

House Engrossed
timeshare salespersons; licensure

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2624

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 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 32-2101, 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
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:

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

(b) Doing business as a sole proprietor.

23. "Developer":

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

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

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

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

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

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

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

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

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

29. "Inactive license" means a license that is issued pursuant to article 2 of this chapter to a licensee who is on inactive status during

1 the current license period and who is not engaged by or on behalf of a
2 broker.

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

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

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

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

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

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

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

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

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

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

37 (a) Sells, purchases, lists, exchanges or leases membership camping
38 contracts.

39 (b) Offers to sell, purchase, exchange or lease membership camping
40 contracts.

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

43 (d) Advertises or holds himself out as being engaged in the
44 business of selling, buying, exchanging or leasing membership camping

1 contracts or counseling or advising regarding membership camping
2 contracts.

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

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

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

12 41. "Membership camping operator":

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

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

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

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

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

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

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

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

43 46. "Perpetual or endowed-care cemetery" means a cemetery in which
44 lots or other burial spaces are sold or transferred under the
45 representation that the cemetery will receive perpetual care or endowed

1 care free of further cost to the purchaser after payment of the original
2 purchase price for the lot, burial space or interment right.

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

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

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

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

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

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

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

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

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

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

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

39 (g) Collects or offers, attempts or agrees to collect rent for the
40 use of real estate, businesses and business opportunities or timeshare
41 interests. This subdivision does not apply to a person who is not a
42 licensee, who works for a real estate broker or a real estate salesperson,
43 who collects in-person rent and related fees on behalf of the real estate
44 broker or real estate salesperson for the use of real estate as part of
45 the person's clerical duties and who provides a receipt when rent is paid.

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

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

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

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

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

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

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

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

41 (p) Acts as a business broker.

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

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

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

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

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

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

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

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

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

32 58. "Subdivider":

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

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

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

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

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

(c) Does not include:

(i) Leasehold offerings of one year or less.

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

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

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

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

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

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

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

(a) Means a person who either:

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

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

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

~~62.~~ 63. "Unimproved lot or parcel" means a lot or parcel of land or a portion of a lot or parcel of land which is not improved or developed in accordance with the zoning or subdivision regulations.

~~63~~ 64 "Unsubdivided lands":

(a) Means land or lands divided or proposed to be divided for the purpose of sale or lease, whether immediate or future, into six or more lots, parcels or fractional interests and the lots or parcels are thirty-six acres or more each but less than one hundred sixty acres each, or that are offered, known or advertised under a common promotional plan.

1 for sale or lease, except that agricultural leases shall not be included
2 in this definition.

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

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

11 32-2122. License required of brokers and salespersons

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

- 13 1. Real estate broker.
- 14 2. Real estate salesperson.
- 15 3. Cemetery broker.
- 16 4. Cemetery salesperson.
- 17 5. Membership camping broker.
- 18 6. Membership camping salesperson.
- 19 7. **TIMESHARE SALESPERSON.**

20 B. It is unlawful for any person, corporation, partnership or
21 limited liability company to engage in any business, occupation or
22 activity listed in subsection A of this section without first obtaining a
23 license as prescribed in this chapter and otherwise complying with this
24 chapter.

25 C. A person, corporation, partnership or limited liability company
26 that is licensed as a salesperson or broker pursuant to this article or
27 that is engaging in any work for which a license is required under this
28 article is subject to the requirements of this chapter in performing any
29 acts included in the definition of a broker unless otherwise provided in
30 this chapter.

31 D. Except as otherwise provided in this subsection, any act, in
32 consideration or expectation of compensation, that is included in the
33 definition of a real estate broker, cemetery broker or membership camping
34 broker, whether the act is an incidental part of a transaction or the
35 entire transaction, constitutes the person offering or attempting to
36 perform the act of a real estate broker or real estate salesperson, a
37 cemetery broker or cemetery salesperson, **TIMESHARE SALESPERSON** or a
38 membership camping broker or a membership camping salesperson within the
39 meaning of this chapter. A person who is not a licensee may collect
40 in-person rent and related fees for the use of real estate as part of the
41 person's clerical duties if the person works for a licensee, the rent
42 collection is on behalf of the licensee and the person provides a receipt
43 when rent is paid.

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

3 **32-2124. Qualifications of licensees**

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

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

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

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

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

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

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

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

1 B. All applicants other than renewal applicants under section
2 32-2130 for a real estate salesperson's license shall show evidence
3 satisfactory to the commissioner that they have completed a real estate
4 salesperson's course that is prescribed and approved by the commissioner
5 and that is at least ninety classroom hours, or the equivalent, of
6 instruction in a real estate school certified by the commissioner and have
7 satisfactorily passed an examination on the course. An applicant may
8 complete the real estate salesperson's course prescribed by this
9 subsection through a live classroom course or a distance learning course
10 if the live classroom course or distance learning course is offered by a
11 real estate school that is certified by the commissioner. The applicant
12 must complete a proctored examination on the live classroom course or the
13 distance learning course in person. An applicant may complete the
14 required course or instructional segments in any combination of in-person
15 or synchronous remote delivery methods. The real estate salesperson's
16 course completion or its equivalent may not be more than ten years before
17 the date of application unless, at the time of application, the
18 commissioner determines in the commissioner's discretion that the
19 applicant has work experience in a real estate-related field and education
20 that together are equivalent to the prelicensure education
21 requirement. Except as provided in section 32-4302, the commissioner may
22 waive all or a portion of the prelicensure course requirement, other than
23 the twenty-seven-hour Arizona-specific course, for an applicant who holds
24 a current real estate license in another state.

25 C. All applicants other than renewal applicants under section
26 32-2130 for a real estate broker's license shall show evidence
27 satisfactory to the commissioner that they have completed a real estate
28 broker's course that is prescribed and approved by the commissioner and
29 that is at least ninety classroom hours, or the equivalent, of instruction
30 in a real estate school certified by the commissioner and have
31 satisfactorily passed an examination on the course. An applicant may
32 complete the real estate broker's course prescribed by this subsection
33 through a live classroom course or a distance learning course if the live
34 classroom course or distance learning course is offered by a real estate
35 school that is certified by the commissioner. The applicant must complete
36 a proctored examination on the live classroom course or distance learning
37 course in person. An applicant may complete the required course or
38 instructional segments in any combination of in-person or synchronous
39 remote delivery methods. The real estate broker's course completion or
40 its equivalent may not be more than ten years before the date of
41 application unless, at the time of application, the commissioner
42 determines in the commissioner's discretion that the applicant has work
43 experience in a real estate-related field and education that together are
44 equivalent to the prelicensure education requirement. Except as provided
45 in section 32-4302, the commissioner may waive all or a portion of the

1 prelicensure course requirement, other than the twenty-seven-hour
2 Arizona-specific course, for an applicant who holds a current real estate
3 license in another state.

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

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

8 1. An appropriate knowledge of the English language, including
9 reading, writing and spelling, and of arithmetical computations common to
10 real estate practices.

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

17 3. A thorough understanding of the obligations between principal
18 and agent, the principles of real estate and business opportunity
19 practice, the applicable canons of business ethics, this chapter and rules
20 adopted pursuant to this chapter.

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

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

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

28 2. A general understanding of:

29 (a) Cemetery associations, cemetery corporations and duties of
30 cemetery directors and officers.

31 (b) Plot ownership, deeds, certificates of ownership, contracts of
32 sale, liens and leases.

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

35 (d) The provisions of this chapter and rules adopted pursuant to
36 this chapter relating to the organization and regulation of cemeteries and
37 the licensing and regulation of cemetery brokers and cemetery
38 salespersons.

39 3. A general understanding of the obligations between principal and
40 agent, the principles of cemetery practice and the canons of business
41 ethics pertaining to the operation of cemeteries and the sale of cemetery
42 property.

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

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

3 2. A general understanding of:

4 (a) The general purposes and legal effect of contracts and agency
5 contracts.

6 (b) Establishing, maintaining, managing and operating a membership
7 campground.

8 (c) The provisions of this chapter and rules adopted pursuant to
9 this chapter relating to the organization and regulation of membership
10 campgrounds and the licensing and regulation of membership camping brokers
11 and membership camping salespersons.

12 3. A general understanding of the obligations between principal and
13 agent and the canons of business ethics pertaining to the operation and
14 promotion of membership campgrounds.

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

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

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

27 (a) THE PROVISIONS OF THIS CHAPTER AND THE RULES ADOPTED PURSUANT
28 TO THIS CHAPTER THAT RELATE TO THE DEVELOPMENT OF TIMESHARE PROPERTIES,
29 THE ORGANIZATION AND REGULATION OF TIMESHARE PROPERTIES, THE SALE OR
30 EXCHANGE OF TIMESHARE PROPERTIES, THE LICENSING AND REGULATION OF
31 TIMESHARE SALESPERSONS AND THE ROLE OF LICENSED REAL ESTATE BROKERS IN
32 REVIEWING AND APPROVING TIMESHARE SALES OR EXCHANGES.

33 (b) TIMESHARE OWNERSHIP METHODS, INCLUDING DEEDS, CERTIFICATES OF
34 OWNERSHIP AND CONTRACTS OF SALE, LEASES OF TIMESHARE PROPERTIES AND LIENS
35 AND FORECLOSURE OF TIMESHARE INTERESTS.

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

38 H. I. A renewal applicant for a real estate broker's, cemetery
39 broker's or membership camping broker's or real estate salesperson's,
40 cemetery salesperson's, ~~or~~ membership camping salesperson's **OR TIMESHARE**
41 **SALESPERSON'S** license is not required to submit to an examination if the
42 application is made within twelve months after the license expires and the
43 license is not canceled, terminated or suspended at the time of
44 application.

1 ~~I.~~ **J.** The examination for a broker's license shall be more
2 exacting and stringent and of a broader scope than the examination for a
3 salesperson's license.

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

8 ~~K.~~ **L.** Identification of each applicant whose licensing requirement
9 was allowed to be met by an equivalent alternative pursuant to this
10 section shall be included in the annual performance evaluation presented
11 by the board to the governor pursuant to section 32-2104.

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

19 ~~M.~~ **N.** The commissioner shall not issue a license to a person who
20 has been convicted of a felony offense and who is currently incarcerated
21 for the conviction, paroled or under community supervision and under the
22 supervision of a parole or community supervision officer or who is on
23 probation as a result of the conviction.

24 ~~N.~~ **O.** The commissioner shall require an out-of-state applicant for
25 a license that is issued pursuant to section 32-4302 to pass an
26 examination specific to the laws of this state relating to this chapter
27 before the commissioner issues the license to the applicant.

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

30 **32-2125.01. Issuance of license; multiple licenses; use**

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

38 B. Not more than one license shall be issued and outstanding to or
39 in favor of a licensee at any one time, except that a person **WHO IS**
40 licensed as a real estate broker or real estate salesperson may engage in
41 cemetery, ~~or~~ membership camping **OR TIMESHARE** sales activities without
42 being separately licensed to engage in these activities. A real estate
43 licensee may have only one employing broker in each of the following
44 **LICENSING** categories:

45 1. Cemetery **SALES**.

- 1 2. Membership camping **SALES**.
- 2 3. Real estate **SALES**.
- 3 4. **TIMESHARE SALES**.

4 C. A designated or employing real estate broker may engage in
5 cemetery or membership camping sales activities and may employ cemetery
6 and membership camping salespersons and associate brokers without being
7 separately licensed as a cemetery or membership camping broker or
8 salesperson.

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

11 **32-2130. *Renewal of licenses; education requirements; broker***
12 ***licensee renewal as salesperson licensee***

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

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

40 C. Each renewal application shall contain, as applicable, the same
41 information required in an original application pursuant to section
42 32-2123.

43 D. Cemetery brokers and salespersons and membership camping brokers
44 and salespersons are exempt from the educational requirements of this
45 section.

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

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

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

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

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

40 J. A real estate broker licensee may renew as a real estate
41 salesperson licensee without having to meet the requirements prescribed by
42 section 32-2124, subsection B. If a person renews as a real estate
43 salesperson pursuant to this subsection, the person shall pay the
44 salesperson's renewal fee as prescribed in section 32-2132. If the person
45 subsequently wants to obtain a real estate broker license, the person must

1 meet the requirements of this chapter, including the requirements
2 prescribed by section 32-2124, subsection C.

3 K. A licensee with an inactive license does not need to complete
4 continuing education credit hours during the period that the license is
5 inactive. If the licensee applies with the department to change the
6 license status to active:

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

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

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

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

21 **32-2134.02. Timeshare salesperson certificate of convenience**

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

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

32 **32-2153. Grounds for denial, suspension or revocation of**
33 **licenses; letters of concern; provisional license;**
34 **retention of jurisdiction by commissioner;**
35 **definitions**

36 A. The commissioner may suspend or revoke a license, deny the
37 issuance of a license, issue a letter of concern to a licensee, issue a
38 provisional license or deny the renewal or the right of renewal of a
39 license issued under this chapter if it appears that the holder or
40 applicant, within five years immediately preceding, in performing or
41 attempting to perform any acts authorized by the license or by this
42 chapter, has:

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

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

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

5 4. Knowingly authorized, directed, connived at or aided in the
6 publication, advertisement, distribution or circulation of any material
7 false or misleading statement or representation concerning the licensee's
8 business or any land, cemetery property, subdivision or membership
9 campground or camping contract offered for sale in this or any other
10 state.

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

13 6. Employed any unlicensed salesperson or unlicensed associate
14 broker.

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

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

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

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

28 11. Induced any party to a contract to break the contract for the
29 purpose of substituting a new contract with the same or a different
30 principal, if the substitution is motivated by the personal gain of the
31 licensee.

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

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

40 14. Failed to pay to the commissioner the renewal fee as specified
41 in this chapter promptly and before the time specified.

42 15. Failed to keep an escrow or trust account or other record of
43 monies deposited with the licensee relating to a real estate transaction.

1 16. Commingled the monies or other property of the licensee's
2 principal or client with the licensee's own or converted these monies or
3 property to the licensee or another.

4 17. Failed or refused on demand to produce any document, contract,
5 book, record, information, compilation or report that is in the licensee's
6 possession or that the licensee is required by law to maintain concerning
7 any real estate, cemetery or membership camping business, services,
8 activities or transactions involving or conducted by the licensee for
9 inspection by the commissioner or the commissioner's representative.

10 18. Failed to maintain a complete record of each transaction that
11 comes within this chapter.

12 19. Violated the federal fair housing law, the Arizona civil rights
13 law or any local ordinance of a similar nature.

14 20. Tendered to a buyer a wood infestation report in connection
15 with the transfer of residential real property or an interest in
16 residential real property knowing that wood infestation exists or that the
17 wood infestation report was inaccurate or false as of the date of the
18 tender or that an inspection was not done in conjunction with the
19 preparation of the wood infestation report.

20 21. As a licensed broker, failed to exercise reasonable supervision
21 over the activities of salespersons, associate brokers or others under the
22 broker's employ or failed to exercise reasonable supervision and control
23 over the activities for which a license is required of a corporation,
24 limited liability company or partnership on behalf of which the broker
25 acts as designated broker under section 32-2125.

26 22. Demonstrated negligence in performing any act for which a
27 license is required.

28 23. Sold or leased a property to a buyer or lessee that was not the
29 property represented to the buyer or lessee.

30 24. Violated any condition or term of a commissioner's order.

31 25. Signed the name of another person on any document or form
32 without the express written consent of the person.

33 26. As a licensed school, failed to exercise reasonable supervision
34 over the activities for which a license is required for an owner,
35 director, administrator or instructor in the school's employ.

36 B. The commissioner may suspend or revoke a license, deny the
37 issuance of a license, issue a letter of concern to a licensee, issue a
38 provisional license or deny the renewal or the right of renewal of a
39 license issued under this chapter if it appears that the holder or
40 applicant has:

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

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

5 3. Made any substantial misrepresentation.

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

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

11 6. Engaged in the business of a real estate broker, cemetery broker
12 or membership camping broker or real estate salesperson, **TIMESHARE
13 SALESPERSON**, cemetery salesperson or membership camping salesperson
14 without holding a license as prescribed in this chapter.

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

20 8. Violated the terms of any criminal or administrative order,
21 decree or sentence.

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

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

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

37 D. The commissioner may deny, suspend or revoke the issuance of a
38 license on application by a corporation, a limited liability company or a
39 partnership if it appears that an owner, officer, director, member,
40 manager, partner, stockholder owning ten percent or more of the stock in
41 the corporation or limited liability company or person exercising control
42 of the entity is a current or former licensee whose license as a broker or
43 a salesperson has been denied, suspended or revoked.

44 E. The lapsing or suspension of a license by operation of law or by
45 order or decision of the commissioner or a court of law or the voluntary

1 surrender of a license by a licensee does not deprive the commissioner of
2 jurisdiction to do any of the following:

3 1. Proceed with any investigation of or action or disciplinary
4 proceeding against the licensee.

5 2. Render a decision suspending or revoking the license or denying
6 the renewal or right of renewal of the license.

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

8 F. For the purposes of this section:

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

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

18 Sec. 8. Legislative intent

19 The legislature intends to:

20 1. Establish a separate type of real estate license under the State
21 real estate department for individuals who are retained exclusively to
22 assist others in the purchase, sale and exchange of timeshare interests.

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

30 Sec. 9. Effective date

31 This act is effective from and after June 30, 2026.