

DIALOG

The periodic bulletin
from

The Arizona Department of Real Estate
September— October, 2007



Commissioner

In the 70's, Arizona was plagued by land fraud. Ned Warren spent the remainder of his life in jail for committing crimes against consumers and the industry. As your new Commissioner for Arizona's Department of Real Estate (ADRE), I am working with community leaders and industry professionals to better protect consumers and promote Arizona's reputation for having a legitimate and professional real estate industry.

While visiting communities throughout Arizona, I hear a common concern - illegal subdivisions. Consumers, taxpayers and reputable developers are harmed by these schemes. Unsuspecting buyers discover water and utilities are unavailable contrary to what they are told; communities struggle with substandard roads unusable by school buses or emergency vehicles; and legal developers must compete with an illegal subdivider who gains unfair advantages by not disclosing important information to buyers nor makes the necessary investments to ensure proper infrastructure.

Often, people think this type of activity is limited to rural areas where oversight is more difficult but with the tremendous growth across Arizona, we are also finding illegal subdivisions just outside of town and city limits.

ADRE's mission is to protect the public. Our existing subdivision laws are designed to:

- **Protect consumers from fraud and misrepresentation.**
- **Ensure full disclosure of property characteristics to buyers.**
- **Ensure residential developments have adequate and safe streets, utilities and other infrastructure.**

To achieve more success in preventing violations and prosecuting those who harm the public, ADRE has initiated statewide efforts with counties and the industry focused on more education and better enforcement of existing laws.

- **Disclosure Templates.** Two purposes - First, when no public report* is required by law (*a license to sell and a disclosure document sellers give to buyers), a template will provide buyers a summary of information about their subdivision and alert them to missing facts that should be investigated. Templates will also assist sellers who must secure a public report by giving them a foundation for their application.
- **Intergovernmental Agreements (IGA).** Joint investigative efforts with county development staffs will help finalize investigations quicker resulting in more effective corrective actions and restitution to consumers and communities being harmed.
- **The Public Report.** Reviewing development statutes with public and industry participation to clarify, simplify and make the public report more consumer-friendly.

Continued page 2

Let the Conversation Continue: A Message from Commissioner Wercinski

Continued from page 1

These new efforts are already proving to be beneficial. With proactive efforts that include education, prevention and effective enforcement of existing laws, we will be more successful in protecting our public and ensuring proper and reputable development in Arizona.

Warm regards,




Commissioner Wercinski signs the Intergovernmental Agreement (IGA) between Gila County and the Department.

Gila County is the first county to sign the Intergovernmental Agreement (IGA) with the Department. Cochise County was the second to sign on. The IGA allows the Department and the Counties to work cooperatively in addressing illegal subdivisions.



Gila County Board of Supervisors & Commissioner Wercinski
(Pictured from left to right: Chair Jose Sanchez, Vice-Chair Tommie Kline Martin, Member Shirley Dawson, Commissioner and Director Robert Gould, Planning Manager/Community Development.)

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ADRE Workgroups 2007 – An Opportunity for Arizona

ADRE workgroups began on May 7, 2007. Commissioner Wercinski appointed volunteers from the Public, the Industry, and the Department to serve on each group. The Arizona Department of Real Estate Summer Workgroups concluded with recommendations to Commissioner Wercinski on August 10

The major items recommended include:

1. Increasing Post-Licensure Education Hours
2. Developing an Apprenticeship or Mentoring Program
3. Changing the Public Report into a Registration Process

Commissioner Wercinski has invited Public and Industry Groups to the Department to be a part of a "Legislative Task Force". This Task Force will bring different interests and perspectives together to craft consensus legislation that will benefit the Public, the Industry, and the Department. The meetings begin on September 21, and will continue through November 9, from 9-11 am at the Department of Real Estate's Phoenix Office. The Public and the industry are welcome to come to the meetings to observe the dialog. To see all of the recommendations, [click here](#).



Development Statute Review
Chairs: Roy Tanney & Ann White

ADRE would like to send a special THANK YOU to Tom Adams and Robert Bass for chairing the three statute workgroups.



Education Statute Review
Chairs: Colin Austin & Bob Herd



Licensing Statute Review
Chairs: Dave Lewis & Martha Appel



Public Report Review
Chairs: Cindy Ferrin & Angela Sutton



Lifetime License
Chairs: Janet Blair & Kathy Howe



Technology
Chairs: Jeff Peterson & Mike Uhrich



Online Services Available:

As the Licensee...

- Renew your individual license
- Change your personal information
- Request to be hired to a new broker
- Sever from your current broker

As the Designated Broker...

- Renew your entity license **New!**
- Sever and transfer your employees **New!**
- Approve hire and renewal request

By completing available services online, you not only save time, but you also save money!

	Regular Fee	Online Fee	Savings
Sales Renewal	\$120	\$100	\$20
Broker Renewal	\$240	\$200	\$40
Personal Address Changes	\$15	\$0	\$15
Hire/Sever	\$20	\$10	\$10



“News from the Department”



Jerome Jordan, Assistant Commissioner of Operations helping load the bus!

PACK THE BUS!

“Wow! Fantastic! Great! Thank You! - These were just some of the exclamations we heard from school children who were the recipients of the donated school supplies.

Last year over 7,000 needy students were provided with school supplies. This year over 10,000 students were provided a backpack with supplies.



Recovery Fund

On October 2, 2007 Commissioner Wercinski presented a Recovery Fund check in the amount of \$30,000.00 to Antonio Lopez. Mr. Lopez filed an application with the Department for a claim against the Real Estate Recovery Fund because he suffered an actual and direct out-of-pocket loss arising from a real estate transaction in which the licensee engaged in fraud. On December 18, 2006 Superior Court of Arizona, Maricopa County ordered criminal restitution to Mr. Lopez in the amount of \$60,124. The Recovery Fund shall not exceed \$30,000 for each transaction and \$90,000 for each licensee.

Summer Youth Program

During the summer months the Department participated in the Chicanos Por La Causa (CPLC) Youth Employment Program. We were fortunate to have five youths assigned to the Department. The youth are paid by CPLC. These individuals are exposed to the workplace and learn new skills which will enable them to obtain employment in the future.



Fissures from the Bottom Up

Becky S. Ryan

No longer can we use the excuse: "We didn't know." When legislation passed in 2006 addressed the disclosure of nine specific items, including earth fissures, we could get by with "we didn't know" for a while. Up-to-date maps were lacking, and the challenge was being able to disclose a material fact without an accurate source for the information. In 2006, the Arizona Geological Survey (AZGS) was charged with mapping known fissures and fissure-prone areas and providing this information to the State Land Department. The State Land Department was, in turn, to provide the Real Estate Department with a reference document to help licensees protect consumers.

The first set of updated fissure maps were recently released for use. Even though these maps are technically planning maps and aren't intended to provide street-level detail, we can no longer fall back on, "we couldn't have known" as a defense.

The AZGS focused recent mapping efforts on four Arizona Counties: Pinal, Pima, Maricopa and Cochise. The scale of 1:250,000 renders the usefulness of the maps to be just a shade better than a blur, but they provide a start. More will be done in the future. In the meantime, the craggy line or flyspeck on the map becomes our "red flag." We may not be able to tell if the mark we see is on the subject property. An indication of a nearby fissure on the map will prompt us to ask more questions or consult an expert.

The lack of being identified on "the fissure map" does not mean that a fissure does not exist. The fissure may not have broken the earth's surface yet. Fissures don't start on top and go down to the groundwater table. According to Mimi Diaz, Chief of the Phoenix Branch of the AZGS, "Fissures start at the groundwater table and work their way up. Directly above where a fissure starts is not necessarily where it surfaces. And if a house is straddling a fissure crack when it opens...well, it would be best for it to not be there."

Fissures change drainage patterns. Property that was in a 500-year flood zone can suddenly be in a 10-year zone after the formation of a fissure. A fissure provides a direct pathway to the water table. And filling it in does little; the fissure is still there. Mimi lists the things she's seen people put into fissures: "A Winnebago, horse manure, pharmaceuticals, refrigerators, and tires." Nothing on this list makes me want to take even one refreshing drink from the well. The reactivation of a fissure in the Queen Creek area in 2005 and again in July of 2007 led to the death of a horse that fell into the fissure and became trapped there. Although newscasters initially referred to it as a sinkhole, they mis-spoke. The owner of the horse made a statement on camera that they thought they'd just leave the horse in the fissure and bury it there. It makes me wish I either hadn't heard this or that I didn't know fissures are a direct conduit to the water table. Of course, sticking our heads in the proverbial sand doesn't change anything, and fissures will continue to be issues. Now more than ever, it is important to learn about fissures – what they are and where they're forming.

The 2006 legislation required licensees to disclose "soils subject to earth fissures". The wording now references "fissures as shown on earth fissure maps issued by the Arizona Geological Survey". Soil type is not necessarily tied to the formation of earth fissures, according to the AZGS. However, soil type may have a bearing on the width of a fissure crack at the earth's surface if one does form, based on how readily that soil type erodes. Compliance by real estate licensees should be a bit easier with passage of the 2007 legislation, where we can reference an existing map instead of predicting the future based on soil type. Fissure Planning Maps may be obtained at the Department of Mines and Mineral Resources at 1502 W. Washington in Phoenix or at the AZGS Bookstore at 416 W. Congress, Suite 100, in Tucson at a cost of \$4.00 per map. Free copies are available online at www.azgs.az.gov/earth_fissure_planning_maps.

Becky S. Ryan is a real estate broker, educator and consultant in Scottsdale, and the former employee of an environmental engineering firm. She currently serves as Curriculum Director for Arizona School of Real Estate & Business. She can be reached at (480) 946-5388 or at becky@asreb.com.



The Southern Arizona Home Builders Association (SAHBA) has been honored with three national awards for program excellence. At last week's National Association of Home Builders (NAHB) Executive Officers Conference in Long Beach, Calif., SAHBA President Ed Taczanowsky and Vice President Roger Yohem received the honors on behalf of the 750-member trade association.

These SAHBA programs were named best in the nation:

- ~ Best Community Service Project: Builders Give Owls New "Digs"
- ~ Best Workforce Development Program: The Renaissance of Vocational Education
- ~ Best Partnership/Coalition: *The RTA Coalition: A \$2.1 Billion Community Partnership*

"This is our first year competing with the nation's largest home builder associations, such as those in New York, Chicago, California, Texas and Florida. Most of them have memberships and budgets that are three to four times larger than ours. Coming from our peers, this is a great honor to be recognized among them," said Taczanowsky.

For *Best Community Service*, SAHBA won for its collaboration with Wild At Heart to relocate and repopulate burrowing owls. SAHBA members have built over 500 artificial burrows for the Federally protected bird. This is the program's second major award. In 2006, the Metropolitan Pima Alliance awarded SAHBA its Common Ground Award for *Best Open Space Program*.

For *Workforce Development*, SAHBA won for its three-tier approach to building a skilled workforce for the future. The first major step occurred when SAHBA formed its own, self-funded trade school called The SAHBA Institute of Construction. Next, SAHBA members provided students at the Fred G. Acosta Job Corps with valuable hands-on experience, in conjunction with the Home Builders Institute in Washington, D.C.

And third, with SAHBA's help, Catalina Magnet High School received a \$750,000 grant from the U.S. Department of Labor to establish a construction trades program. For over a year, SAHBA member volunteers have been working to remodel a 4,700 square-foot vocational training center at the school that will be named after the Association. Completion is expected later this year.

"Rebuilding a community-wide curriculum in Southern Arizona is the first step to creating a new generation of construction workers. SAHBA took the lead, SAHBA began the renaissance of vocational education in Tucson," said Robert Rivinius of NAHB.

In the *Best Partnership/Coalition* category, the unique coalition of governments and private business won for the 2006 marketing campaign for Pima County's regional transportation initiative. To ensure success for a grassroots \$1 million marketing campaign, SAHBA agreed to help the RTA voter education campaign called, "YES! On Regional Transportation." SAHBA helped raise marketing funds and helped develop the marketing program's messages and materials, with Vice President Roger Yohem serving on the Executive Committee.

The coalition, that featured a transportation plan for the entire region, was assembled under the RTA banner. It included all governmental jurisdictions: The City of Tucson, Pima County, the towns of Marana, Oro Valley, South Tucson and Sahuarita; and the Pascua Yaqui Tribe and the Tohono O'odham Nation. Plus, it had the support of over 100 community leaders, organizations, businesses and advocacy groups.

Since SAHBA's reorganization in 2003, the Association also has won NAHB national awards for: Best Newsletter, Best Magazine, Best Public Relations Program, Best Government Affairs Program, Best Fund-Raising Program, and Best Political Action Committee Program.

SAHBA represents about 750 member businesses and 40,000 jobs serving the residential construction industry in Pima and Cochise counties.

Roger Yohem, Vice President
Southern Arizona Home Builders Association
2840 N. Country Club ~ Tucson, AZ. 85716
PH: (520) 795-5114 FAX: (520) 326-8665
www.sahba.org ryoheh@sahba.org

Department of Real Estate actively seeks feedback from Industry, the public and Department employees.



ADRE on the radio!

Commissioner Wercinski has two regular radio spots on Phoenix's KFNX-1100am. You can hear him on Shannon Baird's Show "On the Money" at 9:00am every Thursday and on Bill Ashker and Bill Zervakos's show "Real Estate A to Z" at 4:00pm on the fourth Friday of the month.



Shannon Baird and Commissioner Wercinski discuss relevant real estate issues



**Area Association of REALTORS® EXPO 2007
Janet Blair, Assistant Commissioner of
Licensing, Professional Education and Auditing
at the ADRE booth.**



The Department had a presence at the Tucson Association of REALTORS®(TAR) EXPO held at the Tucson Convention Center on 9/20/07. Pictured: Lynn Long, Customer Service Representative , Tucson Office.

The ADRE Mission

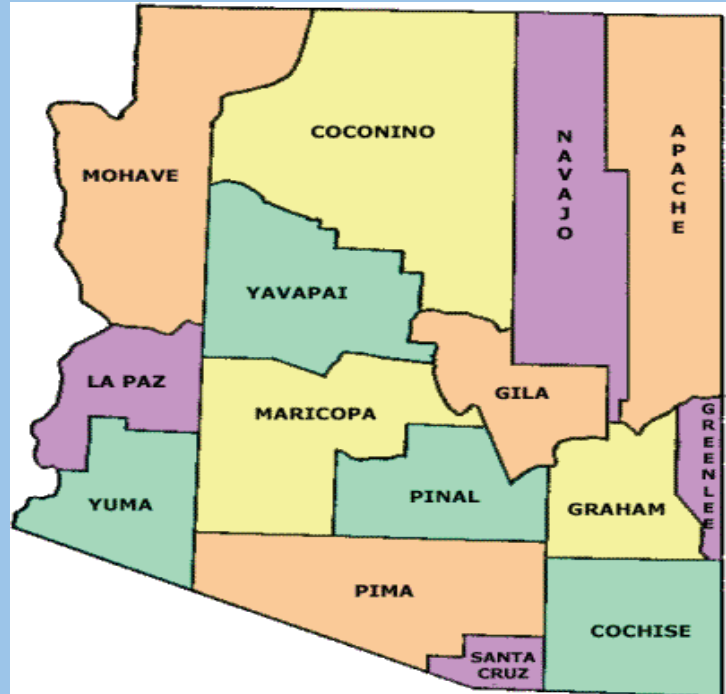
The purpose of the department is to protect the public interest through licensure and regulation of the real estate profession in the State of Arizona. (A.R.S. § 32-2102)

Jim Hogan displays his singing talent at the TAR EXPO.





Arizona Department of Real Estate presents Community Outreach and Education (COE)



Sam Wercinski, Real Estate Commissioner and the ADRE team are visiting your County!

Commissioner Wercinski, ADRE and Counties are partnering to provide the Public and Industry with current information on state and local standards for lot splitting and creating subdivisions. We are also discussing illegal subdivisions and how they harm consumers, taxpayers and reputable agents, brokers and developers.

Please visit the Department website
<http://www.azre.gov/COMMISH/COE/COE.html> for COE calendar.

Community Outreach & Education Program
Fall-Winter Schedule
2007



Yavapai - Sedona

Date: Monday, September 24th, 2007

Time: 10:00 am - Noon

Host: Sedona Verde Valley Association of Realtors

Location: Sedona Library, 3520 White Bear Rd., Sedona, AZ



Mohave County – Kingman

Date: Monday, October 1st, 2007

Time: 12:00 – 1:30 pm

Host: Mohave County Board of Supervisors

Location: Board of Supervisors Meeting Room, Administration Bldg, 700 W. Beale

Coconino County - Flagstaff

Date: Wednesday, October 3rd, 2007

Time: 10:00 am - Noon

Host: Coconino County

Location: Board of Supervisors Meeting Room, 219 E. Cherry Ave, Flagstaff

Navajo/Apache Counties (Combined COE) - Pinetop

Date: Thursday, October 4th, 2007

Time: 2:00 pm - 4:00 pm

Host: White Mountain Women's Council of Realtors

Location: Hon-Dah Resort & Casino, 777 Hwy 260, Pinetop, AZ

Yuma County - Yuma

Date: Tuesday, October 9, 2007

Time: 2:00 pm - 3:30 pm

Host: Yuma County

Location: Aldrich Auditorium, 2351 W 26th St., Yuma, AZ

La Paz County - Parker

Date: Monday, October 15th, 2007

Time: 2:30 pm - 4:00 pm

Host: La Paz County

Location: Board of Supervisors Meeting Room, 1108 Joshua Ave, Parker, AZ



Community Outreach & Education Program
Fall-Winter Schedule
2007



Maricopa County - Northeast

Date: Monday, October 22nd, 2007

Time: 9:00 am - Noon

Host: Old Republic Title

Location: Horizon Park & Community Center, 15444 N. 100th Street, Scottsdale, AZ

Maricopa County - Southwest

Date: Wednesday, October 24th, 2007

Time: 9:00 am - Noon

Host: West Maricopa County Regional Association of Realtors

Location: Estrella Vista Reception Center, 1471 N. Eliseo C. Felix Way, Avondale, AZ

Santa Cruz County - Rio Rico/Nogales

Date: Wednesday, October 31st 2007

Time: 9:00 am - 11:00 am

Host: Santa Cruz County Board of Realtors Conference Room

Location: 1103 Circulo Mercado, Ste. B, Rio Rico, AZ, 85648

Cochise County - Sierra Vista

Date: Wednesday, October 31st 2007

Time: 3 pm - 5 pm

Host: Southeast Arizona Association of Realtors

Location: SEAAR Conference Room, 125 Second Street, Sierra Vista, AZ 85635

Greenlee County – Clifton

Date: Thursday, November 1st, 2007

Time: 10:30 pm – 12:30 pm

Host: Greenlee County Board of Supervisors

Location: Board of Supervisors Conference Room, 2nd Floor, Courthouse Complex, 253 5th St.

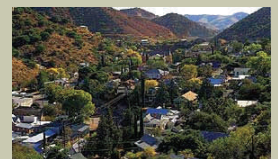
Graham County – Safford

Date: Friday, November 2nd, 2007

Time: 9:00 – Noon

Host: City of Safford

Location: City Hall Annex Conference Room, 808 8th Ave, Safford, AZ



“Promoting Mutual Respect” News from Personnel

Education Division



Michael Hailey is the new Education Manager. Michael comes to us from the great State of Ohio. He started with the Department on 9/17/07.

Education staff include: Andrea Esquer, Jeremy Sotomayor and RoseAnn Garcia.



Andrea Vallejo



Jeremy Sotomayor

Enforcement and Compliance Division



Alicia LeVasseur



Cecilia Pena

Licensing Division



Deidra Boyd

Customer Assistance Team



Becky Benitez

AUGUST EMPLOYEE-OF-THE-MONTH



Connie Johnson
Settlement Officer

Pictured above with Commissioner Wercinski and Jerome Jordon, Assistant Commissioner of Operations

SEPTEMBER EMPLOYEE-OF-THE-MONTH



Jerry Baranuk
Mail Courier

Pictured above with Commissioner Wercinski.

Earth Fissure Map Training

Arizona Department of Real Estate
In partnership with the Arizona
Geological Survey .



Thursday
October 25, 2007
9:30 am-10:30 am

Tucson Association of REALTORS®
2445 N. Tucson Blvd.
Tucson, AZ 85716

We wish to extend our gratitude and appreciation to the Tucson Association of REALTORS® for hosting this event.

Contact Dee Corona (TAR)
dee@tucsonrealtors.com

**Space is
limited!**

**Todd Shipman
Arizona Geological
Survey
Will present vital
information on earth
fissure maps.**

What Would You Do?

Look for a new scenario in the new issue!

What Would You Do?

In the June Bulletin we asked **how you would** proceed in granting a license or delivering enforcement action. We provide our readers with the basic facts of a case. and ask how you would proceed in granting a license .

Case #1: An applicant for original license. The facts:

- A. 08/23/01 Minor in Possession of Alcohol charge, resolved by Diversion program.
- B. 05/30/02 Convicted of Underage Possession of Alcohol, a Class 2 Misdemeanor. Fine of \$250, paid in full, case closed. (Applicant states showed fake IDs to purchase alcohol)
- C. 01/13/05 Convicted of Extreme DUI, a Class 1 Misdemeanor. Sentenced to 30 days in jail with 20 days suspended upon completion of screening, education or treatment as deemed necessary by Justice Services, Inc. or appear in Court 7-14-05 for scheduling of remaining jail time. Complete 16hrs Community Service. Fines and Fees \$1,745.
- D. Does not express concern or remorse about drinking violations

Options available to the Department (You can choose any combination. If granting an unrestricted license, it could not be paired with any other restriction). We are interested in your responses and, if you are inclined, your reasons for selecting them. We also are interested in your own ideas for enforcement options not listed.

1. Grant an unrestricted license
2. Grant a provisional license (indicate how long the provisional should run)
3. Require Broker Acknowledgement of the order (DB submits a letter acknowledging reading the order and being aware of its contents)
4. Require a Practice Monitor (a broker who oversees the licensee during the provisional period)

5. Require an Alcohol Monitor (someone to work with the licensee to “be there” when the licensee is feeling the urge to drink, someone to mentor the licensee, etc.)
6. Attendance at AA meetings (how often and for how long)
7. Body Fluid Testing (random urine or blood samples to check for drinking/drugs) For how long?
8. Require the licensee to remain law abiding (no violation of real estate laws/rules, no felony or class 1 misdemeanor convictions)
9. Post a surety Bond
10. Deny the license based on ARS 32-2153(B)(7) – The applicant is determined to not be honest, truthful or have good character.

Sample of readers responses:

- **“Simple! #10 Applies. Obviously applicant is no longer a minor in that he/she (D) does not express concern or remorse, etc. and he/she is totally the same “minor” turned “adult” with no changes in attitude/responsibility!”**
- **“I would have choose option 8 and require the licensee to remain law abiding. In addition, I would check to see if there are current court orders the applicant is still scheduled to follow. In the event there are, I would require the licensee to submit proof of compliance to ADRE at the same intervals required by the court.**
- **“Number 10 is the only option...there is no room in our profession for people with a history of substance abuse who show no remorse for their past behaviors.”**

ADRE RESPONSE:

The answers are: # 2,4, 5, and 6. Specifically the applicant was given a two-year Provisional License with a Practice Monitor. Additionally, the applicant agreed to having an Sobriety Monitor and attend at least one AA meeting each week for 12 months.

Enforcement and Compliance

in alpha order by type of action

Name Richard John Allenza

Location: Phoenix, Arizona

License SA554853000

Summary Respondent convicted of 2 counts of Aggravated Driving, both Class 4 Felonies. Respondent sentenced to 4 months incarceration and 4 years of supervised probation

Order Date August 8, 2007

Action Summary Suspension of license

Name Robert V. Dejoy

Location: Mesa, Arizona

License Unlicensed Individual

Summary Respondent conducting activity in the State of Arizona requiring a real estate license.

Order Date July 6, 2007

Action Cease and Desist all real estate activities in the State of Arizona.

Name Korbi Leigh Doster

Location: Gilbert, Arizona

License SA569516000

Summary Respondent convicted of Criminal Possession of a Forgery Device, a Class 6 Designated Felony. Sentenced to 6 months incarceration and 3 years probation.

Order Date July 7, 2007

Action Summary Suspension of license

Name Tyrone Gillespie, II

Location: Scottsdale, Arizona

License SA540201000

Summary Respondent convicted of 2 counts of Theft, both Class 3 felonies. Respondent placed on Probation for 5 years and ordered to pay full restitution.

Order Date July 8, 2007

Action Summary Suspension of license

Name Scott Monteiro

Location: Queen Creek, Arizona

License SA567214000

Summary Respondent cashed a commission check made out to employing broker, has failed to comply with numerous requests from Department staff for information and a statement involving an investigation. Respondent has not provided an updated address and telephone number.

Order Date August 28, 2007

Action Summary Suspension of license

Name R.D.C. Management & Maintenance, LLC

Location: Mesa, Arizona

License Unlicensed Entity

Summary Respondent conducting activity in the State of Arizona requiring a real estate license.

Order Date July 6, 2007

Action Cease and Desist all real estate activities in the State of Arizona.

Name Ernesto Rodriguez

Location: Surprise, Arizona

License Unlicensed Individual

Summary Department denied Respondent's application for license based on multiple convictions.

Order Date August 9, 2007

Action ALJ ruling uphold Department denial of license



Continued page 16

Enforcement and Compliance

in alpha order by type of action

Name Clifford Page Sanders

Location: Greenlee County, Arizona

License Unlicensed Individual

Summary Respondent divided, for the purpose of sale, a 40 acre parcel in Greenlee County, into six or more lots and did not apply for or receive a subdivision public report

Order Date July 5, 2007

Action Cease and Desist all sales until complying with applicable subdivision statutes and rules.

Name Savannah J. Varns

Location: Glendale, Arizona

License SA569546000

Summary Respondent tested positive for alcohol, Respondent under a Consent Order not to consume alcohol.

Order Date August 20, 2007

Action Summary Suspension of license

Department to bring services to Northern Arizona

The Department is very excited about the opportunity to serve the **Public** and the **Industry** in Northern Arizona. Coconino County has graciously offered the Department space in their lobby. We will have access to the internet and will have staff representing licensing, education, investigations as well as enforcement and compliance.

Hours will be from 10:00 am to 4:00 pm with a 30-minute lunch break. Services will be offered each second Wednesday of the month for a six-month pilot program.

The first schedule date of services is **October 10, 2007** (Wednesday).



Triple C

(Commissioner's Community Conversations)

On November 6, 2007, Commissioner Wercinski will be in Lake Havasu City to meet with industry professionals from 3 pm to 4 pm and the public from 6 pm-8 pm. Visit our website: www.AZRE.gov

Triple C scheduled at the Department

2910 N. 44th. Street, 3rd Floor Conference Room

Property Manager-	10/10/07	1:30 pm-2:30 pm
Designated Brokers	10/11/07	1:30 pm-2:30 pm
Business Brokers	10/11/07	3:00 pm-4:00 pm
Educators	11/08/07	1:30 pm-2:30 pm
Developers	11/08/07	3:00 pm-4:00 pm
Agents	11/29/07	1:00 pm-2:00 pm

Gentle Reminders!

Please keep in mind that you have the opportunity to print your license! Visit the Department website: WWW.AZRE.GOV

Designed Brokers

Please remember to check your license expiration date as the entity and DB license have been paired (effective July 1, 2007).



**Total Disciplinary Actions Resolved through Consent Orders, Accelerated Settlement Agreements and Issuance of Provisional License
April-June 2007**

	February-March.	April-May	July-August
Convictions	58	12	18
Failure to Disclose in a timely manner	21	21	30
Unlicensed Activity	12	11	8
False Application	10	7	11
Advertising Count	5	6	5
Lawful Sales (Development)	5	0	5
Failure to Supervise	4	9	4
Other Violations	4	0	0
Dishonest Dealings	3	2	0
Incomplete records	2	0	0
Breach of Fiduciary Duty	1	0	2
Failed to Deal Fairly	1	0	3
Other Jurisdiction Sanction	1	1	3
Property Management Irregularity	1	0	0
Trust Account Irregularities	1	0	0
Negligence	0	1	0
Forgery	0	0	2
Failure to Respond	0	0	1
Misrepresentation	0	0	3
Multiple Violations	0	0	4
Non-Compliance with Order	0	0	1
Subdivision (Illegal)	0	0	2
TOTAL ACTIONS	129	70	102

2007 Real Estate Laws Update

Consumer Protection

SB 1546 – Condominium Recovery Fund
Laws 2007, Chapter 221

Directs the Real Estate Commissioner to establish the Condominium Recovery Fund to pay for losses to a buyer aggrieved by the failure of the subdivider of a condominium to complete the condominium project.

HB 2040 – Residential Mortgage Fraud
Laws 2007, Chapter 243

Establishes the crime of mortgage fraud. Residential mortgage fraud is classified as either a class 2 or class 4 felony.

HB 2323 – Hazard Disclosure Reports,
Third Party Providers
Laws 2007, Chapter 27

A third party may provide an optional hazard disclosure report to the buyer or seller of a property. The report shall be based on officially adopted and electronically posted or otherwise readily available governmental maps or information.

Landlords and Tenants

SB 1255 – Landlord-Tenant Act Amendments
Laws 2007, Chapter 231

Permits a landlord to request a tenant to specify a person authorized to remove the tenant's property in the case of death. Permits a landlord to use refundable deposits in accordance with a property management agreement. Requires a tenant to notify a landlord of a situation requiring maintenance.



HB 2077 – Writ of Restitution, Criminal Trespass
Laws 2007, Chapter 111

A writ of restitution is issued to persons who are ordered by the court to leave their place of dwelling because of charges brought up against them by the landlord/property owner. Clarifies that persons who return to the place where they lived after being served a writ of restitution are guilty of criminal trespass in the 3rd degree.

SB 1227 – Domestic Violence; Lease Termination
Laws 2007, Chapter 100

Allows a tenant to terminate a rental agreement if the tenant was a victim of domestic violence, subject to specified requirements.

Real Estate Agents and Educators

SB 1349 – Real Estate Department
Laws 2007, Chapter 165

Real Estate agents now receive a four-year license upon renewal. New agents remain at a two-year license. Aligns designated broker and entity expiration dates. Authorizes the Department to levy fines against a school or instructor for wrongdoing.

Effective July 1, 2007.

HB 2110 – Real Estate Education
Laws 2007, Chapter 9

ADRE may provide educational seminars that are not considered in competition with Real Estate Schools. Schools may allow other schools to teach a course but must notify ADRE fourteen days prior for auditing purposes.

2007 Real Estate Laws Update

Home Owners Associations

SB 1062 – HOA; For-Sale Signs
Laws 2007, Chapter 228

Allows indoor or outdoor display of a for sale sign and a sign rider by a unit owner on that owner's property.

HB 2503 – HOA; Caution Signs; Children
Laws 2007, Chapter 82

Specifies that a planned community cannot prohibit the use of cautionary signs regarding children, under certain stipulations.

HB 2254 – HOA; Telecommunications Vehicles
Laws 2007, Chapter 74

Exempts telecommunications employees from citation or fine by their HOA for parking a qualified work vehicle at their residence.

County Special Districts

HB 2489 – Special District Amendments
Laws 2007, Chapter 216

Makes numerous changes to county procedures with regards to special districts. County improvement districts are formed to provide services to rural areas where no city government exists. If a rural community needs services such as roads, lights, sewer or water, then a special district can be formed with the community paying for the desired service through secondary taxes or assessments.

Water

SB 1575 – Water Adequacy Amendments
Laws 2007, Chapter 240

Allows counties, cities and towns to require new subdivisions that are located outside an Active Management Area (AMA) to have an adequate

Water

SB 1575 – Water Adequacy Amendments
Laws 2007, Chapter 240

Allows counties, cities and towns to require new subdivisions that are located outside an Active Management Area (AMA) to have an adequate water supply in order for the proposed development

HB 2321 – Water, Adequate Supply; Municipalities
Laws 2007, Chapter 75

Modifies the circumstances that allow Colorado River water to be considered when evaluating whether an adequate water supply exists for a new subdivision that is located outside an AMA.

HB 2484 – Well Impacts; Contamination
Laws 2007, Chapter 209

Prohibits drilling a new well that is likely to cause contaminated groundwater to move from one polluted site to another well.

SB 1182-Summerhaven Fire; Assured Water
Supply Laws 2007, Chapter 51

Outlines circumstances in which the Department of Water Resources may exempt a subdivision within an AMA from water supply requirements. Effective April 16, 2007.

(These changes were effective September 19, 2007, unless otherwise noted.)



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DIALOG

**THE PERIODIC BULLETIN FROM THE
ARIZONA DEPARTMENT OF REAL ESTATE**

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