



## ARIZONA STATE SENATE

### Fifty-First Legislature, First Regular Session

#### AMENDED FACT SHEET FOR H.B. 2525

real estate licenses; cancellation.

#### Purpose

Eliminates the requirement that a licensee must be active in order to terminate a real estate license. Modifies public report exemptions for sales and leases of subdivided property.

#### Background

The Arizona Department of Real Estate (Department) regulates real estate, cemetery and membership camping brokers and salespersons. It approves and monitors pre-licensing instruction and testing and continuing education courses. Additionally, the Department oversees the activities of licensees, investigates complaints against licensees and land developers and participates in administrative hearings pertaining to their conduct.

Pursuant to A.R.S. § 32-2122, in the State of Arizona a license is required if a person intends to act in the capacity of a real estate, cemetery or membership camping broker or salesperson. To obtain a license the proper application, examination and payment of fees must be completed. Once issued a license, the licensee is responsible for the completion of continued education courses and renewal of the license (A.R.S. § 32-2130). Under current statute, a licensee must be considered active and both not under investigation and not in disciplinary proceedings in order to cancel their license.

Subdividers are required to submit a notice and public report to the Real Estate Commissioner before offering lands for sale or lease. The public report provides specific information regarding the subdivided land, including a legal description of the land; a statement of the proposed uses for the land; and assurances of utility provisions (A.R.S. § 32-2181). Current statute (A.R.S. § 32-2181.02) outlines exemptions for the sale or lease of lots or parcels of subdivided land. These determinations are based upon if a public report has been issued in the past two years, the size of land for sale, number of buyers and transactions, zoning of land, subdivision platting and sale of improved lots or lands.

There is no anticipated fiscal impact associated with this legislation.

#### Provisions

1. Eliminates the requirement that a licensee must be considered active in order to terminate a license if the licensee is both not presently under investigation and the Department has not begun a disciplinary proceeding against the licensee.
2. Increases the amount of time within which a public report has been issued from two to five years in order to be exempt from sale or lease regulations for subdivided lands.

FACT SHEET - Amended

H.B. 2525

Page 2

3. Excludes public reports that have had financial information changes from the public report and notice exemption for sales and leases of subdivided land.
4. Makes technical changes.
5. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Increases, with regard to exemptions from sales and leases of subdivided property, the amount of time within which a public report has been issued from two to five years.

Amendments Adopted by Committee of the Whole

- Excludes public reports that have had financial information changes from the public report and notice exemption for sales and leases of subdivided land.

House Action

COM            2/13/13 DP 9-0-0-0-0  
3<sup>rd</sup> Read      2/27/13        59-0-1-0-0

Senate Action

CEM            3/13/13 DPA 6-0-1-0  
3<sup>rd</sup> Read      3/28/13        28-0-2-0

Prepared by Senate Research

April 1, 2013

JT/LE/tf