



Bill Number: H.B. 2399

Petersen Floor Amendment

Reference to: House engrossed bill

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

1. Requires an applicant offering a prelicensure online course to file the course outline with the Arizona Department of Real Estate (ADRE) at least 90 days before holding the course of study.
2. Requires ADRE to issue approval within 90 days after receipt of an application for online course study and grants provisional approval to applications not issued approval within the 90-day time frame.
3. Allows ADRE to establish online course approval requirements and fees by rule.
4. Defines *online course*.

Amendment explanation prepared by Grant Hanna

04/10/2018

PETERSEN FLOOR AMENDMENT
SENATE AMENDMENTS TO H.B. 2399
(Reference to House engrossed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 32-2101, Arizona Revised Statutes, is amended to
3 read:

4 32-2101. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Acting in concert" means evidence of collaborating to pursue a
7 concerted plan.

8 2. "Advertising" means the attempt by publication, dissemination,
9 exhibition, solicitation or circulation, oral or written, or for broadcast
10 on radio or television to induce directly or indirectly any person to enter
11 into any obligation or acquire any title or interest in lands subject to
12 this chapter including the land sales contract to be used and any
13 photographs, drawings or artist's presentations of physical conditions or
14 facilities existing or to exist on the property. Advertising does not
15 include:

16 (a) Press releases or other communications delivered to newspapers,
17 periodicals or other news media for general information or public relations
18 purposes if no charge is made by the newspapers, periodicals or other news
19 media for the publication or use of any part of these communications.

20 (b) Communications to stockholders as follows:

21 (i) Annual reports and interim financial reports.

22 (ii) Proxy materials.

23 (iii) Registration statements.

24 (iv) Securities prospectuses.

25 (v) Applications for listing of securities on stock exchanges.

26 (vi) Prospectuses.

1 (vii) Property reports.

2 (viii) Offering statements.

3 3. "Affiliate" means a person who, directly or indirectly through
4 one or more intermediaries, controls, is controlled by or is under common
5 control with the person specified.

6 4. "Associate broker" means a licensed broker WHO IS employed by
7 another broker. Unless otherwise specifically provided, an associate
8 broker has the same license privileges as a salesperson.

9 5. "Barrier" means a natural or man-made geographical feature that
10 prevents parcels of land from being practicably, reasonably and
11 economically united or reunited and that was not caused or created by the
12 owner of the parcels.

13 6. "Blanket encumbrance" means any mortgage, any deed of trust or
14 any other encumbrance or lien securing or evidencing the payment of money
15 and affecting more than one lot or parcel of subdivided land, or an
16 agreement affecting more than one lot or parcel by which the subdivider
17 holds the subdivision under an option, contract to sell or trust
18 agreement. Blanket encumbrance does not include taxes and assessments THAT
19 ARE levied by public authority.

20 7. "Board" means the state real estate advisory board.

21 8. "Broker", when used without modification, means a person who is
22 licensed as a broker under this chapter or who is required to be licensed
23 as a broker under this chapter.

24 9. "Business broker" means a real estate broker who acts as an
25 intermediary or agent between sellers or buyers, or both, in the sale or
26 purchase, or both, of businesses or business opportunities where a lease or
27 sale of real property is either a direct or incidental part of the
28 transaction.

29 10. "Camping site" means a space THAT IS designed and promoted for
30 the purpose of locating any trailer, tent, tent trailer, pickup camper or
31 other similar device used for camping.

1 11. "Cemetery" or "cemetery property" means any one, or a
2 combination of more than one, of the following in a place THAT IS used, or
3 intended to be used, and dedicated for cemetery purposes:

4 (a) A burial park, for earth interments.

5 (b) A mausoleum, for crypt or vault entombments.

6 (c) A crematory, or a crematory and columbarium, for cinerary
7 interments.

8 (d) A cemetery plot, including interment rights, mausoleum crypts,
9 niches and burial spaces.

10 12. "Cemetery broker" means a person other than a real estate broker
11 or real estate salesperson who, for another, for compensation:

12 (a) Sells, leases or exchanges cemetery property or interment
13 services of or for another, or on the person's own account.

14 (b) Offers for another or for the person's own account to buy, sell,
15 lease or exchange cemetery property or interment services.

16 (c) Negotiates the purchase and sale, lease or exchange of cemetery
17 property or interment services.

18 (d) Negotiates the purchase or sale, lease or exchange, or lists or
19 solicits, or negotiates a loan on or leasing of cemetery property or
20 interment services.

21 13. "Cemetery salesperson" means a natural person who acts on the
22 person's own behalf or through and on behalf of a professional limited
23 liability company or a professional corporation engaged by or on behalf of
24 a licensed cemetery or real estate broker, or through and on behalf of a
25 corporation, partnership or limited liability company that is licensed as a
26 cemetery or real estate broker, to perform any act or transaction included
27 in the definition of cemetery broker.

28 14. "Commissioner" means the state real estate commissioner.

29 15. "Common promotional plan" means a plan, undertaken by a person
30 or a group of persons acting in concert, to offer lots for sale or
31 lease. If the land is offered for sale by a person or group of persons

1 acting in concert, and the land is contiguous or is known, designated or
2 advertised as a common unit or by a common name, the land is presumed,
3 without regard to the number of lots covered by each individual offering,
4 as being offered for sale or lease as part of a common promotional
5 plan. Separate subdividers selling lots or parcels in separately platted
6 subdivisions within a master planned community shall not be deemed to be
7 offering their combined lots for sale or lease as part of a common
8 promotional plan.

9 16. "Compensation" means any fee, commission, salary, money or other
10 valuable consideration for services rendered or to be rendered as well as
11 the promise of consideration whether contingent or not.

12 17. "Contiguous" means lots, parcels or fractional interests that
13 share a common boundary or point. Lots, parcels or fractional interests
14 are not contiguous if they are separated by either of the following:

15 (a) A barrier.

16 (b) A road, street or highway that has been established by this
17 state or by any agency or political subdivision of this state, that has
18 been designated by the federal government as an interstate highway or that
19 has been regularly maintained by this state or by any agency or political
20 subdivision of this state and has been used continuously by the public for
21 at least the last five years.

22 18. "Control" or "controlled" means a person who, through ownership,
23 voting rights, power of attorney, proxy, management rights, operational
24 rights or other rights, has the right to make decisions binding on an
25 entity, whether a corporation, a partnership or any other entity.

26 19. "Corporation licensee" means a lawfully organized corporation
27 that is registered with the Arizona corporation commission and that has an
28 officer licensed as the designated broker pursuant to section 32-2125.

29 20. "Department" means the state real estate department.

30 21. "Designated broker" means the natural person who is licensed as
31 a broker under this chapter and who is either:

1 (a) Designated to act on behalf of an employing real estate,
2 cemetery or membership camping entity.

3 (b) Doing business as a sole proprietor.

4 22. "Developer" means a person who offers real property in a
5 development for sale, lease or use, either immediately or in the future, on
6 the person's own behalf or on behalf of another person, under this chapter.
7 Developer does not include a person whose involvement with a development is
8 limited to the listing of property within the development for sale, lease
9 or use.

10 23. "Development" means any division, proposed division or use of
11 real property that the department has authority to regulate, including
12 subdivided and unsubdivided lands, cemeteries, condominiums, timeshares,
13 membership campgrounds and stock cooperatives.

14 24. "Employing broker" means a person who is licensed or is required
15 to be licensed as a:

16 (a) Broker entity pursuant to section 32-2125, subsection A.

17 (b) Sole proprietorship if the sole proprietor is a broker licensed
18 pursuant to this chapter.

19 25. "Fractional interest" means an undivided interest in improved or
20 unimproved land, lots or parcels of any size created for the purpose of
21 sale or lease and evidenced by any receipt, certificate, deed or other
22 document conveying the interest. Undivided interests in land, lots or
23 parcels created in the names of a husband and wife as community property,
24 joint tenants or tenants in common, or in the names of other persons who,
25 acting together as part of a single transaction, acquire the interests
26 without a purpose to divide the interests for present or future sale or
27 lease shall be deemed to constitute only one fractional interest.

28 26. "Improved lot or parcel" means a lot or parcel of a subdivision
29 ~~upon~~ ON which lot or parcel there is a residential, commercial or
30 industrial building or concerning which a contract has been entered into
31 between a subdivider and a purchaser that obligates the subdivider

1 directly, or indirectly through a building contractor, to complete
2 construction of a residential, commercial or industrial building on the lot
3 or parcel within two years from the date on which the contract of sale for
4 the lot is entered into.

5 27. "Inactive license" means a license THAT IS issued pursuant to
6 article 2 of this chapter to a licensee who is on inactive status during
7 the current license period and who is not engaged by or on behalf of a
8 broker.

9 28. "Lease" or "leasing" includes any lease, whether it is the sole,
10 the principal or any incidental part of a transaction.

11 29. "License" means the whole or part of any agency permit,
12 certificate, approval, registration, public report, charter or similar form
13 of permission required by this chapter.

14 ~~31.~~ 30. "Licensee" means a person to whom a license for the current
15 license period has been granted under any provision of this chapter, and,
16 for purposes of section 32-2153, subsection A, shall include original
17 license applicants.

18 ~~30.~~ 31. "License period" means the ~~two-year~~ TWO-YEAR period
19 beginning with the date of original issue or renewal of a particular
20 license and ending on the expiration date, if any.

21 32. "Limited liability company licensee" means a lawfully organized
22 limited liability company that has a member or manager who is a natural
23 person and who is licensed as the designated broker pursuant to section
24 32-2125.

25 33. "Lot reservation" means an expression of interest by a
26 prospective purchaser in buying at some time in the future a subdivided or
27 unsubdivided lot, unit or parcel in this state. In all cases, a subsequent
28 affirmative action by the prospective purchaser must be taken to create a
29 contractual obligation to purchase.

30 34. "Master planned community" means a development that consists of
31 two or more separately platted subdivisions and that is either subject to a

1 master declaration of covenants, conditions or restrictions, is subject to
2 restrictive covenants sufficiently uniform in character to clearly indicate
3 a general scheme for improvement or development of real property or is
4 governed or administered by a master owner's association.

5 35. "Member" means a member of the real estate advisory board.

6 36. "Membership camping broker" means a person, other than a
7 salesperson, who, for compensation:

8 (a) Sells, purchases, lists, exchanges or leases membership camping
9 contracts.

10 (b) Offers to sell, purchase, exchange or lease membership camping
11 contracts.

12 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
13 purchase, exchange or lease of membership camping contracts.

14 (d) Advertises or holds himself out as being engaged in the business
15 of selling, buying, exchanging or leasing membership camping contracts or
16 counseling or advising regarding membership camping contracts.

17 (e) Assists or directs in the procuring of prospects calculated or
18 intended to result in the sale, purchase, listing, exchange or lease of
19 membership camping contracts.

20 (f) Performs any of the foregoing acts as an employee or on behalf
21 of a membership camping operator or membership contract owner.

22 37. "Membership camping contract" means an agreement **THAT IS** offered
23 or sold in this state evidencing a purchaser's right or license to use the
24 camping or outdoor recreation facilities of a membership camping operator
25 and includes a membership that provides for this use.

26 38. "Membership camping operator" means an enterprise, other than
27 one that is tax exempt under section 501(c)(3) of the internal revenue code
28 of 1986, as amended, that solicits membership paid for by a fee or periodic
29 payments and has as one of its purposes camping or outdoor recreation,
30 including the use of camping sites primarily by members. Membership
31 camping operator does not include camping or recreational trailer parks

1 that are open to the general public and that contain camping sites rented
2 for a per use fee or a mobile home park.

3 39. "Membership camping salesperson" means a natural person who acts
4 on the person's own behalf or through and on behalf of a professional
5 limited liability company or a professional corporation engaged by or on
6 behalf of a licensed membership camping or real estate broker, or by or on
7 behalf of a corporation, partnership or limited liability company that is
8 licensed as a membership camping or real estate broker, to perform any act
9 or participate in any transaction in a manner included in the definition of
10 membership camping broker.

11 40. "ONLINE COURSE" MEANS PRELICENSURE EDUCATION THAT IS A PLANNED
12 LEARNING EXPERIENCE WITH A GEOGRAPHIC SEPARATION THAT MAY BE SYNCHRONOUS OR
13 ASYNCHRONOUS, THAT DOES NOT REQUIRE REAL-TIME INTERACTION BETWEEN A STUDENT
14 AND AN INSTRUCTOR AND THAT USES A PLATFORM WITH SELF-PACED OR PRERECORDED
15 LESSONS AND MATERIALS THAT A STUDENT CAN ACCESS VIA THE INTERNET TO PROCEED
16 AT THE STUDENT'S OWN PACE.

17 ~~40.~~ 41. "Partnership licensee" means a partnership with a managing
18 general partner who is licensed as the designated broker pursuant to
19 section 32-2125.

20 ~~41.~~ 42. "Permanent access", as required under article 4 of this
21 chapter, means permanent access from the subdivision to any federal, state
22 or county highway.

23 43. ~~"Perpetual-care PERPETUAL CARE"~~ or ~~"endowed-care ENDOWED CARE"~~
24 means the maintenance and care of all places where interments have been
25 made of the trees, shrubs, roads, streets and other improvements and
26 embellishments contained within or forming a part of the cemetery. ~~This~~
27 ~~shall~~ BUT DOES not include the maintenance or repair of monuments, tombs,
28 copings or other man-made ornaments as associated with individual burial
29 spaces.

30 ~~42.~~ 44. "Perpetual or endowed-care cemetery" means a cemetery
31 wherein lots or other burial spaces are sold or transferred under the

1 representation that the cemetery will receive ~~"perpetual"~~ CARE
2 or ~~"endowed"~~ care ~~as defined in this section~~ free of further cost to the
3 purchaser after payment of the original purchase price for the lot, burial
4 space or interment right.

5 ~~44.~~ 45. "Person" means any individual, corporation, partnership or
6 company and any other form of multiple organization for carrying on
7 business, foreign or domestic.

8 ~~45.~~ 46. "Private cemetery" means a cemetery or place that is not
9 licensed under article 6 of this chapter, where burials or interments of
10 human remains are made, in which sales or transfers of interment rights or
11 burial plots are not made to the public and in which not more than ten
12 interments or burials occur annually.

13 ~~46.~~ 47. "Promotion" or "promotional practice" means advertising and
14 any other act, practice, device or scheme to induce directly or indirectly
15 any person to enter into any obligation or acquire any title or interest in
16 or use of real property subject to this chapter, including meetings with
17 prospective purchasers, arrangements for prospective purchasers to visit
18 real property, travel allowances and discount, exchange, refund and
19 cancellation privileges.

20 ~~47.~~ 48. "Real estate" includes leasehold-interests and any estates
21 in land as defined in title 33, chapter 2, articles 1 and 2, regardless of
22 whether located in this state.

23 ~~48.~~ 49. "Real estate broker" means a person, other than a
24 salesperson, who, for another and for compensation:

25 (a) Sells, exchanges, purchases, rents or leases real estate,
26 businesses and business opportunities or timeshare interests.

27 (b) Offers to sell, exchange, purchase, rent or lease real estate,
28 businesses and business opportunities or timeshare interests.

29 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
30 exchange, purchase, rental or leasing of real estate, businesses and
31 business opportunities or timeshare interests.

1 (d) Lists or offers, attempts or agrees to list real estate,
2 businesses and business opportunities or timeshare interests for sale,
3 lease or exchange.

4 (e) Auctions or offers, attempts or agrees to auction real estate,
5 businesses and business opportunities or timeshare interests.

6 (f) Buys, sells, offers to buy or sell or otherwise deals in options
7 on real estate, businesses and business opportunities or timeshare
8 interests or improvements to real estate, businesses and business
9 opportunities or timeshare interests.

10 (g) Collects or offers, attempts or agrees to collect rent for the
11 use of real estate, businesses and business opportunities or timeshare
12 interests.

13 (h) Advertises or holds himself out as being engaged in the business
14 of buying, selling, exchanging, renting or leasing real estate, businesses
15 and business opportunities or timeshare interests or counseling or advising
16 regarding real estate, businesses and business opportunities or timeshare
17 interests.

18 (i) Assists or directs in the procuring of prospects, calculated to
19 result in the sale, exchange, leasing or rental of real estate, businesses
20 and business opportunities or timeshare interests.

21 (j) Assists or directs in the negotiation of any transaction
22 calculated or intended to result in the sale, exchange, leasing or rental
23 of real estate, businesses and business opportunities or timeshare
24 interests.

25 (k) Incident to the sale of real estate, businesses and business
26 opportunities negotiates or offers, attempts or agrees to negotiate a loan
27 secured or to be secured by any mortgage or other encumbrance ~~upon~~ ON or
28 transfer of real estate, businesses and business opportunities or timeshare
29 interests subject to section 32-2155, subsection C. This subdivision does
30 not apply to mortgage brokers as defined in and subject to title 6, chapter
31 9, article 1.

1 (1) Engages in the business of assisting or offering to assist
2 another in filing an application for the purchase or lease of, or in
3 locating or entering ~~upon~~ ON, lands owned by the state or federal
4 government.

5 (m) Claims, demands, charges, receives, collects or contracts for
6 the collection of an advance fee in connection with any employment
7 enumerated in this section, including employment undertaken to promote the
8 sale or lease of real property by advance fee listing, by furnishing rental
9 information to a prospective tenant for a fee paid by the prospective
10 tenant, by advertisement or by any other offering to sell, lease, exchange
11 or rent real property or selling kits connected therewith. This shall not
12 include the activities of any communications media of general circulation
13 or coverage not primarily engaged in the advertisement of real estate or
14 any communications media activities that are specifically exempt from
15 applicability of this article under section 32-2121.

16 (n) Engages in any of the acts listed in subdivisions (a) through
17 (m) of this paragraph for the sale or lease of other than real property if
18 a real property sale or lease is a part of, contingent on or ancillary to
19 the transaction.

20 (o) Performs any of the acts listed in subdivisions (a) through (m)
21 of this paragraph as an employee of, or in behalf of, the owner of real
22 estate, or interest in the real estate, or improvements affixed on the real
23 estate, for compensation.

24 (p) Acts as a business broker.

25 ~~49.~~ 50. "Real estate sales contract" means an agreement in which
26 one party agrees to convey title to real estate to another party ~~upon~~ ON
27 the satisfaction of specified conditions set forth in the contract.

28 ~~50.~~ 51. "Real estate salesperson" means a natural person who acts
29 on the person's own behalf or through and on behalf of a professional
30 limited liability company or a professional corporation engaged by or on
31 behalf of a licensed real estate broker, or by or on behalf of a limited

1 liability company, partnership or corporation that is licensed as a real
2 estate broker, to perform any act or participate in any transaction in a
3 manner included in the definition of real estate broker subject to section
4 32-2155.

5 ~~51.~~ 52. "Sale" or "lease" includes every disposition, transfer,
6 option or offer or attempt to dispose of or transfer real property, or an
7 interest, use or estate in the real property, including the offering of the
8 property as a prize or gift if a monetary charge or consideration for
9 whatever purpose is required.

10 ~~52.~~ 53. "Salesperson", when used without modification, means a
11 natural person who acts on the person's own behalf or through and on behalf
12 of a professional limited liability company or a professional corporation
13 licensed under this chapter or any person required to be licensed as a
14 salesperson under this chapter.

15 ~~53.~~ 54. "School" means a person or entity that offers a course of
16 study towards completion of the education requirements leading to licensure
17 or renewal of licensure under this chapter.

18 ~~54.~~ 55. "Stock cooperative" means a corporation to which all of the
19 following apply:

20 (a) The corporation is formed or used to hold title to improved real
21 property in fee simple or for a term of years.

22 (b) All or substantially all of the shareholders of the corporation
23 each receive a right of exclusive occupancy in a portion of the real
24 property to which the corporation holds title.

25 (c) The right of occupancy may only be transferred with the
26 concurrent transfer of the shares of stock in the corporation held by the
27 person having the right of occupancy.

28 ~~55.~~ 56. "Subdivider" means any person who offers for sale or lease
29 six or more lots, parcels or fractional interests in a subdivision or who
30 causes land to be subdivided into a subdivision for the subdivider or for

1 others, or who undertakes to develop a subdivision, but does not include a
2 public agency or officer authorized by law to create subdivisions.

3 ~~56.~~ 57. "Subdivision" or "subdivided lands":

4 (a) Means improved or unimproved land or lands divided or proposed
5 to be divided for the purpose of sale or lease, whether immediate or
6 future, into six or more lots, parcels or fractional interests.

7 (b) Includes a stock cooperative, lands divided or proposed to be
8 divided as part of a common promotional plan and residential condominiums
9 as defined in title 33, chapter 9.

10 (c) Does not include:

11 (i) Leasehold offerings of one year or less.

12 (ii) The division or proposed division of land located in this state
13 into lots or parcels each of which is or will be thirty-six acres or more
14 in area including to the centerline of dedicated roads or easements, if
15 any, contiguous to the lot or parcel.

16 (iii) The leasing of agricultural lands or apartments, offices,
17 stores, hotels, motels, pads or similar space within an apartment building,
18 industrial building, rental recreational vehicle community, rental
19 manufactured home community, rental mobile home park or commercial
20 building.

21 (iv) The subdivision into or development of parcels, plots or
22 fractional portions within the boundaries of a cemetery that has been
23 formed and approved pursuant to this chapter.

24 (v) A sale or lease of a lot, parcel or fractional interest that
25 occurs ten or more years after the sale or lease of another lot, parcel or
26 fractional interest if the other lot, parcel or fractional interest is not
27 subject to this article and is treated as an independent parcel unless,
28 ~~upon~~ ON investigation by the commissioner, there is evidence of intent to
29 subdivide.

30 ~~57.~~ 58. "Timeshare" or "timeshare property" means real property
31 ownership or right of occupancy in real property pursuant to article 9 of

1 this chapter. For the purposes of this chapter, a timeshare is not a
2 security unless it meets the definition of a security under section
3 44-1801.

4 ~~58:~~ 59. "Trustee" means:

5 (a) A person WHO IS designated under section 32-2194.27 to act as a
6 trustee for an endowment-care cemetery fund.

7 (b) A person holding bare legal title to real property under a
8 subdivision trust. A trustee shall not be deemed to be a developer,
9 subdivider, broker or salesperson within this chapter.

10 ~~59:~~ 60. "Unimproved lot or parcel" means a lot or parcel of a
11 subdivision that is not an improved lot or parcel.

12 ~~60:~~ 61. "Unsubdivided lands":

13 (a) Means land or lands divided or proposed to be divided for the
14 purpose of sale or lease, whether immediate or future, into six or more
15 lots, parcels or fractional interests and the lots or parcels are
16 thirty-six acres or more each but less than one hundred sixty acres each,
17 or that are offered, known or advertised under a common promotional plan
18 for sale or lease, except that agricultural leases shall not be included in
19 this definition.

20 (b) Includes any land that is sold that would otherwise constitute
21 the sixth lot, parcel or fractional interest if the sale occurs ten or more
22 years after the earliest of the previous five sales and if all of the sales
23 consist of property that was originally contained within the same parcel
24 that is thirty-six acres or more and less than one hundred sixty acres."

25 Renumber to conform

26 Page 2, line 11, after "SUBSECTION" insert "THROUGH AN"; after "ONLINE" insert
27 "COURSE"; after "THE" insert "ONLINE"

28 Line 13, after "THE" insert "ONLINE"

29 Line 30, after "SUBSECTION" insert "THROUGH AN"

30 Line 31, after "ONLINE" insert "COURSE"; after "THE" insert "ONLINE"

31 Line 32, after the third "THE" insert "ONLINE"

1 Page 4, after line 39, insert:

2 "Sec. 3. Section 32-2132, Arizona Revised Statutes, is amended to
3 read:

4 32-2132. Fees

5 A. Except as provided in subsection D of this section, the following
6 fees shall be charged and shall not be refunded by the commissioner after
7 issuance of a receipt for payment:

8 1. A broker's examination application fee of not less than
9 thirty-five dollars and not more than one hundred twenty-five dollars.

10 2. A broker's examination fee of not less than thirty-five dollars
11 and not more than one hundred dollars.

12 3. A broker's license fee of not less than seventy-five dollars and
13 not more than two hundred fifty dollars.

14 4. A broker's renewal fee of not less than one hundred dollars and
15 not more than four hundred dollars.

16 5. A salesperson's examination application fee of not less than
17 fifteen dollars and not more than seventy-five dollars.

18 6. A salesperson's examination fee of not less than fifteen dollars
19 and not more than fifty dollars.

20 7. A salesperson's license fee of not less than thirty-five dollars
21 and not more than one hundred twenty-five dollars.

22 8. A salesperson's renewal fee of not less than sixty dollars and
23 not more than two hundred dollars.

24 9. A branch office broker's license fee or renewal fee of not less
25 than sixty dollars and not more than two hundred dollars.

26 10. A fee for a change of name and address of licensee on records of
27 the department of not more than twenty dollars.

28 11. A duplicate license fee of five dollars.

29 12. A fee for reinstatement of license within license period of five
30 dollars.

1 13. A fee for each certificate of correctness of copy of records or
2 documents on file with the department of one dollar, plus the cost to the
3 department for reproducing the records or documents.

4 14. A temporary broker's license fee of not less than fifteen
5 dollars and not more than fifty dollars.

6 15. A temporary cemetery salesperson's license fee of not less than
7 fifteen dollars and not more than fifty dollars.

8 16. A membership camping salesperson certificate of convenience fee
9 of not less than fifteen dollars and not more than fifty dollars.

10 17. Fees in an amount to be determined by the commissioner by rule
11 for the following:

12 (a) A certificate of approval or renewal to operate a school.

13 (b) An instructor or other school official approval or renewal fee.

14 (c) A live classroom continuing education course approval or renewal
15 fee.

16 (d) A live classroom prelicensure education course **OR PRELICENSURE**
17 **ONLINE COURSE** approval or renewal fee.

18 (e) A continuing education distance learning course approval or
19 renewal fee.

20 B. A corporation, partnership or limited liability company shall not
21 be assessed a fee for the issuance of a broker's license.

22 C. The commissioner may contract for the processing of applications
23 and the examination of applicants for licensure. The contract may provide
24 for specific fees or a reasonable range for fees as determined by the
25 commissioner for examination applications and examinations to be paid
26 directly to the contractor by the applicant. These fees may not exceed the
27 amounts prescribed in subsection A, paragraphs 1, 2, 5 and 6 of this
28 section.

29 D. For good cause shown the commissioner may refund fees previously
30 collected.

1 Sec. 4. Section 32-2135, Arizona Revised Statutes, is amended to
2 read:

3 32-2135. Real estate schools; courses of study; instructors;
4 certification

5 A. Except as provided in section 32-4301, before offering a course
6 of study towards completion of the education requirement for real estate
7 licensure or renewal of licensure, a school shall obtain from the
8 commissioner a certificate of approval or renewal to operate a school for a
9 period of at least four years. A school shall also obtain a certificate of
10 course approval for each course offered for credit that is not currently
11 approved for another school. Each school is responsible for the content of
12 any course it offers and for the professional administration and teaching
13 of the course. Live classroom prelicensure education COURSES, live
14 classroom continuing education COURSES, ONLINE COURSES and distance
15 learning continuing education courses are subject to approval pursuant to
16 this section.

17 B. Each approved school shall issue a certificate of real estate
18 course attendance to each person who completes an approved prelicensure or
19 continuing education course. An applicant for renewal of licensure as
20 provided by section 32-2130 shall file evidence of the certificates issued
21 by the school with the commissioner showing the number of credit hours and
22 course of study required for renewal.

23 C. The commissioner may withdraw or deny certification or approval
24 of real estate schools, educational courses or real estate instructors for
25 any acts inconsistent with the requirements of this chapter, including:

26 1. The commission of or the failure to report a violation by an
27 approved school or instructor of any provision of this chapter or rules
28 adopted pursuant to this chapter.

29 2. Improper certification of student attendance or performance.

30 3. Any act that is grounds for discipline under section 32-2153.

1 4. Teaching information or using course materials that have not been
2 approved by the commissioner.

3 5. Failing to attend any continuing education course required by the
4 commissioner.

5 6. Filing any false or misleading application, report or
6 documentation with the department.

7 7. Teaching course content that is not current or that has
8 substantially changed from the course as approved.

9 D. A real estate school, through any owner, director, administrator,
10 instructor or other agent, shall not:

11 1. Offer a course of study for credit that is not approved by the
12 department, except that the school may advertise a course as pending
13 approval before its approval.

14 2. Promote or advertise the school using false or misleading
15 statistics or testimonials or any other form of deceptive advertisement.

16 E. The commissioner may determine minimal content requirements for
17 approving educational courses and appropriate professional qualifications
18 for approving instructors to teach individual educational courses.

19 F. **EXCEPT AS PROVIDED IN SUBSECTION G OF THIS SECTION,** at least
20 thirty days before holding a course of study for completion of the
21 education requirements leading to licensure of real estate applicants or
22 for license renewal requirements, an application for a certificate of
23 course approval or renewal must be filed with the department. For a live
24 classroom course, the application shall include a course outline with
25 sufficient detail to clearly identify the scope and content of the
26 course. The outline shall state a desired instructional outcome for the
27 course. A prelicensure education course outline that is submitted for
28 approval shall be divided into estimated ~~fifty-minute~~ **FIFTY-MINUTE**
29 instructional segments. Course approval shall not be unreasonably withheld
30 and shall not be issued later than thirty days after filing with the
31 department for a live classroom course. A continuing education distance

1 learning course approval shall not be issued later than ninety days after
2 filing with the department. If the approvals under this subsection are not
3 granted within the time frames prescribed by this subsection, the course
4 shall be automatically approved on a provisional basis for one hundred
5 eighty days, unless the department has otherwise notified the applicant of
6 specific deficiencies or unfulfilled requirements for the course
7 submission. A provisional approval may be withdrawn by the department upon
8 fifteen days' advance notice if the department's review of the course
9 subsequently reveals course deficiencies or unfulfilled course
10 requirements. If not withdrawn, the course approval shall remain approved
11 for the entire course approval period. Course approval shall be for a
12 period of at least four years if the contents of the course remain current
13 and substantially unchanged. The course may not be taught if the content
14 ceases to be current or is substantially changed. The department may
15 establish by rule additional appropriate requirements for approval of a
16 distance learning course.

17 G. AT LEAST NINETY DAYS BEFORE HOLDING AN ONLINE COURSE OF STUDY FOR
18 COMPLETION OF THE EDUCATION REQUIREMENTS LEADING TO LICENSURE OF REAL
19 ESTATE APPLICANTS, AN APPLICATION FOR A CERTIFICATE OF ONLINE COURSE
20 APPROVAL MUST BE FILED WITH THE DEPARTMENT. AN ONLINE COURSE OUTLINE THAT
21 IS SUBMITTED FOR APPROVAL SHALL BE DIVIDED INTO ESTIMATED FIFTY-MINUTE
22 INSTRUCTIONAL SEGMENTS. ONLINE COURSE APPROVAL SHALL NOT BE UNREASONABLY
23 WITHHELD AND SHALL BE ISSUED NOT LATER THAN NINETY DAYS AFTER FILING WITH
24 THE DEPARTMENT. IF THE APPROVALS UNDER THIS SUBSECTION ARE NOT GRANTED
25 WITHIN THE TIME FRAMES PRESCRIBED BY THIS SUBSECTION, THE ONLINE COURSE
26 SHALL BE AUTOMATICALLY APPROVED ON A PROVISIONAL BASIS FOR ONE HUNDRED
27 EIGHTY DAYS, UNLESS THE DEPARTMENT HAS OTHERWISE NOTIFIED THE APPLICANT OF
28 SPECIFIC DEFICIENCIES OR UNFULFILLED REQUIREMENTS FOR THE ONLINE COURSE
29 SUBMISSION. A PROVISIONAL APPROVAL MAY BE WITHDRAWN BY THE DEPARTMENT ON
30 FIFTEEN DAYS' ADVANCE NOTICE IF THE DEPARTMENT'S REVIEW OF THE ONLINE
31 COURSE SUBSEQUENTLY REVEALS COURSE DEFICIENCIES OR UNFULFILLED COURSE

1 REQUIREMENTS. IF NOT WITHDRAWN, THE ONLINE COURSE APPROVAL SHALL REMAIN
2 APPROVED FOR THE ENTIRE ONLINE COURSE APPROVAL PERIOD. ONLINE COURSE
3 APPROVAL SHALL BE FOR A PERIOD OF AT LEAST FOUR YEARS IF THE CONTENTS OF
4 THE ONLINE COURSE REMAIN CURRENT AND SUBSTANTIALLY UNCHANGED. THE ONLINE
5 COURSE MAY NOT BE TAUGHT IF THE CONTENT CEASES TO BE CURRENT OR IS
6 SUBSTANTIALLY CHANGED. APPROVED ONLINE COURSES MUST PROVIDE FOR STUDENT
7 PARTICIPATION, FEEDBACK AND REMEDIAL INSTRUCTION. THE DEPARTMENT MAY
8 ESTABLISH BY RULE ADDITIONAL APPROPRIATE REQUIREMENTS FOR APPROVAL OF AN
9 ONLINE COURSE.

10 ~~H.~~ H. For a currently approved course OR ONLINE COURSE:

11 1. The school shall submit notice to the department at least
12 fourteen days before holding the course to permit department employees to
13 monitor the course. The notice is not otherwise subject to review and
14 approval by the department.

15 2. With the permission of the school that received original approval
16 for the course, another school that desires to offer the course is subject
17 only to the ~~fourteen day~~ FOURTEEN-DAY notice requirement before holding the
18 same course. No additional review and approval by the department is
19 required.

20 ~~H.~~ I. The department shall approve for continuing education credit
21 any course of study proposed by a real estate school if the course
22 satisfies the commissioner's requirements and is held in this state.

23 ~~H.~~ J. The department may approve for continuing education credit
24 any course of study proposed by a real estate school if the course
25 satisfies the commissioner's requirements and is held outside this state.

26 ~~Upon~~ ON the commissioner's request, the school shall either:

27 1. Provide the department with a videotape or videotapes of the
28 course.

29 2. Make arrangements that are approved by the department for
30 monitoring the course.

1 ~~K.~~ K. An instructor shall file with the department an application
2 for instructor approval or renewal. Instructor approval shall be for at
3 least four years from the date of approval and is subject to amendment
4 during the license period only if information material to the instructor's
5 qualifications has changed. A person holding instructor approval to teach
6 specific subject matter is not subject to additional or duplicate approval
7 requirements during the original approval period, except that an additional
8 instructor competency area may be added during the license period on
9 submission by the instructor of evidence of competency in such additional
10 competency area.

11 ~~K.~~ L. Beginning January 1, 2012, in the twenty-four months before
12 application, each instructor original or renewal applicant, other than a
13 panelist, guest speaker, ~~an~~ attorney or out-of-state instructor, shall
14 attend at least a ~~three-hour~~ THREE-HOUR professional seminar or workshop,
15 approved by the department, emphasizing instruction methods, techniques and
16 skills. At the discretion of the commissioner this requirement may be
17 waived based on individual request review.

18 ~~L.~~ M. The ~~thirty-day and fourteen-day~~ course filing time frames
19 prescribed in this section may be waived by the department for good cause
20 shown.

21 ~~M.~~ N. Unless subject to a violation or suspected violation listed
22 in subsection C of this section, the department's approval of a school,
23 school official, instructor or course shall be processed in a time frame
24 consistent with the time frames set forth in this section.

25 ~~N.~~ O. This section does not affect the department's ability to
26 withdraw or deny certification or approval of real estate schools,
27 education courses or real estate instructors for a violation of this
28 chapter.

1 2. All negotiations in this state or with people who own property in
2 this state are conducted through the licensed broker in this state.

3 3. The licensed broker in this state assumes all responsibility for
4 the acts of the out-of-state broker.

5 4. All principal funds handled by either the licensed broker in this
6 state or the out-of-state broker are subject to the deposit and handling
7 requirements of section 32-2151.

8 D. The offering of real estate brokerage services specified by
9 section 32-2101, paragraph ~~48~~ 49 for compensation or any other thing of
10 value pertaining to real property located in this state through an internet
11 ~~web site~~ WEBSITE constitutes activity that requires a broker's license
12 issued by the department.

13 E. This section does not allow an out-of-state broker who is not
14 licensed in this state to list, market or advertise in this state real
15 property located in this state for sale, lease or exchange.

16 F. Signs shall not be placed on real property in this state by an
17 out-of-state broker. An out-of-state broker shall not use a cooperation
18 agreement as authority to sell, lease, rent, exchange or attempt to sell,
19 lease, rent or exchange real property to a resident of this state."

20 Amend title to conform

WARREN PETERSEN

2399FloorPETERSEN
04/09/2018
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