

**Arizona Department of Real Estate (ADRE)  
Real Estate Advisory Board  
Minutes  
February 10, 2016**

The Real Estate Advisory Board met on Wednesday, February 10, 2016 at the Arizona Department of Real Estate (ADRE), 2910 N 44<sup>th</sup> Street, Commissioner's Conference Room, Phoenix, Arizona.

**I. Call to Order**

Chair Clifton called the meeting to order at 10:00am

**Members present:**

Kimberly Clifton, Chair  
Karen Bohler  
Charlie Bowles  
Bill Gray  
Nedra Halley  
Bruce Jacobs (via phone)  
Nicole LaSlavic  
Scott Peterson

**Absent**

Frank Dickens, Vice-Chair  
Carla Bowen

**ADRE Representatives present:**

Judy Lowe, Commissioner  
Sarah Dobbins, Chief of Staff  
Danielle Hazeltine, Assistant Commissioner Compliance  
Carla Randolph, Assistant Commissioner Licensing/Education/Development Services  
Abby Hansen, Customer Service Representative

**Public present:**

Jake Hinman, Capitol Consulting

## **II. Introductions & Welcome**

Chair Clifton introduced Roberto Pulver, Assistant Attorney General.

## **III. Approval of December 2, 2015 Meeting Minutes**

Chair Clifton asked for a Motion to approve the December 2, 2015 minutes. Upon a motion by Member Bowles, seconded by Member Halley, the Minutes of the December 2, 2015 meeting were unanimously approved

## **IV. Presentation from Roberto Pulver, Assistant Attorney General.**

Open Meeting Law – A Brief Overview

Assistant Attorney General Pulver provided the group with a verbal overview of Open Meeting Law.

## **V. Commissioner's Report – Judy Lowe, Commissioner**

Commissioner Lowe, in Assistant Commissioner Dettorre's absence, provided a very brief Legislative report. The Commissioner commented on the Department's total involvement with the Governors LEAN project and process improvement.

She addressed the changes that have occurred in the building. The Director of Insurance (DOI) resigned as did the Department of Financial Institutions (DFI) Director; Andy Tobin became the interim director of the DOI and DFI then Mr. Tobin moved to the Corporation Commission. As of February 8, 2016 there are new Interim Director's in DOI in DFI.

Other Consolidations; The Real Estate Appraisal Division is overseen by the Department of Financial Intuitions. The Department of Fire, Building, and Life Safety is proposed to be consolidated in with other agencies. The Office of Manufactured Housing is proposed to move to the Department of Housing. The Fire Marshall is proposed to move to a new Forestry Department. HOA Conflict Resolution is proposed to move to ADRE. This consolidation would carry statutory changes. At this point in time the proposal is in the very preliminary stage; ADRE will have a stake holder meeting in the future regarding this matter.

Member Halley requested an explanation of HOA conflict resolution. The Commissioner provided an overview of the process.

\*Bruce Jacobs joined meeting telephonically at 10:45am.

Member LaSlavic inquired how ADRE would handle files for HOA conflict resolution.

- This item then still needs to pass legislation, with the actual process being developed.

Member Bohler asked if ADRE would expand if this passes.

- The Commissioner commented that ADRE must remain neutral but that it appears much of it could be handled with technology through a data base of all HOA's and CC&R's.

## **Legislative Affairs:**

The Commissioner gave a verbal overview of bills that are coming forward:

- HB2191 - by Representative Finchem  
Regarding the recovery fund, the current cap \$600,000, would be raised to \$800,000, and authorization for the Attorney General to supply a fraud prosecutor to ADRE to pursue actions of the Department.

Member LaSlavic expressed concerns about the bill; she feels it is not a good public safety measure.

Per the Commissioner, ADRE is neutral on the bill.

- HB2068 – Tax Lien Investor Exemption to Public Report. Per Chair Clifton if any questions communicate with AC Dettorre.
- HB2517 – is a mandate that would require agencies to review entry license requirements; applies to cities, municipalities and agencies.

Per Member LaSlavic there is a companion bill in the Senate.

Per the Commissioner, ADRE is neutral on the bill.

- AC Dettorre is tracking all Real Estate related bills; per the Commissioner he will be posting them on the website allowing the public to see the bills that ADRE follows.

Member LaSlavic requested that the Real Estate Advisory Board be provided with an update on the Recovery Fund balance, including claims, payout and specifics if a property manager.

## **VI. Assistant Commissioner Updates**

### **a. Assistant Commissioner (AC) Licensing Services – Carla Randolph**

AC Randolph provided a verbal update for the Licensing, Education and Development Services Divisions.

With regard to Licensing services she noted that in January 2016, the licensing customer service representatives (CSR), comprised of a staff of 4 ½, processed 500 new license applications and 1000 message center messages. She commented that the licensing CSR's also review licensing applications that are submitted online and that 80% of original applications are now submitted via the Online Processing System. In January 2016 there were 510 walk-in's to the licensing customer service counter, over 1600 phone calls and that ADRE is encouraging licensees to utilize the website more.

AC Randolph commented that a new law for entity conversions (effective January 2015) made it easier for an entity to convert from an Inc. to an LLC. There will be an article in the Bulletin with details.

- E-print – DPS is testing this new system for finger printing (field print). AC Randolph will send an alert when the process goes live.
- Staffing – currently interviewing for 2 Customer Service positions.

Member Bohler asked if e-print services will be available only in limited areas or statewide? Per AC Randolph, e-print/field print will be statewide.

With regard to the Education Division, AC Randolph commented that it is currently one employee and they will not be filling the vacancy. AC Randolph will be attending Subject Matter Expert meetings with Pearson Vue and exam vendors at the end of the month.

- EAC Meeting – At the Real Estate Advisory Board meeting of October 14, 2015 “a motion was made to recommend EAC start a draft of the property management definition(s), with the input of stakeholders, using the current statute and amending it to meet the current needs. Report back to the Real Estate Advisory Board in February 2016” EAC outcome; “The Advisory Education Committee member, Jon Kitchen, made a Motion: “that the Education Advisory Committee appoints Jon Kichen, who shall have authority to appoint a co-chair and stakeholder members to address the recommendation in the Motion of the Real Estate Advisory Board meeting of October 14, 2015 regarding property management definition(s). The Motion was seconded. There was discussion as to whether or not it is Education related; Rules/Regulatory related; the need of legislation, rules, policy changes to help in getting a definition; and, does the Education Advisory Committee have a conflict of interest. The Motion failed.”
- Member Clifton asked the Board for recommendations. After the discussion it was decided to add the item to the next meeting to make a determination to move forward or stop with this item.

With regard to Development Services, AC Randolph commented that they have done 2 application processes through the LEAN process; now tracking not just days but hours the process takes.

- Had a few advertising concerns with developers, title companies sending out ads.

AC Randolph stated she is very proud of the staff and moral is high.

**b. Assistant Commissioner (AC) Compliance – Danielle Hazeltine**

AC Hazeltine provided a verbal update for the Compliance and Enforcement, Auditing and Investigation Divisions.

Through December 31<sup>st</sup>, FY16 numbers indicate there have been 325 new investigations, 22 have been sent to Enforcement and Compliance and 299 were closed. Audit has received 240 new cases of which 14 have been sent to Enforcement and Compliance. Enforcement and Compliance has 144 cases, 22 cases were closed in December.

In January 2016 – A Cease and Desist was issued for Scott Hardin, James Venezia and Keyland Fine Properties LLC. AC Hazeltine provided an overview of what occurred.

Member Halley requested that when property management is involved in a violation to note in the Bulletin if it is single family or multi-family residential.

## **VII. Advisory Board Member Facilitator Reports**

Member Gray commented that he is receiving calls inquiring if a license may be obtained with a working visa. He stated it would be helpful for schools to have a list of valid legal presence.

- Per Chair Clifton this item will be discussed at the next RE Advisory Board meeting. Member Gray will send the 6 common questions to AC Randolph.

Member Bohler had two items;

- 1) She received a concern that telemarketing is not being supervised. There was no real estate law violation, she listened to the concern, she wanted to make the RE Advisory Board aware.
- 2) She had a student that entered a wrong course number for Continuing Education and the system accepted it because the number was an actual course. The individual did call the Department to have it deleted.

Chair Clifton received two complaints and referred them to ADRE and they are being investigated.

## **VIII. Director Open Forum**

Member Bohler stated that California recently implemented regulation for teams. Teams are an issue, there seems to be concern from licensees that there is no regulation for teams. She would like to bring up a conversation in the future regarding teams.

- Per Chair Clifton it will be on the next agenda.

**X. Call to the Public**

None

**XI. Election of 2016 Advisory Board Chair**

Nominations; Member Bowles nominated Kim Clifton, Member Bohler seconded the nomination. There were no other nominations, by acclamation; Kim Clifton will remain the chair.

**XII. Election of 2016 Advisory Board Vice-Chair**

Member Gray nominated Member Halley, she declined at first. Then Chair Clifton nominated Member Gray. A vote was taken, it was a tie. There was a motion by Member Gray to postpone the vote for Vice Chair until the next meeting, Member Bowles seconded and the motion passed.

**XIII. Next Real Estate Advisory Board Meeting is May 18, 2016**

**XIV. Adjournment**

Chair Clifton called the meeting adjourned at 12noon.

*Respectfully submitted this 18 day of May, 2016  
Real Estate Advisory Board*

  
\_\_\_\_\_  
*Kimberly Clifton, Chair*