



## “I Want to Self-Manage My Rental Property”

Did you know that there are rules outlined by the Arizona Revised Statutes (ARS) regarding the requirements of managing rental property in Arizona? These rules do not apply only to property managers, but to Owners who self-manage as well. There are many reasons that these rules exist. I believe the largest reason is to protect the consumer. Many of these rules ensure that people are treated fairly and equally, i.e. fair housing. Some of the rules are so that the state can keep track of rental properties – approximately 250,000 in Maricopa County! Very specifically, other rules also address Owner location and tax ID numbers. Below is an excerpt of the “Lease Owner’s Advisory”, a document put out by the Arizona Association of Realtors. As Realtors and property managers, we deal with all of this on a daily basis, so it is second nature to us. As a self-managed Landlord, it can be a daunting task to comply with it all – non-compliance can result in government fines and consumer lawsuits.

1. Affidavit of Legal Class Correction: If a parcel of property is used as a rental unit and identified by the county assessor as a class three property, the owner **must** notify the assessor of the rental use of the property or be subject to a civil penalty.

<http://mcaselector.maricopa.gov/assessor/PDF/RentalRegistrationNoticeRequirements.pdf>

2. Notification of Arizona Residential Rental Property: An out of state owner of residential rental property **must** designate and record with the county assessor a statutory agent who lives in this state and who will accept legal service on behalf of the owner. A person who fails to comply with any provision of this section shall be assessed a civil penalty of \$1,000, plus an additional \$100 for each month after the date of the original violation until compliance occurs.

**Note: If the Owner is required to register the rental property with the county assessor and fails to do so, the city or town may impose a civil penalty payable to the city or town may impose enhanced inspections and enforcement measures on the property.**

<http://mcaselector.maricopa.gov/assessor/ResidentialPropertyForm.apx>

3. Business License: Some cities require the Owner to have a separate business license prior to engaging in any type of business activity. [www.azdor.gov/Business/LicensingGuide.aspx](http://www.azdor.gov/Business/LicensingGuide.aspx)

4. Foreign Lease Owners outside of the United States: Foreign lease owners **must** secure an Individual Taxpayer Identification Number (ITIN). It is strongly recommended that foreign lease owners retain the services of a CPA and/or IRS Certified Acceptance Agent to ensure compliance with the applicable IRS rules and regulations. [www.irs.gov/pub/irs-df/fw8eci.pdf](http://www.irs.gov/pub/irs-df/fw8eci.pdf)

5. Transaction Privilege Tax: Transaction privilege tax is charged by some cities on the owner’s rental income. This TPT, or rental tax, is the responsibility of the lease owner but may be collected from the tenant with the rent if permitted by the lease agreement. Failure to pay the applicable sales tax could result in a penalty or fine by the city or town.

[www.azdor.gov/Business/TransactionPrivilegeTax.aspx](http://www.azdor.gov/Business/TransactionPrivilegeTax.aspx)

6. Residential Lease Agreement: Upon move-in a lease owner **must** furnish the tenant with a signed copy of the lease.

7. Lead-based Paint Disclosure Form: If the home was built prior to 1978, the lease owner **must** provide the tenant with a lead-based paint disclosure form.

[www.azre.gov/publicinfo/RealEstateResearchTopics.aspx#LINK12](http://www.azre.gov/publicinfo/RealEstateResearchTopics.aspx#LINK12) or [www.epa.gov/lead/](http://www.epa.gov/lead/)

8. Disclosures: The owner **must** disclose in writing all material facts regarding the property. [www.aaronline.com/we-content/uploads/2012/12/sample-resident-lease-owner.pdf](http://www.aaronline.com/we-content/uploads/2012/12/sample-resident-lease-owner.pdf)

[www.bennett2rentit.com](http://www.bennett2rentit.com)  
[info@bennett2rentit.com](mailto:info@bennett2rentit.com)

### Designated Broker

Anne McCawley,  
RMP®,MPM®

### Broker’s Assistant

Susan Reeves, AB

### Associate Broker

Sharon Wilson, AB

### Office Manager

Mike Mumford,  
AB,RMP®,MPM®

### Property Managers

Jodi Brace

Lance Brace

Ginny Casselman

Kate Erbe

Kristina Fogliano

Laurie Frame

Melissa Guerrero, AB

Sarah Johnson

Jane McCawley

Megan McCawley

Terry Mendoza

Mike Noggle

Luana Patterson

Travis Reich,AB

Sandy Shannon

Kim Tracy

Jim Wilson

### Bookkeeping

### & Clerical

Eileen Atkiss

Margie Cooley

Sarah McCawley

Irene Ruiz

Michele Winkles

### General Factotum

Frank Bennett, Sr.

### Owners

Anne McCawley

Frank Bennett, Jr.

# FRANK'S FORUM

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9. Homeowners Association Governing Documents. [www.azre.gov/PublicInfo/RealEstateResearchTopics.aspx#LINK11](http://www.azre.gov/PublicInfo/RealEstateResearchTopics.aspx#LINK11)

10. Move-in/Move-out Inspection: Upon move-in, a lease owner **must** furnish the tenant with a move-in form.

11. Swimming Pools and Spas: Each city and county has its own swimming pool barrier ordinance and a lease owner should investigate and comply with all applicable state, county and municipal pool regulations. [www.aaronline.com/documents/pool\\_contacts.aspx](http://www.aaronline.com/documents/pool_contacts.aspx)

12. Notice: Unless otherwise agreed, all notices shall be sent registered or certified mail, or personally delivered.

13. Fair Housing Laws: [http://portal.hud.gov/portal/page/portal/HUD/programoffices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/portal/page/portal/HUD/programoffices/fair_housing_equal_opp)

This is only an excerpt. There are three more pages to the document provided by the AAR. As an Owner with BPM, you have probably encountered one or more of the required forms, or taken an action to provide us with a document or tax ID number. You have been represented as a stakeholder at state-level meetings regarding all of the above forms; ADRE rules and the TPT licensing (hold on to your hats, change is coming fast on this). We are proud to professionally represent you. If you have any questions, please email us at [info@bennett2rentit.com](mailto:info@bennett2rentit.com)

Anne McCawley

## Mow the Lawn

From a New York Times column: "I've grown suspicious of the inspirational. It's overrated. I suspect duty - that half - forgotten word - may be more related to happiness than we think. Want to be happy? Mow the lawn. Collect the dead leaves. Paint the room. Do the dishes. Get a job. Labor until fatigue is in your very bones. Persist day after day. Be stoical. Never whine. Think less about the why of what you do than getting it done.

Many of you know I'm a newspaper junky, and every once in a while, just often enough to keep me going, someone rings the bell. This column was spot on for me.

I don't think you could write a column like this unless you had been a parent. I can still remember my kids complaining about being bored, and our response being "Do Something". Mow the lawn...etc. All our kids know how to work, and do.

It's one of the "secrets" of the property management business and, I suspect, all the other profitable areas of human endeavor.

Hard work and perseverance. How dull!



## Dark Pool Trading

The sub-head in a USA Today story says: "Company admits wrongdoing, says it wants to rebuild trust!" Right!

Stock brokers ITG has settled for more than \$20 million for SEC violations. So what happened? The company set up a "dark pool" trading desk to hide large trades from the overall market. So far just sneaky, not illegal.

The company then used the confidential trading information to trade ahead of their clients. This stuff always sounds like thieves stealing from thieves, and in this case the second set of thieves has been fined \$18 Million.

I strongly suspect that most of the other brokerages have the dark pool desks and that they have found ways to cheat their own clients as well. Just human nature.

There is no dark pool at Bennett Property Management, unless you count the pits out behind the properties not connected to the sewer.

## Rising and Falling

The Arizona Republic (AZ Repulsive according to some) is reporting on subsidence (sinking) in our area. The areas at the edge of the Valley - Apache Junction (east) and Sun City (west) - are sinking as much as 3/4 inch per year because of ground water pumping several years ago. (ground wa-

ter is water that is in the ground, usually in aquifers).

This is important because continued sinking will disrupt utilities, canals and building foundations. Queen Creek and parts of Tucson have huge fissures in many locations.

Some good news: Mesa and surrounding areas are rising small amounts. My neighbor the Mayor of Mesa contends it's because of his hard work. He's good, but not that good.

All kidding aside, subsidence is an issue in some areas and should be considered in making property decisions.

## NARPM NEWS

National Association of Residential Property Managers

[Narpm.org](http://Narpm.org)

## 2015 NARPM National Convention

October 14-16, 2015

Hyatt Regency  
Atlanta, Georgia



Registration is available  
at

[www.narpmconvention.com](http://www.narpmconvention.com)

## Adios

A nice word. Literally: A (toward) Dios (God). Adios. A very fitting farewell for Joe McCawley as he retires from property management battles to look for ways to better serve his church.

Joe has been with us for more than twenty years as family and co-worker. His two daughters are left behind as his legacy.

Buena suerte, Jose!



## The fun never stops!

After several late notices, one of our managers called a tenant to tell him he had just two days to pay his rent. He said that was fine with him, he'd choose August 5th and December 11. Silence on our end of the phone.

## Push-Button Management

Several companies have sprung up in the past couple of years trying to digitize the real estate business, including rentals. The theory is good, but the execution is difficult.

Without naming names, we can go to a website now that will tell us how much our house is "worth". I put that in quotes because most of those valuations are made from raw data without human judgement. Appraisal has a great element of art aside from just data.

Other companies are trying to mechanize the showing and leasing processes. Scars the heck out of me. In my opinion, the greatest value a professional manager brings to the table is judgment based on years of

experience. I don't want to rent to anyone until they have been face-to-face with an experienced manager.

## Heat

Barbara and I are spending the month of August at home so we can oversee a remodel project. This is the longest stretch we've been home during the summer in quite a while.

It sure is hot here.

This is a tough time of year for the management business. Tempers and money are short. Much of our economy is service related, and our beloved snow birds contribute significantly. Our "season" doesn't start until late October, so the waitresses, mechanics, restaurants and golf courses all are hurting by this time.



Maintenance costs, especially air conditioning repair, really go up starting mid-June.

So it's a perfect storm: money is short, expenses are up, tempers rise and nobody wants to move when it's this hot.

## Best in the (South) West

Mesa has been named the best big city in the Southwest by Money Magazine. How 'bout that!

We've always known this is a great place to live, but it's hard to imagine that we are being described as a big city. When my family moved here there were about 5,000 residents. When Barbara and I moved back to Mesa in 1971 there were about 65,000. And now almost 500,000.



## Everydayhero Campaign

### Donate Your Birthday

It's Easy as 1, 2, 3

Why not ask your friends and family to make a donation in honor of your day? It's simple to do.

Copy the link below to create your birthday campaign using "everydayhero," which is our fundraising tool. You can set a goal, invite your family and friends, and watch your campaign grow. Make this your most impactful birthday ever!

<http://a-new-leaf-fundraising.everydayhero.com/us.sign-up>

The rest of The Valley calls us the city with wide streets and narrow minds, but that's okay. We are governed conservatively and honestly by a terrific city council under a strong city manager.

I'm proud and grateful to live in Mesa.



## Southwest Vocal Project

Sing with us!

### OPEN REHEARSALS

Thursday evenings  
7:00 pm-10:00 pm

### The Southwest Vocal Project of Sweet Adeline's International,

is part of the world's largest women's singing organization.

For more information

Call Deb at  
602-301-4151

[www.svpchorus.org](http://www.svpchorus.org)