

## Arizona Real Estate Advisory Board Meeting Minutes

Wednesday  
October 19, 2022  
10:00 a.m. - Noon  
Arizona Department of Real Estate  
Telephonically- Google Meet and In  
Person  
100 North 15<sup>th</sup> Avenue Suite 201  
Phoenix, Arizona 85007

I. Call to Order – Bill Gray, Chair

Chair Gray called the meeting to order at 10:00 am.

II. Introductions & Welcome

Bill Gray, Chair

Charlie Bowles, Vice Chair - Telephonically

Kim Clifton

Carla Bowen

Christine Shipley

D. Christopher Ward

**Absent:**

Luis Ramirez Thomas

Justin Rollins

Matias Rosales

Randy Rogers

**ADRE Representatives present:**

Louis Dettorre, Commissioner

James Knupp, Deputy Commissioner (DC)

Abby Hansen, Chief of Staff (COS)

Daniel Jones, Manager Enforcement and Compliance

Robin King, Manager Audit and Investigations

Marlee McCormick, Manager Licensing Services

Chandni Bhakta, Legislative Liaison

**Members of the Public present:**

Randy Courtney, Designated Broker Weichert, Realtors – Courtney Valleywide  
Lynette Evans, Attorney General's Office  
Raya Gardner, Attorney General's Office  
Nikki Salgat, General Counsel for the Arizona Association of REALTORS® (AAR)

III. Approval of July 20, 2022 Meeting Minutes.

Chair Gray asked for a Motion to approve the July 20, 2022 Meeting Minutes.

Upon a motion by Member Ward, seconded by Member Clifton, the Minutes of July 20, 2022 meeting were unanimously approved.

IV. Advisory Board Facilitator Reports

Member Shipley received five calls, all new owners of property inquiring about canceling leases with current tenants. Member Shipley stated she is seeing it happening more, displacing Tenants sometimes causing homelessness usually due to their current rent structure not fitting into the new owner's financial plan.

Member Shipley also noted that there is a rise in violence against agents, specifically in the property management capacity.

Chair Gray stated he received calls asking if anything can be done regarding the application fees charged by rental companies. Member Shipley indicated that it's known as "stacking of fees" and is not a violation of law.

Chair Gray also mentioned that he had received an email from a staff member from the Arizona Department of Revenue (DOR) noting that DOR was preparing a tax manual and was inquiring where in statute it is stated that timeshares are exempt from a public report. Chair Gray stated he referred to the statute in his reply to DOR.

Member Clifton stated that one of her licensees has just recently been brutally assaulted and that a DNA match had been found, but the suspect had not been apprehended. Member of the Public Nikki Salgat, stated that AAR has issued a safety alert to all of southern Arizona REALTORS® and they also have a landing page on their website [aaronline.com](http://aaronline.com).

V. Consideration/Discussion/Approval of the most significant issues and greatest challenges facing real estate regulators.

Member Gray started the discussion with the question of what does the Advisory Board see on the horizon now through the next five years, where do they see the key issues coming up?

Member Shipley stated digital, all formats are going to electronic platforms.

Vice Chair Bowles stated crypto currency is all over the board and all need to continue being aware of it. Vice Chair Bowles agreed with Member Shipley's issue of digital platforms. Vice Chair Bowles also noted a new business model that he has personally been approached by is Turbo Tenant, where they complete the background check, credit score and they list and

advertise for the property owner. He stated that the property owner does not pay a dime, the potential renters pay for it all and it is all completed online.

Member Bowen stated "greedy agents" are an issue, and indicated that she believes they are not following professional standards, they are working outside their area of expertise, there is a lack of attention to statute and rule and licensee's that do not want to file a complaint because they do not want to be known as the complainant.

Member Clifton mentioned that as it relates to "area of expertise" it does clearly tie back to the law book and inquired if there was a requirement to have a note on file for "working outside their area of expertise". Robin King, Manager Audit and Investigations, indicated that currently there is no requirement to have that noted on file. Commissioner Dettorre speaks throughout the valley and state and this is a topic he frequently addresses.

Commissioner Dettorre stated that the Department has been very open regarding the current administrative rules and the need to update rules for the first time since 2006.

Chair Gray asked again if the Advisory Board Members felt they should be more involved, providing clear cut objectives and goals and addressing some of the work that is on the radar.

Member Bowen stated she felt the Advisory Board had been doing a good job.

Member Clifton stated she felt that the Advisory Board has done a good job, and added that it may be helpful if at the first of each year the charge of the Advisory Board was sent to all members and what she hears from Chair Gray's question is a request for more committee work.

Member Clifton noted that a lot more happens within the working of the Advisory Board with Members reaching out directly to the Department to raise issues or questions that they receive. Vice Chair Bowles indicated that trying to identify potential issues coming down the pipeline is a challenge.

Chair Gray stated he just wants to know if the Advisory Board can do better. Member Bowen stated the Advisory Board is not an active committee, but rather here to provide advice to the Department.

Member Clifton noted that longevity of the Advisory Board Members has a lot to do with it, current Advisory Board Members are better equipped to direct inquiries to the proper individual in the Department. Member Clifton posed the question to the Department, "is the Advisory Board doing what the Department wants or needs"?

Member Shipley stated she understood her responsibility on the Advisory Board was to stay abreast of occurrences and situations in her area of the business and bring it forward to Commissioner Dettorre.

Chair Gray asked Commissioner Dettorre if he would hire them again. Commissioner Dettorre noted it is the Governor that appoints the Advisory Board Members. Commissioner Dettorre stated that Advisory Boards' charge is to bring forward ideas and concerns for the Department and also noted that the Department's Strategic Plan is posted on the Department's website. Commissioner Dettorre asked Chair Gray what the Department was not doing that he thought

should be done. Chair Gray acknowledged that the Department has been recognized and has won awards for its recent accomplishments. Chair Gray stated that the Department is doing everything that it should be doing and he is just concerned with things that are coming the Department's way. Commissioner Dettorre stated that the ongoing ability for the Department to perform so highly was dependent on a collaboration with all parties.

Member Clifton asked if we could hear from the public.

#### VI. Call to the Public

Chair Gray asked if there were any comments.

Member of the Public Randy Courtney stated he felt there should be more disclosures from brokers.

Member of the Public Nikki Salgat directed all to A.R.S. § 32-2104 specifically (E) regarding the charge of the Advisory Board.

#### VII. Approval of the 2023 Advisory Board Meeting Calendar dates;

January 18, 2023

April 19, 2023

July 19, 2023

October 18, 2023

Member Clifton made a motion to approve. Seconded by Member Bowen.

Dates were unanimously approved.

#### VIII. Arizona Department of Real Estate Reports

Commissioner Dettorre stated that the rules package update is necessary, it requires a lot of stakeholder input.

Commissioner Dettorre noted a few of the most recent highlights at the Department;

- The update to the Model Broker Policy and Procedures Manual is almost complete, with Arizona broker input.
- The Department has significantly reduced paper files and moved to electronic and online services.
- Salesperson and Broker violence has been a conversation in the real estate profession and at the Department for some time.

Member Bowen noted that it is not just a women issue, it also pertains to men.

- The number of Education instructors has dropped from 795 in January 2021 to 636 as of current.

Chair Gray believes that it will continue to decrease with more schools providing online courses.

Member Bowen stated that someone took a class in the White Mountains and thought the class was very antiquated. Member Bowen will be taking the course the next time it is offered.

- Legislative Implementation
  1. Wholesaling
  2. Teams SPS – updates made pursuant to recent legislation
  3. Education forms addressing “live classroom”
- Commissioner Dettorre has completed well over 146 outreach events in his first year, meeting throughout the valley, White Mountains, Kingman, Prescott, Lake Havasu, Tucson, Yuma and Flagstaff, to name some.
- The Department through our testing vendor, Pearson Vue, has added additional test sites throughout the state.
- Commissioner Dettorre has been re-appointed to the Board of Directors of the Association of Real Estate License Law Officials (ARELLO) for 2023.
- Commissioner Dettorre recently attended the ARELLO annual conference and noted the following items that were discussed;
  1. Fair Housing- the National Association of REALTORS® (NAR) and many states are focused on Fair Housing.
  2. Virtual Offices- Illinois has removed the requirement for a real estate brokerage to maintain a physical office.
  3. Timeshare Exit Companies – The Attorney General in North Carolina brought legislation forward to regulate timeshare exit companies.
  4. New business models – Several states mentioned that they are seeing a company offer listing agreements for 40 years. Alabama, South Carolina, and others are looking at possible legislative action to prohibit such a contract. In Saskatchewan, Canada, a listing agreement can only be for 364 days.
  5. Wholesaling- South Carolina, Oklahoma and Arizona have taken action on this topic.
  6. Commercial Real Estate – companies doing real estate activity in states where they are not licensed. Commissioner Dettorre will be attending a meeting in November with the Tucson Certified Commercial Investment Member (CCIM) Chapter to discuss the topic specifically as it relates to commercial work in Arizona.
  7. Teams – concerns regarding team names, broker supervision and members of teams working for multiple employing brokers.
  8. Property Management – some states are looking at bonding and insurance requirements and additional licensing.

9. Administrator's roundtable –

- Many states focused on the timeliness of complaint handling.
- Discussion of how to work through the volume of work – calls, emails, applications etc.
- Staffing and resources concerns.

DC Knupp recognized Chandni Bhakta, Dan Jones, Robin King and Marlee McCormick for their hard work.

- Provided an update on the Auditor General's Sunset Audit
- Noted some of the legislative changes that affected the Department
- Wholesaling information regarding new legislation was sent out in the most recent Bulletin
- Working on identifying rules no longer within statutory guidelines

COS Hansen provided a staffing update and current complaint numbers and issues

Marlee McCormick noted that the Department will be holding Pearson Vue Industry Day on November 1<sup>st</sup> and following that there will be a subject matter expert meeting with Pearson Vue to review salesperson exam questions.

IX. Next Scheduled Meeting – January 18, 2022

Member Gray stated that as this is the last meeting of the year.

Member Clifton thanked Chair Gray for his leadership through the year.

Member Gray stated that you have to be relevant or you will be phased out.

Member Ward noted that the Development Services quarterly partner meetings have been so information and would like to see greater attendance.

X. Adjournment

Motion to adjourn at 11:40 by Member Bowen, seconded by Member Ward.

*Respectfully submitted this 18th day of January, 2023*  
*Real Estate Advisory Board*

*Bill Gray*

---

*Bill Gray, Chair*