Arizona Real Estate Advisory Board Meeting Minutes

Wednesday
April 21, 2021
10:00 a.m. - Noon
Arizona Department of Real Estate
Telephonically- Google Meet
100 North 15th Avenue Suite 201
Phoenix, Arizona 85007

- I. Call to Order Kim Clifton, ChairChair Clifton called the meeting to order at 10:00 am.
- II. Introductions & Welcome

Members present all telephonically:

Karen Bohler
Carla Bowen, Vice-Chair
Charlie Bowles
Kim Clifton, Chair
Bill Gray
Nedra Halley
Bruce Jacobs
Nicole LaSlavic

D. Christopher Ward

Absent:

Justin Rollins

ADRE Representatives present:

Judy Lowe, Commissioner Louis Dettorre, Deputy Commissioner (DC) Abby Hansen, Chief of Staff (COS) Liz Hill, Assistant Commissioner (AC)

- III. Approval of January 13, 2021 Meeting Minutes.
 Chair Clifton asked for a Motion to approve the January 13, 2021 Meeting Minutes.
 Upon a motion by Vice-Chair Bowen, seconded by Member Halley, the Minutes of January 13, 2021 meeting were unanimously approved.
- IV. Call to the public- no public comments.
- V. Advisory Board Member Facilitator Reports

Member Gray stated that he had one inquiry regarding reinstatement of a license after a felony; he referred him to the Department.

He had another regarding a Pearson Vue exam inquiring about the ability to review his results if he failed to pass; he referred him to the Department.

Another call was an inquiry regarding a Landlord Tenant issue; member Gray referred him to the Department of Housing.

Member Gray stated that he has been asked about changes to the Homestead Act, HB2617

Member Gray stated that the changes offer an increase in protection in dollars, but equity goes to the creditors. He was just passing the information on to the Advisory Board.

Member Bowen stated licensees are questioning who needs to disclose in a contract. DC Dettorre stated he would include information in the next Bulletin. Chair Clifton stated she received calls regarding Personal Corporations (PC) and Personal Limited Liability Corporations (PLLC) and referred them to the Department. Commissioner Lowe stated many licensees do not understand that the PC/PLLC is only for payment of commissions from the broker.

VI. Arizona Department of Real Estate Reports

Commissioner Lowe introduced the new Assistant Commissioner, Liz Hill and provided the Advisory Board with a brief overview of her background.

- No changes with the Department regarding re-entry, opening of State buildings/Suites, more staff in the office etc.
- Association of Real Estate License Law Officials (ARELLO) has found that not many states are experiencing the growth in number of licensees nor the home sale activity that Arizona is. Many states have experienced budget shortfalls, Arizona has not. Some states are consolidating their real estate

departments within other agencies. ADRE has not received any indication that would occur here.

Member Gray asked if there was any movement towards a national license. Commissioner Lowe stated that she does not see that as moving very fast down the track, but that she does see more reciprocity occurring between states.

- "It's a crazy housing market" creating concerns among sellers that they are not seeing all offers, and likewise from buyers not sure their offers are being presented. Commissioner Lower reminds all at her outreach opportunities that <u>all</u> offers must be presented expeditiously, the listing agent is responsible for obtaining a signed and dated rejected offer and returning it to the buyer's agent, and that rejected offer must be retained by licensee and designated broker of seller and buyer, for one year. If the offer falls through during escrow, that offer must be retained for five years.
- Commissioner Lowe noted that some of the complaints/violations
 occurring at the Department are that licensees are not obtaining a
 subdivision public report when required. She noted anyone who owns six
 or more properties in a condominium complex, residential or vacant lots in
 a subdivision, must apply for and obtain a public report, or an exemption to
 the public report. The application form, or exemption form, may be
 obtained on the ADRE website www.azre.govtion may be made to the
 Department.

DC Dettorre provided a brief presentation reviewing current statistics for the Department and other operational updates.

Member Gray asked about what will happen in the few years with developers. He expects a rash of complaints for failure to disclose and water issues. Member Bowles gave a few examples of issues that he has recently encountered and agreed that complaints will be significant when they start to come in.

Chair Clifton noted that Pima County is behind in issuing permits. DC Dettorre noted that the Department meets quarterly with Maricopa County, and just scheduled a meeting with Pima County to share updates between agencies.

Chair Clifton agreed that the Department would see many more complaints with homeowners/buyers waiving appraisals and inspections; she asked how appraisers are allowed to work outside of their area of expertise within the state?

Commissioner Lowe indicated that they are under the authority of the Arizona Department of Insurance and Financial Institutions (DIFI).

Member Bowen asked if septic tanks & permits could be added to the County discussions. DC Dettorre indicated "yes".

AC Hill gave a brief overview of the licensing services area.

Member Gray asked if the Homestead Act bill passes could the education outline be updated, AC Hill indicated that she had made note of it.

VII. Next scheduled meeting – July 21, 2021
In response to Chair Clifton's comments about member reappointments,
DC Dettorre noted that although a few of the Advisory Board Member appear as
expired, Members can continue to serve until notice of reappointment decision has been received.

Respectfully submitted this 21st day of July, 2021 Real Estate Advisory Board

Kim Chifton, Chair