

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

HOUSE BILL 2399

AN ACT

AMENDING SECTION 32-2124, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-2124, Arizona Revised Statutes, is amended to
3 read:

4 32-2124. Qualifications of licensees

5 A. Except as otherwise provided in this chapter, the commissioner
6 shall require proof, through the application or otherwise, as the
7 commissioner deems advisable with due regard to the interests of the
8 public, as to the honesty, truthfulness, good character and competency of
9 the applicant and shall require that the applicant has:

10 1. If for an original real estate broker's license, at least three
11 years' actual experience as a licensed real estate salesperson or real
12 estate broker during the five years immediately preceding the time of
13 application.

14 2. If for an original cemetery broker's license, either a current
15 real estate broker's license, or if the applicant does not have a current
16 real estate broker's license, at least three years' actual experience as a
17 cemetery salesperson or broker or as a licensed real estate salesperson or
18 broker during the five years immediately preceding the time of
19 application.

20 3. If for an original membership camping broker's license, either a
21 current real estate broker's license, or if the applicant does not have a
22 current real estate broker's license, at least three years' actual
23 experience as a licensed membership camping salesperson or broker or as a
24 licensed real estate salesperson or broker during the five years
25 immediately preceding the time of application.

26 4. If for any type of broker's or salesperson's license, not had a
27 license denied within one year immediately preceding application in this
28 state pursuant to section 32-2153 or a similar statute in any other state.

29 5. If for any type of broker's or salesperson's license, not had a
30 license revoked within the two years immediately preceding application in
31 this state pursuant to section 32-2153 or a similar statute in any other
32 state.

33 6. If reapplying for a license that expired more than one year
34 before the date of application, met all current education and experience
35 requirements and retakes the examination the same as if the applicant were
36 applying for the license for the first time.

37 7. If for a real estate, cemetery or membership camping broker's
38 license, other than a renewal application, an equivalent amount of active
39 experience within the immediately preceding five years in the field in
40 which the applicant is applying for the broker's license, as a substitute
41 for the licensed active experience otherwise required in paragraphs 1, 2
42 and 3 of this subsection. The licensed active experience required may be
43 met if the applicant can demonstrate to the commissioner's satisfaction
44 that the applicant has an equivalent amount of experience in the past five

1 years that, if the applicant had held a license, would have been
2 sufficient to fulfill the licensed experience requirement.

3 B. All applicants other than renewal applicants under section
4 32-2130 for a real estate salesperson's license shall show evidence
5 satisfactory to the commissioner that they have completed a real estate
6 salesperson's course, ~~of~~ THAT IS prescribed and approved by the
7 commissioner, ~~of~~ AND THAT IS at least ninety classroom hours, or its
8 equivalent, of instruction in a real estate school certified by the
9 commissioner and have satisfactorily passed an examination on the course.
10 AN APPLICANT MAY COMPLETE THE REAL ESTATE SALESPERSON'S COURSE PRESCRIBED
11 BY THIS SUBSECTION ONLINE IF THE COURSE IS OFFERED BY A REAL ESTATE SCHOOL
12 THAT IS CERTIFIED BY THE COMMISSIONER, BUT THE APPLICANT MUST COMPLETE AN
13 EXAMINATION ON THE COURSE IN PERSON. In no case shall the real estate
14 salesperson's course completion or its equivalent be more than ten years
15 before the date of application unless, at the time of application, the
16 commissioner determines in the commissioner's discretion that the
17 applicant has work experience in a real ~~estate-related~~ ESTATE-RELATED
18 field and education that together are equivalent to the prelicensure
19 education requirement. The commissioner may waive all or a portion of the
20 prelicensure course requirement, other than the ~~twenty-seven-hour Arizona~~
21 ~~specific~~ TWENTY-SEVEN-HOUR ARIZONA-SPECIFIC course, for an applicant who
22 holds a current real estate license in another state.

23 C. All applicants other than renewal applicants under section
24 32-2130 for a real estate broker's license shall show evidence
25 satisfactory to the commissioner that they have completed a real estate
26 broker's course, ~~of~~ THAT IS prescribed and approved by the commissioner, ~~of~~
27 AND THAT IS at least ninety classroom hours, or the equivalent, of
28 instruction in a real estate school certified by the commissioner and have
29 satisfactorily passed an examination on the course. AN APPLICANT MAY
30 COMPLETE THE REAL ESTATE BROKER'S COURSE PRESCRIBED BY THIS SUBSECTION
31 ONLINE IF THE COURSE IS OFFERED BY A REAL ESTATE SCHOOL THAT IS CERTIFIED
32 BY THE COMMISSIONER, BUT THE APPLICANT MUST COMPLETE AN EXAMINATION ON THE
33 COURSE IN PERSON. In no case shall the real estate broker's course
34 completion or its equivalent be more than ten years before the date of
35 application unless, at the time of application, the commissioner
36 determines in the commissioner's discretion that the applicant has work
37 experience in a real ~~estate-related~~ ESTATE-RELATED field and education
38 that together are equivalent to the prelicensure education requirement.
39 The commissioner may waive all or a portion of the prelicensure course
40 requirement, other than the ~~twenty-seven-hour Arizona~~ ~~specific~~
41 TWENTY-SEVEN-HOUR ARIZONA-SPECIFIC course, for an applicant who holds a
42 current real estate license in another state.

43 D. ~~Prior to~~ BEFORE receiving any license provided for by this
44 chapter, an applicant ~~shall~~ MUST be at least eighteen years of age.

1 E. The commissioner shall ascertain by A written, electronic or ~~any~~
2 other examination method that an applicant for a real estate license has:
3 1. An appropriate knowledge of the English language, including
4 reading, writing and spelling, and of arithmetical computations common to
5 real estate practices.
6 2. At a minimum, an understanding of the general purpose and legal
7 effect of any real estate practices, principles and related forms,
8 including agency contracts, real estate contracts, deposit receipts,
9 deeds, mortgages, deeds of trust, security agreements, bills of sale, land
10 contracts of sale and property management, and of any other areas that the
11 commissioner deems necessary and proper.
12 3. A thorough understanding of the obligations between principal
13 and agent, the principles of real estate and business opportunity
14 practice, the applicable canons of business ethics, the provisions of this
15 chapter and rules made under this chapter.
16 4. An appropriate knowledge of other real estate practices and
17 principles as determined by the commissioner.
18 F. The commissioner shall ascertain by A written, electronic or ~~any~~
19 other examination method that an applicant for a license as a cemetery
20 broker or a cemetery salesperson has:
21 1. Appropriate knowledge of the English language, including
22 reading, writing and spelling, and of elementary arithmetic.
23 2. A general understanding of:
24 (a) Cemetery associations, cemetery corporations and duties of
25 cemetery directors and officers.
26 (b) Plot ownership, deeds, certificates of ownership, contracts of
27 sale, liens and leases.
28 (c) Establishing, dedicating, maintaining, managing, operating,
29 improving, preserving and conducting a cemetery.
30 (d) The provisions of this chapter and rules made under this
31 chapter relating to the organization and regulation of cemeteries and the
32 licensing and regulation of cemetery brokers and cemetery salespersons.
33 3. A general understanding of the obligations between principal and
34 agent, the principles of cemetery practice and the canons of business
35 ethics pertaining to the operation of cemeteries and the sale of cemetery
36 property.
37 G. The commissioner shall ascertain by A written, electronic or ~~any~~
38 other examination method that an applicant for a license as a membership
39 camping broker or a membership camping salesperson has:
40 1. An appropriate knowledge of the English language, including
41 reading, writing and spelling, and of elementary arithmetic.
42 2. A general understanding of:
43 (a) The general purposes and legal effect of contracts and agency
44 contracts.

1 (b) Establishing, maintaining, managing and operating a membership
2 campground.

3 (c) The provisions of this chapter and rules adopted under this
4 chapter relating to the organization and regulation of membership
5 campgrounds and the licensing and regulation of membership camping brokers
6 and membership camping salespersons.

7 3. A general understanding of the obligations between principal and
8 agent and the canons of business ethics pertaining to the operation and
9 promotion of membership campgrounds.

10 H. ~~No~~ A renewal applicant for a real estate, cemetery or membership
11 camping broker's or salesperson's license ~~shall be~~ IS NOT required to
12 submit to an examination if the application is made within twelve months
13 after the license expires and the license is not cancelled, terminated or
14 suspended at the time of application.

15 I. The examination for a broker's license shall be more exacting
16 and stringent and of a broader scope than the examination for a
17 salesperson's license.

18 J. An applicant for a real estate salesperson's or broker's license
19 who currently holds at least an equivalent license in another state may be
20 exempt from taking the national portion of the real estate examination if
21 the applicant can demonstrate ~~having previously passed~~ PASSING a national
22 examination within the past five years that is satisfactorily similar to
23 the one administered by the department.

24 K. Identification of each applicant whose licensing requirement was
25 allowed to be met by an equivalent alternative pursuant to this section
26 shall be included in the annual performance report presented by the board
27 to the governor pursuant to section 32-2104.

28 L. An applicant for an original real estate salesperson's license,
29 after completion of the requirements of subsection B of this section,
30 shall provide certification to the department at the time of application
31 evidencing completion of six hours of instruction in real estate contract
32 law and contract writing. This instruction shall include participation by
33 the applicant in the drafting of contracts to purchase real property,
34 listing agreements and lease agreements.

35 M. The commissioner shall not issue a license to a person who has
36 been convicted of a felony offense and who is currently incarcerated for
37 the conviction, paroled or under community supervision and under the
38 supervision of a parole or community supervision officer or who is on
39 probation as a result of the conviction.