

## Arizona Real Estate Advisory Board Meeting Minutes

Thursday  
August 24, 2017  
10:00 a.m. - Noon  
Arizona Department of Real Estate  
Commissioner's Conference Room  
2910 N. 44<sup>th</sup> Street  
Phoenix, Arizona 85018

I. Call to Order – Bill Gray, Chair

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

II. Introductions & Welcome

**Members present:**

Bill Gray, Chair

Karen Bohler, Vice-Chair

Charlie Bowles

Kim Clifton, telephonically

Nedra Halley, telephonically

Bruce Jacobs, telephonically

Nicole LaSlavic

Justin Rollins

D. Christopher Ward

**Absent:**

Carla Bowen

**ADRE Representatives present:**

Judy Lowe, Commissioner

Louis Dettorre, Deputy Commissioner (DC)

Carla Randolph, Assistant Commissioner Licensing Services/CIO LEAN (AC)

Abby Hansen, Executive Assistant

**Public Present:**

Mel Comstock, Valley Vistas Management Company

Scott Drucker, Arizona Association of Realtors® (AAR)

Jake Hinman, Capitol Consulting, LLC

III. Approval of May 25, 2017 Meeting Minutes

Chair Gray asked for a Motion to approve the May 25, 2017 Meeting Minutes.

Upon a motion by Member Bowles, seconded by Member Ward, the Minutes of the May 25, 2017 meeting were unanimously approved.

IV. Advisory Board Member Facilitator Reports

- Member Bowles advised that he had been contacted regarding a subdivision action. He stated he has communicated with ADRE Development Services and the Commissioner and will follow up as Board Member with the licensee in two weeks.
- Member Ward stated that Arizona's water issues may change dramatically in the next six months due to the drought contingency plan. The cost of water may go up significantly.
- Vice-Chair Bohler had two issues one regarding the new Substantive Policy Statement on Unlicensed Assistants as it pertains to property management, the unlicensed assistant cannot accept rent payments. Commissioner Lowe stated that ADRE is adhering to existing Statute and that many are putting solutions in place, i.e.; putting in a drop box, or letter slot. Member Bohler asked if writing a receipt was collection, it was agreed by the members that "yes", it is.

Member Bohler asked the following:

Can ADRE clarify the definition of "collect"? ADRE my do this in a future article in the ADRE Bulletin.

Member Bohler's also shared that she had been contacted by two associations inquiring as to, when Realtors have an open house, other Realtors will drop cards in a bowl, from which a winner is drawn for a prize. Is that a game of chance? Public attendee Scott Drucker stated, "yes", the above scenario is a game of chance pursuant to A.R.S. § 32-2153 (13).

- Chair Gray stated he has received calls regarding agents using guard gate booths to meet prospective buyers and if the sale is completed the Home Owners Association is paid a fee.

Chair Gray also stated, "Coming Soon" is coming back as a marketing technique.

- Member Clifton received two calls, one regarding education that she directed to the ADRE HUB, and the second was regarding wire fraud, which she referred to the Attorney General.

#### V. Action Items Impacting the Real Estate Industry

Chair Gray discussed handouts from California, Maryland and the Commissioner's bulletin and asked if the Board felt there was a need for a committee to analyze teams.

Vice-chair Bohler motioned yes, Member Bowles seconded, after some discussion Member LaSlavic motioned to cancel this motion.

Member Rollins stated that the purpose of teams is to increase earning potential, as each member brings their own expertise.

Commissioner Lowe mentioned that many complaints regarding teams revolve around advertising i.e.; Broker name not being clear & prominent and confusion on who the consumer is working with.

Member Clifton stated Southern Arizona has added multiple agent lines on the contract to accommodate teams. Arizona Association of Realtors® has published a toolkit on teams and Member LaSlavic stated they encourage members to follow state statute.

Vice-chair Bohler stated teams need to be clarified to the industry.

Commissioner Lowe asked if that would be the charge given to a work group; to offer recommendations for a Substantive Policy Statement for Teams.

Vice-chair Bohler revised her motion to recommend ADRE appoint a committee to clarify existing requirements for teams to be used by ADRE in creating a Substantive Policy Statement. Chair Gray seconded.

Commissioner Lowe provided explanation of a Substantive Policy Statement.

#### VI. New Real Estate Brokerage Models-

Chair Gray asked the Board if they felt there is a need for a committee to address Brokerage models.

Member Clifton stated there is still a moratorium on rules. Member LaSlavic asked Commissioner Lowe if she felt there was a need for a committee to address changing Brokerage models. Commissioner Lowe stated ADRE enforces the current Statutes as written. Commissioner Lowe noted that if a work group were created it would be very time consuming to address the

many aspects of new business models. Member Halley asked if there was a way to address the electronic aspects on advertising, i.e. Craigslist.

Commissioner Lowe stated this may be better presented at the Arizona Association of Realtors caucus on September 7<sup>th</sup>.

Member Ward noted that it may be beneficial to do an audit of current Statutes.

Member LaSlavic motioned to request ADRE to inquire with the Governor if there have been any Red Flag requests from the public for revisions on ADRE Statutes and bring to the next meeting. Vice-Chair Bohler seconded. All members agreed.

VII. Member Gray asked if the number of meetings the Board held were adequate.

Members Bowles, Jacobs and Vice-chair Bohler requested longer meetings, but no additional dates.

Members Rollins, Ward, LaSlavic and Clifton were fine with the current status but would be agreeable to the time being extended.

Member Halley stated that she felt the current time was adequate.

Vice-chair Bohler asked that the remainder of the years meetings remain as scheduled.

It was decided to extend the Agenda time for 2018 and if completed early, adjourn.

VIII. Arizona Department of Real Estate Reports

i. Commissioner Lowe reviewed the Department statistics.

- There has been an increase in Active licensees.
- More criminal conviction disclosures at the time of application, not just DUI.
- Attending cabinet meetings, we continue to implement Arizona Management System.
- The Broker Policy Manual is complete and published.
- Commissioner Lowe will be attending the Association of Real Estate License Law Officials (ARELLO) conference at the end of September.
- ADRE Education Committee is addressing distance learning to improve the quality and make on-line continuing education more relevant to Arizona.

ii. AC Randolph provided licensing statistics.

- New license applications up to approximately 600/month.
- PC/PLLC can now be completed online.
- Development Services completing applications in one day.
- Development Services very busy with all the infill developments.
- Reviewed Agency Scorecard

Member Ward asked what the percentage was for developers applying online. AC Randolph stated about 50%. Member Ward has an upcoming builder committee

meeting

and stated he would promote the process.

iii. DC Dettorre provided;

- A review of the Recovery Fund for FY2017
- Strategic Plan for FY18

IX. Call to the Public

- Mr. Comstock thanked ADRE and the Arizona Association of Realtors® for passing recent legislation allowing Real Estate licensees to make manufactured home sales.

X. Next scheduled meeting October 26, 2017 10:00am

- Vice-chair Bohler proposed an item for the agenda; discuss 2018 meeting dates.

XI. Adjournment at 12:15pm.

*Respectfully submitted this 26 day of October, 2017*  
*Real Estate Advisory Board*

*William R Gray*  
*William Gray, Chair*