

02/16/2026

Chair Lauren Hendrix

Committee on Regulatory Affairs and Regulatory Affairs Committee Members

[LHendrix@AZLeg.gov](mailto:LHendrix@AZLeg.gov)

Re: Arizona House Bill (HB2230), A.R.S. Article 2 of Title 12 which covers "Courts and Civil Proceedings"  
"Protect Small Business Appraisal Companies from Frivolous Lawsuits & Complaints" – Statute of Limitations

Chair Lauren Hendrix and Regulatory Affairs Committee Members:

I wanted to thank you for your support and unanimous decision in committee. Per your verbal permission, I am sharing follow up on this bill to share with counter parts in the Arizona Senate, your caucas, and others. Key points:

- Appraisers can be on fixed income, social security, decades later, and have to spend half of their annual income defending a frivolous lawsuit. Average age of appraisers is late 50's, and many would be in retirement without E&O Insurance.
- Loans can transfer in year 10, 15, 20, or year 25 of a loan. There is no statute of limitation currently.
- We only keep records for 5 years per our record retention requirements. Enforcement by government regulatory officials (DIFI) generally follows this also history, just 5 years. We are unable to defend ourselves 15 or 20 years later. We wouldn't even have an original, true copy of a report or work file.
- The Arizona State Legislature already protect *home inspectors* with a 4-year statute of limitation.
- Medical, dental, and legal malpractice is 2 years. Real estate agents is 2 years. We went on the high side.
- Our home builders have a statute of repose to just 6 years, not up to 30 years.
- We have moderate support from Arizona Mortgage Lending Association

Here is the backstory on Llano Financing Group, LLC, their 500 lawsuits, the how and why behind this bill:

- 1) Here is case law specifically pertaining to one of the 500 frivolous suits by Llano Financing Group, LLC: [LLANO FINANCING GROUP LLC v. PETIT \(2017\) | FindLaw](#) In this case, the appellate court found and affirmed that the 2004 appraisal still in litigation in 2017 is based on the date of performance of the appraisal, not alleged discovery. Llano Financing Group, LLC isn't even a lender. They are a group of attorneys that purchased off written-off bad debt and then use the transferred written-off debt for which they suffered no loss, and then file shake-down suits attempting to get between \$5,000 and \$15,000 per suit (or more). Judges Winsor, Makar, and Lewis, they stated "the statute of limitations began to run when SunTrust relied on the appraisal to fund the loan. That was in 2004, so Llano's 2015 suit was far too late. The trial court correctly dismissed it." This was in 2017 still in the legal system decided in Florida.
- 2) So actual case law and other states actions enacting laws to protect their appraisers are significant enough to, we believe, warrant our Arizona Legislature look at this. The boom, bust cycles of real estate precipitate this. State legislatures can and do change and modify laws. States that have done this to protect their appraisers as a result Llano Financial Group and other frivolous suits. Texas, Pennsylvania, and Wisconsin as mentioned recently did this as well as Kentucky (1 Year), South Dakota (3 Years), North Carolina (5 Years), Tennessee (1 Year, not to exceed 5 years based on discovery), Minnesota (6 years), and Oregon (6 Years).

Many practitioners are sole proprietors may have no retirement and may be on a fixed income 15-30 years later. Appraisals in 2004 can be litigated until 2034 and current appraisals in 2023 can be litigated until 2053 under current Supreme Court opinions if not corrected in Arizona by the legislature. This passed the Senate Judiciary Committee on prior legislative sessions unanimously and the Arizona Senate floor, also unanimously, in prior legislative sessions. We hope you empathize the complexity of the legal environment we are in. Appraisers are independent, impartial, and objective, and render opinions. Unlike judges, we are not immune from suits for rendering opinions that have unfavorable outcomes. We operate in a highly litigious environment that has no time limits (up to 30 years) or any ethical basis for suits (lawsuit business venture). Please protect us from these abuses of the legal system.

Respectfully and gratefully,

Dale C. Cooper, MAI, SRA, AI-GRS, AI-RRS

Certified General Appraiser

Chair of Government Affairs/Registered Lobbyist, Phoenix Chapter of the Appraisal Institute, (Source of HB2230)

Attached: Copy of Bill Language

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

2 Section 1. Title 12, chapter 5, article 2, Arizona Revised  
3 Statutes, is amended by adding section 12-531, to read:

4 12-531. Real estate appraiser: four-year limitation;  
5 exception; definition

6 A. A PERSON WHO HAS A CAUSE OF ACTION FOR DAMAGES AGAINST A REAL  
7 ESTATE APPRAISER FOR MALPRACTICE, NEGLIGENCE, AN ERROR, A MISTAKE, AN  
8 OMISSION OR A BREACH IN CONNECTION WITH A REAL ESTATE APPRAISAL OR AN  
9 APPRAISAL-RELATED SERVICE, WHETHER BASED IN CONTRACT OR TORT, SHALL  
10 COMMENCE THE ACTION BEFORE THE EARLIER OF:

11 1. THE EXPIRATION OF THE APPLICABLE STATUTE OF LIMITATIONS FOR THE  
12 TYPE OF CLAIM THAT IS BEING PURSUED IF THE LENGTH OF TIME AFTER THE REPORT  
13 DATE TO THE EXPIRATION OF THE STATUTE OF LIMITATIONS DOES NOT EXCEED FOUR  
14 YEARS. FOR THE PURPOSES OF THIS PARAGRAPH, "REPORT DATE" MEANS THE DATE  
15 ON WHICH THE REAL ESTATE APPRAISAL GIVING RISE TO THE ACTION WAS COMPLETED  
16 OR SHOULD HAVE BEEN COMPLETED.

17 2. FOUR YEARS AFTER THE DATE ON WHICH THE APPRAISAL-RELATED SERVICE  
18 GIVING RISE TO THE ACTION WAS PERFORMED OR SHOULD HAVE BEEN PERFORMED.

19 B. THE STATUTE OF LIMITATIONS PRESCRIBED IN SUBSECTION A OF THIS  
20 SECTION DOES NOT APPLY TO A CLAIM THAT ALLEGES THAT AN APPRAISER KNOWINGLY  
21 AND INTENTIONALLY COMMITTED FRAUD OR KNOWINGLY AND INTENTIONALLY MADE A  
22 GROSS MISREPRESENTATION WHEN PERFORMING A REAL ESTATE APPRAISAL OR WHEN  
23 PROVIDING AN APPRAISAL-RELATED SERVICE.

24 C. FOR THE PURPOSES OF THIS SECTION, "REAL ESTATE APPRAISER" MEANS  
25 ANY OF THE FOLLOWING:

- 26 1. A STATE-LICENSED APPRAISER.
- 27 2. A STATE-CERTIFIED RESIDENTIAL APPRAISER.
- 28 3. A STATE-CERTIFIED GENERAL APPRAISER.
- 29 4. A STATE-REGISTERED TRAINEE APPRAISER.
- 30 5. ANY AGENT, EMPLOYEE, EMPLOYER OR FIRM OF A PERSON WHO IS LISTED  
31 IN PARAGRAPH 1, 2, 3, OR 4 OF THIS SUBSECTION.

Original source of bill: Appraisal Institute, Washington, DC office as modified locally through Legislative Council