SECTIONS 6-123.02 AND 11-467, ARIZONA REVISED STATUTES; RELATING TO THE MORTGAGE LOAN FRAUD PROSECUTION FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 6, chapter 1, article 3, Arizona Revised Statutes, is
3 amended by adding section 6-123.02, to read:

4 6-123.02. Mortgage loan fraud prosecution fund; rules; report;
5 definition

6 A. THE MORTGAGE LOAN FRAUD PROSECUTION FUND IS ESTABLISHED CONSISTING
7 OF MONIES RECEIVED FROM THE SURCHARGE COLLECTED PURSUANT TO SECTION 11-467.
8 THE DEPARTMENT SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE
9 CONTINUOUSLY APPROPRIATED AND MAY BE USED ONLY FOR CRIMINAL PROSECUTION OF
10 FRAUDULENT ACTIVITIES RELATED TO MORTGAGE LOANS. ONLY THE SUPERINTENDENT OR
11 THE SUPERINTENDENT'S DESIGNEE MAY AUTHORIZE EXPENDITURES FROM THE FUND.

12 B. IN CONSULTATION WITH THE ATTORNEY GENERAL AND LOCAL PROSECUTORS,
13 THE DEPARTMENT SHALL ADOPT RULES FOR THE USE OF MONIES IN THE FUND TO PURSUE
14 CRIMINAL PROSECUTION OF FRAUDULENT ACTIVITIES IN THE MORTGAGE LOAN PROCESS.

15 C. EACH YEAR ON OR BEFORE FEBRUARY 15, MAY 15, AUGUST 15 AND NOVEMBER
16 15, THE SUPERINTENDENT SHALL SUBMIT A REPORT TO THE GOVERNOR AND PROVIDE
17 COPIES OF THE REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE
18 OF REPRESENTATIVES AND THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION. THE
19 REPORT SHALL CONTAIN A COMPLETE ACCOUNT OF THE RECEIPTS AND DISBURSEMENTS
20 FROM THE FUND IN THE PREVIOUS CALENDAR QUARTER.

21 D. FOR THE PURPOSES OF THIS SECTION, "MORTGAGE LOAN" HAS THE SAME
22 MEANING PRESCRIBED IN SECTION 6-901.

23 Sec. 2. Title 11, chapter 3, article 3, Arizona Revised Statutes, is
24 amended by adding section 11-467, to read:

25 11-467. Surcharge on deed of trust recording; exception

26 A. THE RECORDER SHALL COLLECT A SURCHARGE OF ONE DOLLAR AT THE TIME OF
27 RECORDING OF EACH DEED OF TRUST. THE ONE DOLLAR SURCHARGE IS IN ADDITION TO
28 ANY OTHER CHARGE AUTHORIZED BY LAW. THE RECORDER MAY RETAIN UP TO FIVE PER
29 CENT OF THE MONIES COLLECTED TO ADMINISTER COLLECTION OF THE SURCHARGE. THE
30 RECORDER SHALL TRANSMIT THE REMAINING MONIES MONTHLY TO THE STATE TREASURER
31 FOR DEPOSIT IN THE MORTGAGE LOAN FRAUD PROSECUTION FUND ESTABLISHED BY
32 SECTION 6-123.02.

33 B. THE SURCHARGE COLLECTED PURSUANT TO THIS SECTION DOES NOT APPLY TO
34 ASSIGNMENTS OR SUBSTITUTIONS OF DEEDS OF TRUST RECORDED BEFORE THE EFFECTIVE
35 DATE OF THIS SECTION.

36 Sec. 3. Delayed repeal

37 Sections 6-123.02 and 11-467, Arizona Revised Statutes, as added by
38 this act, are repealed from and after June 30, 2011.

39 Sec. 4. Requirements for enactment; two-thirds vote

40 Pursuant to article IX, section 22, Constitution of Arizona, this act
41 is effective only on the affirmative vote of at least two-thirds of the
42 members of each house of the legislature and is effective immediately on the
43 signature of the governor or, if the governor vetoes this act, on the
44 subsequent affirmative vote of at least three-fourths of the members of each
45 house of the legislature.