EXEMPTION CODES

An Affidavit of Property Value is required for all title transfers and recorded contract of sales unless one of the following conditions is met. (ARS §11-1134).

Under SECTION A, the affidavit does not apply to the following instruments:

A1. A deed representing the payment in full of a recorded contract, or forfeiture of a recorded contract.  
   EXAMPLE: Payoff of a recorded land contract of sale or sales agreement.

A2. A lease or an easement on real property.  
   EXAMPLE: Granting permission for the use of your real property by a utility company.

A3. A sale or a conveyance involving the government, including federal, state, county or local municipality.

A4. A quitclaim deed with no money changing hands, or to quiet title as described in Arizona Revised Statutes, section 12-1103, subsection B or otherwise executed for no monetary consideration.

A5. A conveyance recorded to satisfy a court order.  
   EXAMPLE: Transfer of property ordered by a court in a bankruptcy or a divorce case. You will present a certified copy of divorce to record.

A6. A deed to an unpatented mining claim.  
   EXAMPLE: In general these cases are rare.

A7. A deed recorded to show transfer of real property as a gift where no money changes hands.  
   EXAMPLE: Granting ownership of a property as a wedding present.
EXEMPTION CODES

Under SECTION B, the Affidavit does not apply to the following transfers of title:

B1. **A transfer solely in order to provide or release security for a debt or obligation, including a trustee’s deed pursuant to power of sale under a deed of trust.**
    *EXAMPLE:* Party #1 transfers title to party #2 to provide security for a loan from party #2.
    *EXAMPLE:* Party A transfers title to Party B to gain release from a debt owed to Party B.

B2. **A transfer that confirms or corrects a deed previously recorded.**
    *EXAMPLE:* name on the original deed was misspelled.

B3. **A transfer of residential property between relatives, with no money or nominal consideration changing hands.**
    *Relationship limited to husband and wife or ancestors of either, parent and child or descendants of children, grandparents and grandchildren and natural or adopted siblings.*

B4. **A transfer of title on a sale for delinquent taxes or assessments.**
    *EXAMPLE:* Property sold in a Sheriff’s sale.
    *NOTE:* This type of sale usually involves a Treasurer’s Deed.

B5. **A transfer of title on partition.** Partition, in this case, means a division of a property between co-owners or co-proprietors.
    *EXAMPLE:* Dividing a large parcel into smaller parcels to be distributed among the heirs of an estate so that each owns their parcel. You are doing a lot split and there are no new owners involved.
    *NOTE:* If an owner divides a parcel in such a manner that the new parcels remain in his ownership, in essence there is no transfer of title, and thus no need for an Affidavit nor an Exemption Code. Yet if the Recorder desires the B5 Exemption Code can be utilized in this situation. For instance, an owner of a 10-Acre parcel divides it into a 1-Acre parcel and a 9-Acre parcel, and he retains ownership of the two new parcels.

B6. **A transfer of title pursuant to a merger of corporations.**
    *EXAMPLE:* Title of property owned by Corporations X and Y changing to Corporation Z, when Corporations X and Y merge to form Corporation Z.
**EXEMPTION CODES, cont.**

B7. A transfer between related legal entities for no consideration, nominal consideration. Allowable relationships are:

- Subsidiary and parent company.
- Commonly controlled entities.
- Between an LLC and a member of the LLC.
- From a partner to its partnership.
- From a partnership to a partner.
- From a joint venturer to its joint venture.
- From a joint venture to a joint venturer.
- From a trustee to its trust beneficiary.
- From any of the above entities to a single purpose entity in order to obtain financing.

B8. A transfer from a person to a trustee, or from a trustee to a trust beneficiary, with only nominal consideration. 

*EXAMPLE:* Transfer of property under the terms of a will. You are transferring your property into a trust.

B9. A transfer of title to and from an intermediary for the sole purpose of creating a Joint Tenancy Estate, or some other form of ownership.

*EXAMPLE:* Transfer to and from a straw man. A straw man is a disinterested third party, usually used to change the form of ownership, for example, creating a Joint Tenancy Estate.

B10. A transfer of title from a husband and wife, or from one of them, to both husband and wife to create an Estate in Community Property with right of survivorship.

*Example:* You and/or your spouse already own the property and you are recording a Community Property With Rights of Survivorship Deed.

B11. A transfer of title from two or more persons to themselves, to create an Estate in Joint Tenancy with rights of survivorship.

*EXAMPLE:* Two individuals convey ownership to themselves in a Joint Tenancy Estate with the right of survivorship. You already own the property, and you are recording a Joint Tenancy With Rights of Survivorship Deed.

B12. A transfer of title pursuant to a Beneficiary Deed with only nominal consideration for the transfer.

*Example:* You are recording a Beneficiary Deed.
EXEMPTION CODES, cont.

B13. From an owner to itself or a related entity for no or nominal consideration to consolidate or split parcels.

B14. Due to a name change.