Arizona Real Estate Advisory Board
Meeting Minutes

Wednesday
October 24, 2018
10:00 a.m. - Noon
Arizona Department of Real Estate
Commissioner's Conference Room
100 North 15th Avenue Suite 201
Phoenix, Arizona 85007

I. Call to Order – Karen Bohler, Chair
    Chair Bohler called the meeting to order at 10:00am.

II. Introductions & Welcome
    Members present:
    Karen Bohler, Chair
    Kim Clifton, Vice-Chair
    Carla Bowen
    Charlie Bowles
    Bill Gray
    Nedra Halley
    Bruce Jacobs
    Nicole LaSlavic
    Justin Rollins

    Absent:
    D. Christopher Ward

    ADRE Representatives present:
    Judy Lowe, Commissioner
    Louis Dettorre, Deputy Commissioner (DC)
    Carla Randolph, Assistant Commissioner Licensing Services/CIO LEAN (AC)
    Abby Hansen, Executive Assistant

Public Present:

Scott Drucker, Arizona Association of Realtors® (AAR)
Jake Hinman, Capitol Consulting LLC
Don Pollard, Keller Williams Realty Sonoran
Debra Prevost, Arizona School of Real Estate and Business

III.   Approval of July 25, 2018 Meeting Minutes
         Chair Bohler asked for a Motion to approve the July 25, 2018 Meeting Minutes.
         Upon a motion by Member Bowen, seconded by Member Rollins, the Minutes of
         the July 25, 2018 meeting were unanimously approved.

IV.   Advisory Board Member Facilitator Reports;
         • Member Gray was contacted regarding advertising and politics specifically
           Homie. Member of the Public, Scott Drucker stated the Arizona Association
           of Realtors® (AAR) was aware of the issue. Commissioner Lowe stated the
           Department could not comment on the issue.
           Member Gray has received inquiries regarding what the Department is doing
           in anticipation of technological changes in the industry, does the Department
           have a plan? Member Bowles concurred there is a need for a plan.
           Commissioner Lowe stated that it appears that the issue is twofold, the role
           of the Advisory Board and the role of the Advisory Board to make
           recommendations. She stated the primary goal of the Department is to
           protect the public interest, followed by educating the Department's
           constituents about rules and regulations within the Department's purview.
           Member Clifton asked how many licensees are Realtors®. Member of the
           Public, Scott Drucker stated 52,000.
           Chair Bohler asked that Member Gray provide more specifics to the inquiry,
           and it will be added to the January agenda.
         • Member Clifton has received calls regarding advertising violations where
           owner/investor teams are not disclosing they hold licenses, and are not using
           "Owner/Agent".
         • Chair Bohler stated there is a lot of confusion regarding nicknames.
           Commissioner Lowe stated licensees must use their legal name when
           practicing as a licensee and may add a nickname. Generally, a nickname is
           supposed to be a derivative of the first/middle name. Approval of the
           nickname is at the discretion of the Commissioner per A.A.C. R4-28-301(D).

V.   Focus on Education, Commissioner Lowe noted the following;

- The Real Estate Pre-licensing Instructor Development Workshop (IDW) was held on October 23, 2018 and was a great success and the instructors learned about the new curriculum.
- The new curriculum is posted on the Department website.
- There will be one more IDW in December.
- A new contract was awarded to Pearson Vue as the testing vendor.
- Commencing November 1 through January 1, 2019 the Department will begin reviewing new salesperson pre-license course applications.
- Effective January 1, 2019 all salesperson pre-license courses will require a new course number.
- Mid-February 2019 the new real estate salesperson exam will roll out.
- There will only be one exam. No longer will a State and National exam be required as the new exam is very specific to Arizona, and includes items that were on the national exam that are practiced in Arizona.
- Applications for online pre-license courses will not be accepted until January 1, 2019.

Chair Bohler asked if the application form could be a fillable form. Commissioner Lowe stated the Department would do their best to fulfill that request.

- There will soon be four new applications for courses; Salesperson Classroom Pre-licensing Approval, Continuing Education in classroom, Continuing Education distance learning and Salesperson online pre-licensing, effective January 1, 2019.
- The Broker exam curriculum will be complete no later than May 2019.
- A new requirement for Distance Learning schools will be implemented requiring advanced technology, including student identity verification. Member of the Public Scott Drucker stated the Department should be very specific in the requirements and then leave it up to the school to conform.
- There will be a request to take a course evaluation upon completion of a Continuing Education course. Chair Bohler asked what will be on the evaluation, Commissioner Lowe stated it will be very similar to the one required by the Association of Real Estate License Law Officials (ARELLO) Education Approval Guidelines.
Member Gray stated the Broker Curriculum Workgroup will start November 12, 2018.

VI.   Teams

DC Dettorre gave a brief review of the Teams Substantive Policy Statement (SPS) Workgroup and what the SPS will provide. Commissioner Lowe stated that at least 19 states are running laws regarding teams. Member Clifton stated that the SPS will create the guidelines for the industry, Designated Brokers, as well as teams and it is a great group.

VII.   Commissioner Lowe provided a few Department updates;
- Commissioner Lowe has been re-elected to the ARELLO Board of Directors.
- The Department's scorecard was reviewed.
  Member LaSlavic asked what the current Full Time Employee (FTE) count was. DC Dettorre stated 28.25. Member LaSlavic then asked if there was a budget request to increase the number. DC Dettorre stated the Department is looking to hire two new employees to fill open positions, and the Department would then be at 30.25.
- DC Dettorre stated the Department did pursue funding for creating a mobile application, but found that it could be a very large expenditure. The Department is also looking at refreshing the Department website.
- Commissioner Lowe stated Real Estate companies as owners/agents have become a huge issue.
- The Federal Trade Commission is looking at license portability. Commissioner Lowe noted ADRE rates amongst the highest in the state for cyber security compliance controls.
- The 'Virtual Office" issue is being discussed in depth at ARELLO.
- ADRE is addressing Department staff retention to include more training opportunities and 1 on 1 coaching.

AC Randolph gave a brief review of Licensing, Development Services and Education.
- Presented the licensing, education and development services statistics.
- Licensing is currently testing a new internal ADRE licensing data platform.
- Walk-in's are down by roughly 100 per month.
- Conviction disclosures are up as a percentage of all new license applications.
- Education is preparing for the new course applications.
- Education volunteer monitor assignments are part of the strategic plan, and the Department now conducts 20 monitor assignments a month, which is monitored as a breakthrough project on the ADRE scorecard.
- The ADRE Education Advisory Committee meets in December.

- Development Services was involved in reviewing a development application and issuing a public report for approximately 700 improved and unimproved lots. The Subdivision Public Report was an instrumental piece that permitted the Trust (developer) to distribute deeds at a recent historic event to first time owners who had lived on the land for decades.

VIII.   Call to the Public
Member of the Public Scott Drucker invited Member Gray to come to AAR to discuss the real estate industry technology changes. Member Gray stated he will review what the specifics are, and report at the next Advisory Board Meeting.

IX.   The following dates were approved for the 2019 Advisory Board Meetings;
Wednesday January 23, 2019
Wednesday April 24, 2019
Wednesday July 24, 2019
Wednesday October 23, 2019

X.   Next scheduled meeting. Wednesday, January 23, 2019 10:00-12:00.
XI.   Adjourned at 11:45.

Respectfully submitted this 23ʰ day of January, 2019
Real Estate Advisory Board

Karen Bohler, Chair