

House Engrossed Senate Bill

~~special plate; police foundation~~
(now: licensure; timeshare salespersons)

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

CHAPTER 220

SENATE BILL 1274

AN ACT

AMENDING SECTIONS 32-2101, 32-2122, 32-2124, 32-2125.01 AND 32-2130, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 20, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-2134.02; AMENDING SECTION 32-2153, ARIZONA REVISED STATUTES; RELATING TO TIMESHARE SALES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-2101, Arizona Revised Statutes, is amended to
3 read:

4 32-2101. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Acting in concert" means evidence of collaborating to pursue a
7 concerted plan.

8 2. "Address of record" means any of the following:

9 (a) The address where a licensee practices or is otherwise
10 employed.

11 (b) A licensee's residential address.

12 (c) The address of a licensee's statutory agency who is registered
13 as the licensee's statutory agent with the corporation commission. This
14 subdivision applies only if notice of the statutory agent is given to the
15 department pursuant to section 32-2126.

16 3. "Advertising" means attempting by publication, dissemination,
17 exhibition, solicitation or circulation, oral or written, or for broadcast
18 on radio or television to induce directly or indirectly any person to
19 enter into any obligation or acquire any title or interest in lands
20 subject to this chapter, including the land sales contract to be used and
21 any photographs, drawings or artist's presentations of physical conditions
22 or facilities existing or to exist on the property. Advertising does not
23 include:

24 (a) Press releases or other communications delivered to newspapers,
25 periodicals or other news media for general information or public
26 relations purposes if no charge is made by the newspapers, periodicals or
27 other news media to publish or use any part of these communications.

28 (b) Communications to stockholders as follows:

29 (i) Annual reports and interim financial reports.

30 (ii) Proxy materials.

31 (iii) Registration statements.

32 (iv) Securities prospectuses.

33 (v) Applications for listing of securities on stock exchanges.

34 (vi) Prospectuses.

35 (vii) Property reports.

36 (viii) Offering statements.

37 4. "Affiliate" means a person who, directly or indirectly through
38 one or more intermediaries, controls, is controlled by or is under common
39 control with the person specified.

40 5. "Associate broker" means a licensed broker who is employed by
41 another broker. Unless otherwise specifically provided, an associate
42 broker has the same license privileges as a salesperson.

43 6. "Barrier" means a natural or man-made geographic feature that
44 prevents parcels of land from being practicably, reasonably and

1 economically united or reunited and that was not caused or created by the
2 owner of the parcels.

3 7. "Blanket encumbrance":

4 (a) Means either:

5 (i) Any mortgage, any deed of trust or any other encumbrance or
6 lien that secures or evidences the payment of monies and that affects more
7 than one lot or parcel of subdivided land.

8 (ii) An agreement that affects more than one lot or parcel by which
9 the subdivider holds the subdivision under an option, contract to sell or
10 trust agreement.

11 (b) Does not include taxes and assessments that are levied by
12 public authority.

13 8. "Board" means the real estate advisory board.

14 9. "Broker", when used without modification, means a person who is
15 licensed as a broker under this chapter or who is required to be licensed
16 as a broker under this chapter.

17 10. "Business broker" means a real estate broker who acts as an
18 intermediary or agent between sellers or buyers, or both, in the sale or
19 purchase, or both, of businesses or business opportunities where a lease
20 or sale of real property is either a direct or incidental part of the
21 transaction.

22 11. "Camping site" means a space that is designed and promoted for
23 the purpose of locating any trailer, tent, tent trailer, pickup camper or
24 other similar device used for camping.

25 12. "Cemetery" or "cemetery property" means any one, or a
26 combination of more than one, of the following in a place that is used, or
27 intended to be used, and dedicated for cemetery purposes:

28 (a) A burial park, for earth interments.

29 (b) A mausoleum, for crypt or vault entombments.

30 (c) A crematory, or a crematory and columbarium, for cinerary
31 interments.

32 (d) A cemetery plot, including interment rights, mausoleum crypts,
33 niches and burial spaces.

34 13. "Cemetery broker" means a person other than a real estate
35 broker or real estate salesperson who, for another, for compensation:

36 (a) Sells, leases or exchanges cemetery property or interment
37 services of or for another, or on the person's own account.

38 (b) Offers for another or for the person's own account to buy,
39 sell, lease or exchange cemetery property or interment services.

40 (c) Negotiates the purchase and sale, lease or exchange of cemetery
41 property or interment services.

42 (d) Negotiates the purchase or sale, lease or exchange, or lists or
43 solicits, or negotiates a loan on or leasing of cemetery property or
44 interment services.

1 14. "Cemetery salesperson" means a natural person who acts on the
2 person's own behalf or through and on behalf of a professional limited
3 liability company or a professional corporation engaged by or on behalf of a
4 a licensed cemetery or real estate broker, or through and on behalf of a
5 corporation, partnership or limited liability company that is licensed as
6 a cemetery or real estate broker, to perform any act or transaction
7 included in the definition of cemetery broker.

8 15. "Commissioner" means the state real estate commissioner.

9 16. "Common promotional plan" means a plan, undertaken by a person
10 or a group of persons acting in concert, to offer lots for sale or lease.
11 If the land is offered for sale by a person or group of persons acting in
12 concert, and the land is contiguous or is known, designated or advertised
13 as a common unit or by a common name, the land is presumed, without regard
14 to the number of lots covered by each individual offering, as being
15 offered for sale or lease as part of a common promotional plan. Separate
16 subdividers selling lots or parcels in separately platted subdivisions
17 within a master planned community shall not be deemed to be offering their
18 combined lots for sale or lease as part of a common promotional plan.

19 17. "Compensation" means any fee, commission, salary, monies or
20 other valuable consideration for services rendered or to be rendered as
21 well as the promise of consideration whether contingent or not.

22 18. "Contiguous":

23 (a) Means lots, parcels or fractional interests that share a common
24 boundary or point.

25 (b) Does not include lots, parcels or fractional interests that are
26 separated by either of the following:

27 (i) A barrier.

28 (ii) A road, street or highway that has been established by this
29 state or by any agency or political subdivision of this state, that has
30 been designated by the federal government as an interstate highway or that
31 has been regularly maintained by this state or by any agency or political
32 subdivision of this state and has been used continuously by the public for
33 at least the last five years.

34 19. "Control" or "controlled" means a person who, through
35 ownership, voting rights, power of attorney, proxy, management rights,
36 operational rights or other rights, has the right to make decisions
37 binding on an entity, whether a corporation, a partnership or any other
38 entity.

39 20. "Corporation licensee" means a lawfully organized corporation
40 that is registered with the corporation commission and that has an officer
41 licensed as the designated broker pursuant to section 32-2125.

42 21. "Department" means the state real estate department.

43 22. "Designated broker" means a natural person who is licensed as a
44 broker under this chapter and who is either:

1 (a) Designated to act on behalf of an employing real estate,
2 cemetery or membership camping entity.

3 (b) Doing business as a sole proprietor.

4 23. "Developer":

5 (a) Means a person who offers real property in a development for
6 sale, lease or use, either immediately or in the future, on the person's
7 own behalf or on behalf of another person, under this chapter.

8 (b) Does not include a person whose involvement with a development
9 is limited to listing property within the development for sale, lease or
10 use.

11 24. "Development" means any division, proposed division or use of
12 real property that the department has authority to regulate, including
13 subdivided and unsubdivided lands, cemeteries, condominiums, timeshares,
14 membership campgrounds and stock cooperatives.

15 25. "Distance learning" means continuing education or prelicensure
16 education that is an online, planned learning experience with a geographic
17 separation that may be synchronous or asynchronous, that does not require
18 real-time interaction between a student and an instructor and that uses a
19 platform with self-paced or prerecorded lessons and materials that a
20 student can access via the internet to proceed at the student's own pace.

21 26. "Employing broker" means a person who is licensed or is
22 required to be licensed as a:

23 (a) Broker entity pursuant to section 32-2125, subsection A.

24 (b) Sole proprietorship if the sole proprietor is a broker licensed
25 pursuant to this chapter.

26 27. "Fractional interest" means an undivided interest in improved
27 or unimproved land, lots or parcels of any size created for the purpose of
28 sale or lease and evidenced by any receipt, certificate, deed or other
29 document conveying the interest. Undivided interests in land, lots or
30 parcels created in the names of a husband and wife as community property,
31 joint tenants or tenants in common, or in the names of other persons who,
32 acting together as part of a single transaction, acquire the interests
33 without a purpose to divide the interests for present or future sale or
34 lease shall be deemed to constitute only one fractional interest.

35 28. "Improved lot or parcel" means a lot or parcel of a subdivision
36 on which there is a residential, commercial or industrial building or
37 concerning which a contract has been entered into between a subdivider and
38 a purchaser that obligates the subdivider directly, or indirectly through
39 a building contractor, to completely construct a residential, commercial
40 or industrial building on the lot or parcel within two years after the
41 date on which the contract of sale for the lot is entered into, or for a
42 condominium as defined in section 33-1202, within four years after the
43 date on which the contract for sale is entered into.

1 29. "Inactive license" means a license that is issued pursuant to
2 article 2 of this chapter to a licensee who is on inactive status during
3 the current license period and who is not engaged by or on behalf of a
4 broker.

5 30. "Lease" or "leasing" includes any lease, whether it is the
6 sole, the principal or any incidental part of a transaction.

7 31. "License" means the whole or part of any agency permit,
8 certificate, approval, registration, public report, charter or similar
9 form of permission required by this chapter.

10 32. "Licensee" means a person to whom a license for the current
11 license period has been granted under any provision of this chapter, and,
12 for the purposes of section 32-2153, subsection A, includes original
13 license applicants.

14 33. "License period" means the two-year period beginning with the
15 date of original issue or renewal of a particular license and ending on
16 the expiration date, if any.

17 34. "Limited liability company licensee" means a lawfully organized
18 limited liability company that has a member or manager who is a natural
19 person and who is licensed as the designated broker pursuant to section
20 32-2125.

21 35. "Live classroom course" means a course or instructional segment
22 delivered in either an in-person classroom instructional format or a
23 synchronous remote instructional format that allows students to observe
24 and participate remotely in an instructional segment via livestreaming.

25 36. "Lot reservation" means an expression of interest by a
26 prospective purchaser in buying at some time in the future a subdivided or
27 unsubdivided lot, unit or parcel in this state. In all cases, a
28 subsequent affirmative action by the prospective purchaser must be taken
29 to create a contractual obligation to purchase.

30 37. "Master planned community" means a development that consists of
31 two or more separately platted subdivisions and that is either subject to
32 a master declaration of covenants, conditions or restrictions, is subject
33 to restrictive covenants sufficiently uniform in character to clearly
34 indicate a general scheme for improving or developing real property or is
35 governed or administered by a master owner's association.

36 38. "Member" means a member of the real estate advisory board.

37 39. "Membership camping broker" means a person, other than a
38 salesperson, who, for compensation:

39 (a) Sells, purchases, lists, exchanges or leases membership camping
40 contracts.

41 (b) Offers to sell, purchase, exchange or lease membership camping
42 contracts.

43 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
44 purchase, exchange or lease of membership camping contracts.

1 (d) Advertises or holds himself out as being engaged in the
2 business of selling, buying, exchanging or leasing membership camping
3 contracts or counseling or advising regarding membership camping
4 contracts.

5 (e) Assists or directs in procuring prospects calculated or
6 intended to result in the sale, purchase, listing, exchange or lease of
7 membership camping contracts.

8 (f) Performs any of the foregoing acts as an employee or on behalf
9 of a membership camping operator or membership contract owner.

10 40. "Membership camping contract" means an agreement that is
11 offered or sold in this state evidencing a purchaser's right or license to
12 use the camping or outdoor recreation facilities of a membership camping
13 operator and includes a membership that provides for this use.

14 41. "Membership camping operator":

15 (a) Means an enterprise, other than one that is tax exempt under
16 section 501(c)(3) of the internal revenue code of 1986, as amended, that
17 solicits membership paid for by a fee or periodic payments and has as one
18 of its purposes camping or outdoor recreation, including the use of
19 camping sites primarily by members.

20 (b) Does not include camping or recreational trailer parks that are
21 open to the general public and that contain camping sites rented for a per
22 use fee or a mobile home park.

23 42. "Membership camping salesperson" means a natural person who
24 acts on the person's own behalf or through and on behalf of a professional
25 limited liability company or a professional corporation engaged by or on
26 behalf of a licensed membership camping or real estate broker, or by or on
27 behalf of a corporation, partnership or limited liability company that is
28 licensed as a membership camping or real estate broker, to perform any act
29 or participate in any transaction in a manner included in the definition
30 of membership camping broker.

31 43. "Partnership licensee" means a partnership with a managing
32 general partner who is licensed as the designated broker pursuant to
33 section 32-2125.

34 44. "Permanent access", as required under article 4 of this
35 chapter, means permanent access from the subdivision to any federal, state
36 or county highway.

37 45. "Perpetual care" or "endowed care":

38 (a) Means maintaining and caring, in all places where interments
39 have been made, for the trees, shrubs, roads, streets and other
40 improvements and embellishments contained within or forming a part of the
41 cemetery.

42 (b) Does not include maintaining or repairing monuments, tombs,
43 copings or other man-made ornaments as associated with individual burial
44 spaces.

1 46. "Perpetual or endowed-care cemetery" means a cemetery in which
2 lots or other burial spaces are sold or transferred under the
3 representation that the cemetery will receive perpetual care or endowed
4 care free of further cost to the purchaser after payment of the original
5 purchase price for the lot, burial space or interment right.

6 47. "Person" means any individual, corporation, partnership or
7 company and any other form of multiple organization for carrying on
8 business, foreign or domestic.

9 48. "Private cemetery" means a cemetery or place that is not
10 licensed under article 6 of this chapter, where burials or interments of
11 human remains are made, in which sales or transfers of interment rights or
12 burial plots are not made to the public and in which not more than ten
13 interments or burials occur annually.

14 49. "Promotion" or "promotional practice" means advertising and any
15 other act, practice, device or scheme to induce directly or indirectly any
16 person to enter into any obligation or acquire any title or interest in or
17 use of real property subject to this chapter, including meetings with
18 prospective purchasers, arrangements for prospective purchasers to visit
19 real property, travel allowances and discount, exchange, refund and
20 cancellation privileges.

21 50. "Real estate" includes leasehold-interests and any estates in
22 land as defined in title 33, chapter 2, articles 1 and 2, regardless of
23 whether located in this state.

24 51. "Real estate broker" means a person, other than a salesperson,
25 who, for another and for compensation:

26 (a) Sells, exchanges, purchases, rents or leases real estate,
27 businesses and business opportunities or timeshare interests.

28 (b) Offers to sell, exchange, purchase, rent or lease real estate,
29 businesses and business opportunities or timeshare interests.

30 (c) Negotiates or offers, attempts or agrees to negotiate the sale,
31 exchange, purchase, rental or leasing of real estate, businesses and
32 business opportunities or timeshare interests.

33 (d) Lists or offers, attempts or agrees to list real estate,
34 businesses and business opportunities or timeshare interests for sale,
35 lease or exchange.

36 (e) Auctions or offers, attempts or agrees to auction real estate,
37 businesses and business opportunities or timeshare interests.

38 (f) Buys, sells, offers to buy or sell or otherwise deals in
39 options on real estate, businesses and business opportunities or timeshare
40 interests or improvements to real estate, businesses and business
41 opportunities or timeshare interests.

42 (g) Collects or offers, attempts or agrees to collect rent for the
43 use of real estate, businesses and business opportunities or timeshare
44 interests. This subdivision does not apply to a person who is not a
45 licensee, who works for a real estate broker or a real estate salesperson,

1 who collects in-person rent and related fees on behalf of the real estate
2 broker or real estate salesperson for the use of real estate as part of
3 the person's clerical duties and who provides a receipt when rent is paid.

4 (h) Advertises or holds himself out as being engaged in the
5 business of buying, selling, exchanging, renting or leasing real estate,
6 businesses and business opportunities or timeshare interests or counseling
7 or advising regarding real estate, businesses and business opportunities
8 or timeshare interests.

9 (i) Assists or directs in procuring prospects that are calculated
10 to result in the sale, exchange, leasing or rental of real estate,
11 businesses and business opportunities or timeshare interests.

12 (j) Assists or directs in negotiating any transaction calculated or
13 intended to result in the sale, exchange, leasing or rental of real
14 estate, businesses and business opportunities or timeshare interests.

15 (k) Incident to the sale of real estate, businesses and business
16 opportunities negotiates or offers, attempts or agrees to negotiate a loan
17 secured or to be secured by any mortgage or other encumbrance on or
18 transfer of real estate, businesses and business opportunities or
19 timeshare interests subject to section 32-2155, subsection D. This
20 subdivision does not apply to mortgage brokers as defined in and subject
21 to title 6, chapter 9, article 1.

22 (l) Engages in the business of assisting or offering to assist
23 another in filing an application for the purchase or lease of, or in
24 locating or entering on, lands owned by the state or federal government.

25 (m) Claims, demands, charges, receives, collects or contracts to
26 collect an advance fee in connection with any employment enumerated in
27 this section, including employment undertaken to promote the sale or lease
28 of real property by advance fee listing, by furnishing rental information
29 to a prospective tenant for a fee paid by the prospective tenant, by
30 advertising or by any other offering to sell, lease, exchange or rent real
31 property or selling kits connected therewith. This does not include the
32 activities of any communications media of general circulation or coverage
33 not primarily engaged in advertising real estate or any communications
34 media activities that are specifically exempt from applicability of this
35 article under section 32-2121.

36 (n) Engages in any of the acts listed in subdivisions (a) through
37 (m) of this paragraph for the sale or lease of other than real property if
38 a real property sale or lease is a part of, contingent on or ancillary to
39 the transaction.

40 (o) Performs any of the acts listed in subdivisions (a) through (m)
41 of this paragraph as an employee of, or in behalf of, the owner of real
42 estate, or interest in the real estate, or improvements affixed on the
43 real estate, for compensation.

44 (p) Acts as a business broker.

1 52. "Real estate sales contract" means an agreement in which one
2 party agrees to convey title to real estate to another party on the
3 satisfaction of specified conditions set forth in the contract.

4 53. "Real estate salesperson" means a natural person who acts on
5 the person's own behalf or through and on behalf of a professional limited
6 liability company or a professional corporation engaged by or on behalf of
7 a licensed real estate broker, or by or on behalf of a limited liability
8 company, partnership or corporation that is licensed as a real estate
9 broker, to perform any act or participate in any transaction in a manner
10 included in the definition of real estate broker subject to section
11 32-2155.

12 54. "Sale" or "lease" includes every disposition, transfer, option
13 or offer or attempt to dispose of or transfer real property, or an
14 interest, use or estate in the real property, including offering the
15 property as a prize or gift if a monetary charge or consideration for
16 whatever purpose is required.

17 55. "Salesperson", when used without modification, means a natural
18 person who acts on the person's own behalf or through and on behalf of a
19 professional limited liability company or a professional corporation
20 licensed under this chapter or any person required to be licensed as a
21 salesperson under this chapter.

22 56. "School" means a person or entity that offers a course of study
23 toward completion of the education requirements leading to licensure or
24 renewal of licensure under this chapter.

25 57. "Stock cooperative" means a corporation to which all of the
26 following apply:

27 (a) The corporation is formed or used to hold title to improved
28 real property in fee simple or for a term of years.

29 (b) All or substantially all of the shareholders of the corporation
30 each receive a right of exclusive occupancy in a portion of the real
31 property to which the corporation holds title.

32 (c) The right of occupancy may only be transferred with the
33 concurrent transfer of the shares of stock in the corporation held by the
34 person having the right of occupancy.

35 58. "Subdivider":

36 (a) Means any person who offers for sale or lease six or more lots,
37 parcels or fractional interests in a subdivision or who causes land to be
38 subdivided into a subdivision for the subdivider or for others, or who
39 undertakes to develop a subdivision.

40 (b) Does not include a public agency or officer authorized by law
41 to create subdivisions.

42 59. "Subdivision" or "subdivided lands":

43 (a) Means improved or unimproved land or lands divided or proposed
44 to be divided for the purpose of sale or lease, whether immediate or
45 future, into six or more lots, parcels or fractional interests.

1 (b) Includes a stock cooperative, lands divided or proposed to be
2 divided as part of a common promotional plan and residential condominiums
3 as defined in title 33, chapter 9.

4 (c) Does not include:

5 (i) Leasehold offerings of one year or less.

6 (ii) The division or proposed division of land located in this
7 state into lots or parcels each of which is or will be thirty-six acres or
8 more in area including to the centerline of dedicated roads or easements,
9 if any, contiguous to the lot or parcel.

10 (iii) The leasing of agricultural lands or apartments, offices,
11 stores, hotels, motels, pads or similar space within an apartment
12 building, industrial building, rental recreational vehicle community,
13 rental manufactured home community, rental mobile home park or commercial
14 building.

15 (iv) The subdivision into or development of parcels, plots or
16 fractional portions within the boundaries of a cemetery that has been
17 formed and approved pursuant to this chapter.

18 (v) A sale or lease of a lot, parcel or fractional interest that
19 occurs ten or more years after the sale or lease of another lot, parcel or
20 fractional interest if the other lot, parcel or fractional interest is not
21 subject to this article and is treated as an independent parcel unless, on
22 investigation by the commissioner, there is evidence of intent to
23 subdivide.

24 60. "Timeshare" or "timeshare property" means real property
25 ownership or right of occupancy in real property pursuant to article 9 of
26 this chapter. For the purposes of this chapter, a timeshare is not a
27 security unless it meets the definition of a security under section
28 44-1801.

29 61. "TIMESHARE SALESPERSON" MEANS A NATURAL PERSON WHO ACTS UNDER
30 THE SUPERVISION OF A LICENSED REAL ESTATE BROKER TO SELL OR EXCHANGE
31 TIMESHARE PROPERTIES ON BEHALF OF A TIMESHARE PLAN DEVELOPER OR OTHER
32 PERSON.

33 ~~61.~~ 62. "Trustee":

34 (a) Means a person who either:

35 (i) Is designated under section 32-2194.27 to act as a trustee for
36 an endowment-care cemetery fund.

37 (ii) Holds bare legal title to real property under a subdivision
38 trust.

39 (b) Does not include a developer, subdivider, broker or salesperson
40 within this chapter.

41 ~~62.~~ 63. "Unimproved lot or parcel" means a lot or parcel of a
42 subdivision that is not an improved lot or parcel.

1 ~~63.~~ 64. "Unsubdivided lands":

2 (a) Means land or lands divided or proposed to be divided for the
3 purpose of sale or lease, whether immediate or future, into six or more
4 lots, parcels or fractional interests and the lots or parcels are
5 thirty-six acres or more each but less than one hundred sixty acres each,
6 or that are offered, known or advertised under a common promotional plan
7 for sale or lease, except that agricultural leases shall not be included
8 in this definition.

9 (b) Includes any land that is sold and that would otherwise
10 constitute the sixth lot, parcel or fractional interest if the sale occurs
11 ten or more years after the earliest of the previous five sales and if all
12 of the sales consist of property that was originally contained within the
13 same parcel that is thirty-six acres or more and less than one hundred
14 sixty acres.

15 Sec. 2. Section 32-2122, Arizona Revised Statutes, is amended to
16 read:

17 ~~32-2122.~~ License required of brokers and salespersons

18 A. This article applies to any person acting in the capacity of a:

- 19 1. Real estate broker.
20 2. Real estate salesperson.
21 3. Cemetery broker.
22 4. Cemetery salesperson.
23 5. Membership camping broker.
24 6. Membership camping salesperson.

25 7. **TIMESHARE SALESPERSON.**

26 B. It is unlawful for any person, corporation, partnership or
27 limited liability company to engage in any business, occupation or
28 activity listed in subsection A of this section without first obtaining a
29 license as prescribed in this chapter and otherwise complying with this
30 chapter.

31 C. A person, corporation, partnership or limited liability company
32 that is licensed as a salesperson or broker pursuant to this article or
33 that is engaging in any work for which a license is required under this
34 article is subject to the requirements of this chapter in performing any
35 acts included in the definition of a broker unless otherwise provided in
36 this chapter.

37 D. Except as otherwise provided in this subsection, any act, in
38 consideration or expectation of compensation, that is included in the
39 definition of a real estate broker, cemetery broker or membership camping
40 broker, whether the act is an incidental part of a transaction or the
41 entire transaction, constitutes the person offering or attempting to
42 perform the act of a real estate broker or real estate salesperson, a
43 cemetery broker or cemetery salesperson, **A TIMESHARE SALESPERSON** or a
44 membership camping broker or ~~a~~ membership camping salesperson within the
45 meaning of this chapter. A person who is not a licensee may collect

1 in-person rent and related fees for the use of real estate as part of the
2 person's clerical duties if the person works for a licensee, the rent
3 collection is on behalf of the licensee and the person provides a receipt
4 when rent is paid.

5 Sec. 3. Section 32-2124, Arizona Revised Statutes, is amended to
6 read:

7 32-2124. Qualifications of licensees

8 A. Except as otherwise provided in this chapter, the commissioner
9 shall require proof, through the application or otherwise, as the
10 commissioner deems advisable with due regard to the interests of the
11 public, as to the competency of the applicant and shall require that the
12 applicant has:

13 1. If for an original real estate broker's license, been an active
14 licensed real estate salesperson or real estate broker for at least three
15 years during the five years immediately preceding the time of application.

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

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

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

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

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

40 7. If for a real estate broker's, cemetery broker's or membership
41 camping broker's license, other than a renewal application, an equivalent
42 amount of active experience within the immediately preceding five years in
43 the field in which the applicant is applying for the broker's license, as
44 a substitute for the licensed active experience otherwise required in
45 paragraphs 1, 2 and 3 of this subsection. The licensed active experience

1 required may be met if the applicant can demonstrate to the commissioner's
2 satisfaction that the applicant has an equivalent amount of experience in
3 the past five years that, if the applicant had held a license, would have
4 been sufficient to fulfill the licensed experience requirement.

5 B. All applicants other than renewal applicants under section
6 32-2130 for a real estate salesperson's license shall show evidence
7 satisfactory to the commissioner that they have completed a real estate
8 salesperson's course that is prescribed and approved by the commissioner
9 and that is at least ninety classroom hours, or the equivalent, of
10 instruction in a real estate school certified by the commissioner and have
11 satisfactorily passed an examination on the course. An applicant may
12 complete the real estate salesperson's course prescribed by this
13 subsection through a live classroom course or a distance learning course
14 if the live classroom course or distance learning course is offered by a
15 real estate school that is certified by the commissioner. The applicant
16 must complete a proctored examination on the live classroom course or the
17 distance learning course in person. An applicant may complete the
18 required course or instructional segments in any combination of in-person
19 or synchronous remote delivery methods. The real estate salesperson's
20 course completion or its equivalent may not be more than ten years before
21 the date of application unless, at the time of application, the
22 commissioner determines in the commissioner's discretion that the
23 applicant has work experience in a real estate-related field and education
24 that together are equivalent to the prelicensure education
25 requirement. Except as provided in section 32-4302, the commissioner may
26 waive all or a portion of the prelicensure course requirement, other than
27 the twenty-seven-hour Arizona-specific course, for an applicant who holds
28 a current real estate license in another state.

29 C. All applicants other than renewal applicants under section
30 32-2130 for a real estate broker's license shall show evidence
31 satisfactory to the commissioner that they have completed a real estate
32 broker's course that is prescribed and approved by the commissioner and
33 that is at least ninety classroom hours, or the equivalent, of instruction
34 in a real estate school certified by the commissioner and have
35 satisfactorily passed an examination on the course. An applicant may
36 complete the real estate broker's course prescribed by this subsection
37 through a live classroom course or a distance learning course if the live
38 classroom course or distance learning course is offered by a real estate
39 school that is certified by the commissioner. The applicant must complete
40 a proctored examination on the live classroom course or distance learning
41 course in person. An applicant may complete the required course or
42 instructional segments in any combination of in-person or synchronous
43 remote delivery methods. The real estate broker's course completion or
44 its equivalent may not be more than ten years before the date of
45 application unless, at the time of application, the commissioner

1 determines in the commissioner's discretion that the applicant has work
2 experience in a real estate-related field and education that together are
3 equivalent to the prelicensure education requirement. Except as provided
4 in section 32-4302, the commissioner may waive all or a portion of the
5 prelicensure course requirement, other than the twenty-seven-hour
6 Arizona-specific course, for an applicant who holds a current real estate
7 license in another state.

8 D. Before receiving any license provided for by this chapter, an
9 applicant must be at least eighteen years of age.

10 E. The commissioner shall ascertain by a written, electronic or
11 other examination method that an applicant for a real estate license has:

12 1. An appropriate knowledge of the English language, including
13 reading, writing and spelling, and of arithmetical computations common to
14 real estate practices.

15 2. At a minimum, an understanding of the general purpose and legal
16 effect of any real estate practices, principles and related forms,
17 including agency contracts, real estate contracts, deposit receipts,
18 deeds, mortgages, deeds of trust, security agreements, bills of sale, land
19 contracts of sale and property management, and of any other areas that the
20 commissioner deems necessary and proper.

21 3. A thorough understanding of the obligations between principal
22 and agent, the principles of real estate and business opportunity
23 practice, the applicable canons of business ethics, this chapter and rules
24 adopted pursuant to this chapter.

25 4. An appropriate knowledge of other real estate practices and
26 principles as determined by the commissioner.

27 F. The commissioner shall ascertain by a written, electronic or
28 other examination method that an applicant for a license as a cemetery
29 broker or a cemetery salesperson has:

30 1. Appropriate knowledge of the English language, including
31 reading, writing and spelling, and of elementary arithmetic.

32 2. A general understanding of:

33 (a) Cemetery associations, cemetery corporations and duties of
34 cemetery directors and officers.

35 (b) Plot ownership, deeds, certificates of ownership, contracts of
36 sale, liens and leases.

37 (c) Establishing, dedicating, maintaining, managing, operating,
38 improving, preserving and conducting a cemetery.

39 (d) The provisions of this chapter and rules adopted pursuant to
40 this chapter relating to the organization and regulation of cemeteries and
41 the licensing and regulation of cemetery brokers and cemetery
42 salespersons.

43 3. A general understanding of the obligations between principal and
44 agent, the principles of cemetery practice and the canons of business

1 ethics pertaining to the operation of cemeteries and the sale of cemetery
2 property.

3 G. The commissioner shall ascertain by a written, electronic or
4 other examination method that an applicant for a license as a membership
5 camping broker or a membership camping salesperson has:

6 1. An appropriate knowledge of the English language, including
7 reading, writing and spelling, and of elementary arithmetic.

8 2. A general understanding of:

9 (a) The general purposes and legal effect of contracts and agency
10 contracts.

11 (b) Establishing, maintaining, managing and operating a membership
12 campground.

13 (c) The provisions of this chapter and rules adopted pursuant to
14 this chapter relating to the organization and regulation of membership
15 campgrounds and the licensing and regulation of membership camping brokers
16 and membership camping salespersons.

17 3. A general understanding of the obligations between principal and
18 agent and the canons of business ethics pertaining to the operation and
19 promotion of membership campgrounds.

20 H. THE COMMISSIONER MAY ADOPT RULES THAT SPECIFY THE REQUIREMENTS
21 OF EXAMINATION PREPARATION COURSES FOR APPLICANTS FOR TIMESHARE
22 SALESPERSON LICENSES. THE EXAMINATION PREPARATION COURSE AND THE
23 TIMESHARE EXAMINATION SHALL BE LIMITED TO THOSE SPECIFIC REAL ESTATE LAWS,
24 REGULATIONS, BUSINESS PRACTICES AND CANONS OF BUSINESS ETHICS THAT ARE
25 DIRECTLY RELATED TO THE SALE OF TIMESHARE INTERESTS IN THIS STATE. THE
26 COMMISSIONER SHALL ASCERTAIN BY A WRITTEN, ELECTRONIC OR OTHER EXAMINATION
27 METHOD THAT AN APPLICANT FOR A LICENSE AS A TIMESHARE SALESPERSON MEETS
28 BOTH OF THE FOLLOWING:

29 1. HAS AN APPROPRIATE KNOWLEDGE OF ELEMENTARY ARITHMETIC AND OF THE
30 ENGLISH LANGUAGE, INCLUDING READING, WRITING AND SPELLING.

31 2. HAS A GENERAL UNDERSTANDING OF ALL OF THE FOLLOWING:

32 (a) THE PROVISIONS OF THIS CHAPTER AND THE RULES ADOPTED PURSUANT
33 TO THIS CHAPTER THAT RELATE TO THE DEVELOPMENT OF TIMESHARE PROPERTIES,
34 THE ORGANIZATION AND REGULATION OF TIMESHARE PROPERTIES, THE SALE OR
35 EXCHANGE OF TIMESHARE PROPERTIES, THE LICENSING AND REGULATION OF
36 TIMESHARE SALESPERSONS AND THE ROLE OF LICENSED REAL ESTATE BROKERS IN
37 REVIEWING AND APPROVING TIMESHARE SALES OR EXCHANGES.

38 (b) TIMESHARE OWNERSHIP METHODS, INCLUDING DEEDS, CERTIFICATES OF
39 OWNERSHIP AND CONTRACTS OF SALE, LEASES OF TIMESHARE PROPERTIES AND LIENS
40 AND FORECLOSURE OF TIMESHARE INTERESTS.

41 (c) THE CANONS OF BUSINESS ETHICS PERTAINING TO THE OPERATION OF
42 TIMESHARE PROPERTIES AND THE SALE AND EXCHANGE OF TIMESHARE PROPERTIES.

43 ~~H.~~ I. A renewal applicant for a real estate broker's, cemetery
44 broker's or membership camping broker's or real estate salesperson's,
45 cemetery salesperson's, ~~or~~ membership camping salesperson's OR TIMESHARE

1 SALESPERSON'S license is not required to submit to an examination if the
2 application is made within twelve months after the license expires and the
3 license is not canceled, terminated or suspended at the time of
4 application.

5 ~~J.~~ J. The examination for a broker's license shall be more
6 exacting and stringent and of a broader scope than the examination for a
7 salesperson's license.

8 ~~K.~~ K. An applicant for a real estate salesperson's or real estate
9 broker's license who currently holds at least an equivalent license in
10 another state is exempt from taking the national portion of the real
11 estate examination pursuant to section 32-4302.

12 ~~L.~~ L. Identification of each applicant whose licensing requirement
13 was allowed to be met by an equivalent alternative pursuant to this
14 section shall be included in the annual performance evaluation presented
15 by the board to the governor pursuant to section 32-2104.

16 ~~M.~~ M. An applicant for an original real estate salesperson's
17 license, after completing the requirements of subsection B of this
18 section, shall provide certification to the department at the time of
19 application evidencing completion of six hours of instruction in real
20 estate contract law and contract writing. This instruction shall include
21 participation by the applicant in drafting contracts to purchase real
22 property, listing agreements and lease agreements.

23 ~~N.~~ N. The commissioner shall not issue a license to a person who
24 has been convicted of a felony offense and who is currently incarcerated
25 for the conviction, paroled or under community supervision and under the
26 supervision of a parole or community supervision officer or who is on
27 probation as a result of the conviction.

28 ~~O.~~ O. The commissioner shall require an out-of-state applicant for
29 a license that is issued pursuant to section 32-4302 to pass an
30 examination specific to the laws of this state relating to this chapter
31 before the commissioner issues the license to the applicant.

32 Sec. 4. Section 32-2125.01, Arizona Revised Statutes, is amended to
33 read:

34 32-2125.01. Issuance of license; multiple licenses; use

35 A. When the requirements for application, examination and payment
36 of fees are completed to the satisfaction of the commissioner, the
37 commissioner shall issue the license applied for to the applicant. Any
38 person who has passed the state examination for broker or salesperson must
39 become licensed within one year from the date of the examination. Failure
40 to comply with this section will necessitate the submission to and passing
41 of another examination.

42 B. Not more than one license shall be issued and outstanding to or
43 in favor of a licensee at any one time, except that a person WHO IS
44 licensed as a real estate broker or real estate salesperson may engage in
45 cemetery, ~~or~~ membership camping OR TIMESHARE sales activities without

1 being separately licensed to engage in these activities. A real estate
2 licensee may have only one employing broker in each of the following
3 LICENSING categories:

- 4 1. Cemetery.
- 5 2. Membership camping.
- 6 3. Real estate.
- 7 4. **TIMESHARE.**

8 C. A designated or employing real estate broker may engage in
9 cemetery or membership camping sales activities and may employ cemetery
10 ~~and~~ SALESPERSONS, membership camping salespersons and associate brokers
11 without being separately licensed as a cemetery ~~or~~ BROKER, CEMETERY
12 SALESPERSON, membership camping broker or MEMBERSHIP CAMPING salesperson.

13 Sec. 5. Section 32-2130, Arizona Revised Statutes, is amended to
14 read:

15 32-2130. Renewal of licenses; education requirements; broker
16 licensee renewal as salesperson licensee

17 A. Except as provided in subsection K of this section, a license
18 may be renewed in a timely manner by filing an application for renewal in
19 the manner prescribed by the commissioner, by paying the renewal fee
20 specified in this chapter and by presenting evidence of attendance at a
21 school certified by the commissioner during the preceding license period
22 of twenty-four credit hours for salespersons and associate brokers and
23 thirty credit hours for designated brokers or for associate brokers
24 employed by a designated broker pursuant to section 32-2151.01, subsection
25 G, or a lesser number of credit hours prescribed by the commissioner, of
26 real estate oriented continuing education courses prescribed and approved
27 by the commissioner. The total number of credit hours shall be accrued at
28 a rate of twenty-four credit hours for salespersons and associate brokers
29 and thirty credit hours for designated brokers or for associate brokers
30 employed by a designated broker pursuant to section 32-2151.01, subsection
31 G during each twenty-four-month period of licensure. The department shall
32 maintain a current list of approved courses. The commissioner may waive
33 all or a portion of the continuing education requirement for good cause
34 shown. The commissioner shall determine by rule the content of the
35 renewal credit hours. The renewal credit hours may include the
36 commissioner's current topics, including short sales. For the purposes of
37 this subsection, "short sales" means real estate transactions in which the
38 sales price is insufficient to pay the loan encumbering the property in
39 addition to the costs of sale and the seller is unable to pay the
40 difference.

41 B. If an applicant is renewing a license within one year after it
42 expired, the applicant may apply continuing education hours completed
43 after the expiration toward the continuing education required for renewal.

1 C. Each renewal application shall contain, as applicable, the same
2 information required in an original application pursuant to section
3 32-2123.

4 D. Cemetery brokers and salespersons and membership camping brokers
5 and salespersons are exempt from the educational requirements of this
6 section.

7 E. This section does not require a licensee to attend department
8 produced or sponsored courses if approved courses are otherwise available.

9 F. Between the expiration date of the license and the date of
10 renewal of the license, the rights of the licensee under the license
11 expire. While the license is expired it is unlawful for a person to act
12 or attempt or offer to act in a manner included in the definition of a
13 real estate **BROKER OR REAL ESTATE SALESPERSON, A TIMESHARE SALESPERSON, A**
14 cemetery **BROKER OR CEMETERY SALESPERSON** or **A** membership camping broker or
15 **MEMBERSHIP CAMPING** salesperson. If the license of an employing broker
16 expires under this subsection, the licenses of persons who are employed by
17 the employing broker shall be severed from the employing broker on the
18 license expiration date of the employing broker. These persons may be
19 rehired on renewal of the employing broker's license. The department
20 shall terminate a license that has been expired for more than one year.

21 G. Except as provided in section 32-4301, not more than one year
22 after the license expiration date, the department shall renew a license
23 without requiring the applicant to submit to an examination if the
24 applicant held a license that was not canceled or suspended at the time of
25 expiration. Except as provided in section 32-4301, the license period for
26 a license renewed pursuant to this subsection commences the day after the
27 expiration date of the expired license. Except as provided in section
28 32-2131, subsection A, paragraph 4 or 6, an applicant whose license has
29 been terminated or revoked does not qualify for license renewal.

30 H. Any employee or immediate family member of any employee of this
31 state who, pursuant to section 32-2110 or any other law, rule or
32 requirement, is prohibited from using a license issued under this chapter
33 shall have, on the request of the employee or family member, the license
34 placed on inactive status, shall have the right to renew the license and
35 shall not be required to pay further fees until the employee or family
36 member is again eligible to use the license. Renewal fees for the license
37 shall not be required for only as long as the employee or family member is
38 prohibited from using the license.

39 I. The department shall not renew the license of a person who has
40 been convicted of a felony offense and who is currently incarcerated for
41 the conviction, paroled or under community supervision and under the
42 supervision of a parole or community supervision officer or who is on
43 probation as a result of the conviction. This subsection does not limit
44 the commissioner's authority and discretion to deny the renewal for any
45 other reason pursuant to this chapter.

1 J. A real estate broker licensee may renew as a real estate
2 salesperson licensee without having to meet the requirements prescribed by
3 section 32-2124, subsection B. If a person renews as a real estate
4 salesperson pursuant to this subsection, the person shall pay the
5 salesperson's renewal fee as prescribed in section 32-2132. If the person
6 subsequently wants to obtain a real estate broker license, the person must
7 meet the requirements of this chapter, including the requirements
8 prescribed by section 32-2124, subsection C.

9 K. A licensee with an inactive license does not need to complete
10 continuing education credit hours during the period that the license is
11 inactive. If the licensee applies with the department to change the
12 license status to active:

13 1. The commissioner may require the licensee to complete continuing
14 education credit hours before activating the license.

15 2. In addition to the continuing education requirement described in
16 paragraph 1 of this subsection, if the license has been inactive for more
17 than fifteen years, the commissioner shall require that the applicant
18 successfully pass an examination specific to the laws of this state
19 relating to this chapter before activating the license.

20 L. One year before the fifteen-year period described in subsection
21 K, paragraph 2 of this section expires, the department shall send a notice
22 to a licensee with an inactive license. The notice shall be sent to the
23 licensee's last known address of record maintained by the department and
24 shall disclose the requirements of subsection K of this section.

25 Sec. 6. Title 32, chapter 20, article 2, Arizona Revised Statutes,
26 is amended by adding section 32-2134.02, to read:

27 32-2134.02. Timeshare salesperson certificate of convenience

28 NOTWITHSTANDING ANY OTHER LICENSING REQUIREMENT PURSUANT TO THIS
29 CHAPTER, THE COMMISSIONER MAY ISSUE A ONETIME THIRTY-DAY CERTIFICATE OF
30 CONVENIENCE WITHOUT EXAMINATION TO ANY PERSON WHO HAS APPLIED AND
31 OTHERWISE QUALIFIES FOR A TIMESHARE SALESPERSON'S LICENSE. AN EMPLOYING
32 TIMESHARE PLAN DEVELOPER'S DESIGNATED BROKER SHALL CERTIFY BY AFFIDAVIT TO
33 THE COMMISSIONER THAT THE TIMESHARE SALESPERSON APPLICANT WILL BE TRAINED
34 IN APPLICABLE TIMESHARE AND CONTRACT LAWS BEFORE PARTICIPATING IN ANY
35 OFFER OR SALE.

36 Sec. 7. Section 32-2153, Arizona Revised Statutes, is amended to
37 read:

38 32-2153. Grounds for denial, suspension or revocation of
39 licenses; letters of concern; provisional license;
40 retention of jurisdiction by commissioner;
41 definitions

42 A. The commissioner may suspend or revoke a license, deny the
43 issuance of a license, issue a letter of concern to a licensee, issue a
44 provisional license or deny the renewal or the right of renewal of a
45 license issued under this chapter if it appears that the holder or

1 applicant, within five years immediately preceding, in performing or
2 attempting to perform any acts authorized by the license or by this
3 chapter, has:

4 1. Pursued a course of misrepresentation or made false promises,
5 either directly or through others, whether acting in the role of a
6 licensee or a principal in a transaction.

7 2. Acted for more than one party in a transaction without the
8 knowledge or written consent of all parties to the transaction.

9 3. Disregarded or violated any of the provisions of this chapter or
10 any rules adopted by the commissioner.

11 4. Knowingly authorized, directed, connived at or aided in the
12 publication, advertisement, distribution or circulation of any material
13 false or misleading statement or representation concerning the licensee's
14 business or any land, cemetery property, subdivision or membership
15 campground or camping contract offered for sale in this or any other
16 state.

17 5. Knowingly used the term "real estate broker", "cemetery broker"
18 or "membership camping broker" without the legal right to do so.

19 6. Employed any unlicensed salesperson or unlicensed associate
20 broker.

21 7. Accepted compensation as a licensee for performing any of the
22 acts specified in this chapter from any person who is not authorized to
23 provide compensation pursuant to section 32-2155.

24 8. Represented or attempted to represent a broker other than the
25 broker to whom the salesperson or associate broker is licensed.

26 9. Failed, within a reasonable time, to account for or to remit any
27 monies, to surrender to the rightful owner any documents or other valuable
28 property that comes into the licensee's possession and that belongs to
29 others, or to issue an appraisal report on real property or cemetery
30 property in which the licensee has an interest, unless the nature and
31 extent of the interest are fully disclosed in the report.

32 10. Paid or received any rebate, profit, compensation or commission
33 in violation of this chapter.

34 11. Induced any party to a contract to break the contract for the
35 purpose of substituting a new contract with the same or a different
36 principal, if the substitution is motivated by the personal gain of the
37 licensee.

38 12. Placed a sign on any property offering it for sale or for rent
39 without the written authority of the owner or the owner's authorized
40 agent.

41 13. Solicited, either directly or indirectly, prospects for the
42 sale, lease or use of real property, cemetery property or membership
43 camping contracts through a promotion of a speculative nature involving a
44 game of chance or risk or through conducting lotteries or contests that
45 are not specifically authorized under this chapter.

- 1 14. Failed to pay to the commissioner the renewal fee as specified
2 in this chapter promptly and before the time specified.
- 3 15. Failed to keep an escrow or trust account or other record of
4 monies deposited with the licensee relating to a real estate transaction.
- 5 16. Commingled the monies or other property of the licensee's
6 principal or client with the licensee's own or converted these monies or
7 property to the licensee or another.
- 8 17. Failed or refused on demand to produce any document, contract,
9 book, record, information, compilation or report that is in the licensee's
10 possession or that the licensee is required by law to maintain concerning
11 any real estate, cemetery or membership camping business, services,
12 activities or transactions involving or conducted by the licensee for
13 inspection by the commissioner or the commissioner's representative.
- 14 18. Failed to maintain a complete record of each transaction that
15 comes within this chapter.
- 16 19. Violated the federal fair housing law, the Arizona civil rights
17 law or any local ordinance of a similar nature.
- 18 20. Tendered to a buyer a wood infestation report in connection
19 with the transfer of residential real property or an interest in
20 residential real property knowing that wood infestation exists or that the
21 wood infestation report was inaccurate or false as of the date of the
22 tender or that an inspection was not done in conjunction with the
23 preparation of the wood infestation report.
- 24 21. As a licensed broker, failed to exercise reasonable supervision
25 over the activities of salespersons, associate brokers or others under the
26 broker's employ or failed to exercise reasonable supervision and control
27 over the activities for which a license is required of a corporation,
28 limited liability company or partnership on behalf of which the broker
29 acts as designated broker under section 32-2125.
- 30 22. Demonstrated negligence in performing any act for which a
31 license is required.
- 32 23. Sold or leased a property to a buyer or lessee that was not the
33 property represented to the buyer or lessee.
- 34 24. Violated any condition or term of a commissioner's order.
- 35 25. Signed the name of another person on any document or form
36 without the express written consent of the person.
- 37 26. As a licensed school, failed to exercise reasonable supervision
38 over the activities for which a license is required for an owner,
39 director, administrator or instructor in the school's employ.
- 40 B. The commissioner may suspend or revoke a license, deny the
41 issuance of a license, issue a letter of concern to a licensee, issue a
42 provisional license or deny the renewal or the right of renewal of a
43 license issued under this chapter if it appears that the holder or
44 applicant has:

1 1. Procured or attempted to procure a license under this chapter
2 for the holder or applicant or another by fraud, misrepresentation or
3 deceit or by filing an original or renewal application that is false or
4 misleading.

5 2. Been convicted in a court of competent jurisdiction in this or
6 any other state of a felony or of any crime of forgery, theft, extortion,
7 conspiracy to defraud, a crime of moral turpitude or any other like
8 offense.

9 3. Made any substantial misrepresentation.

10 4. Made any false promises of a character likely to influence,
11 persuade or induce.

12 5. Been guilty of any conduct, whether of the same or a different
13 character than specified in this section, that constitutes fraud or
14 dishonest dealings.

15 6. Engaged in the business of a real estate broker, cemetery broker
16 or membership camping broker or real estate salesperson, **TIMESHARE**
17 **SALESPERSON**, cemetery salesperson or membership camping salesperson
18 without holding a license as prescribed in this chapter.

19 7. Demonstrated incompetence to perform any duty or requirement of
20 a licensee under or arising from this chapter. For the purposes of this
21 paragraph, "incompetence" means a lack of basic knowledge or skill
22 appropriate to the type of license the person holds or a failure to
23 appreciate the probable consequences of the licensee's action or inaction.

24 8. Violated the terms of any criminal or administrative order,
25 decree or sentence.

26 9. Violated any federal or state law, regulation or rule that
27 relates to real estate or securities or that involves forgery, theft,
28 extortion, fraud, substantial misrepresentation, dishonest dealings or
29 violence against another person or failure to deal fairly with any party
30 to a transaction that materially and adversely affected the transaction.
31 This paragraph applies equally to violations of which the licensee was
32 convicted in any lawful federal or state tribunal and to any admissions
33 made in any settlement agreement by the licensee to violations.

34 10. Failed to respond in the course of an investigation or audit by
35 providing documents or written statements.

36 C. A judgment based on a court's finding or stipulation of fraud by
37 a licensee following a trial on the merits or a criminal conviction of a
38 licensee that results in a payment from the real estate recovery fund is
39 prima facie evidence of a violation and grounds for discipline under this
40 section.

41 D. The commissioner may deny, suspend or revoke the issuance of a
42 license on application by a corporation, a limited liability company or a
43 partnership if it appears that an owner, officer, director, member,
44 manager, partner, stockholder owning ten percent or more of the stock in
45 the corporation or limited liability company or person exercising control

1 of the entity is a current or former licensee whose license as a broker or
2 a salesperson has been denied, suspended or revoked.

3 E. The lapsing or suspension of a license by operation of law or by
4 order or decision of the commissioner or a court of law or the voluntary
5 surrender of a license by a licensee does not deprive the commissioner of
6 jurisdiction to do any of the following:

7 1. Proceed with any investigation of or action or disciplinary
8 proceeding against the licensee.

9 2. Render a decision suspending or revoking the license or denying
10 the renewal or right of renewal of the license.

11 3. Assess a civil penalty pursuant to section 32-2160.01.

12 F. For the purposes of this section:

13 1. "Letter of concern" means an advisory letter to notify a
14 licensee that, while the conduct or evidence does not warrant disciplinary
15 action, the commissioner believes that the licensee should modify or
16 eliminate certain practices and that continuation of the activities may
17 result in disciplinary action against the licensee.

18 2. "Provisional license" means a license that the department issues
19 and that allows a licensee to practice subject to either a consent order
20 as prescribed in section 32-2153.01 or the commissioner's terms,
21 conditions and restrictions.

22 Sec. 8. Legislative intent

23 The legislature intends to:

24 1. Establish a separate type of real estate license under the state
25 real estate department for individuals who are retained exclusively to
26 assist others in purchasing, selling and exchanging timeshare interests.

27 2. Narrow the scope of the training and the examination
28 requirements for applicants for timeshare salesperson licenses and thereby
29 reduce the barriers for employment while protecting the public by
30 requiring that all purchases, sales and exchanges of timeshare interests
31 be performed under the purview of a licensed real estate broker and in
32 full compliance with the specified statutory and regulatory requirements
33 applicable to timeshare sales.

34 Sec. 9. Effective date

35 This act is effective from and after June 30, 2027.

APPROVED BY THE GOVERNOR JUNE 22, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 22, 2026.