

Questions for ADRE on Rule Revisions 2025

302(I)

The ADRE has indicated the revisions to this Code section authorize it to require registration of team name(s) and their team members. When will this be required? What limits, if any, will be placed on team names (e.g. can there be a “Green Team” at each employing broker?). If a licensee is a team member for some transactions and not others, how do they indicate this to the ADRE? If a licensee is a transaction coordinator for multiple teams, how do they indicate this to the ADRE? If a team breaks up and multiple team licensees want to use the name, how is this handled (team members go to multiple managing brokers)? Can a team move to a different managing broker in their sole discretion or do they need managing broker consent? Can a managing broker have multiple teams with the same name? Any guidance is greatly appreciated.

303(E)(1)

If a licensee must update information required Rule 301, the revision now includes “bankruptcy.” But “bankruptcy” disclosure is not required by Rule 301 (not revised). Does the ADRE believe licensees must disclose a bankruptcy filing initially pursuant to Rule 301? If so, why didn’t it revise that Rule to be consistent? Does the ADRE only want the disclosure of a bankruptcy filing after a license has been granted? If so, what is the ADRE’s reasoning why the disclosure is needed for current licensees but not in the initial review of an original license application? What is the legal support for the ADRE’s position?

Former 303(E)(6)

Why was this subsection struck? Does the ADRE no longer want disclosure of an employing broker’s structure or membership? Is this not important information to the ADRE?

Former 303(E)(10)

Why was this subsection struck? Does the ADRE no longer want disclosure that a licensee has been severed. Is this not important to the ADRE?

402(C)(3)

An approved instructor shall not present any course content that is not current or accurate. Does this mean an instructor cannot teach history of subject matter that has changed? Is the instructor

subject to discipline if they teach outdated information? What if there was a recent law change (e.g. passed one week earlier)?

304(B)

Is discipline for failing to supervise by a delegated licensee, the same discipline that the designated broker will receive? Why or why not? What is the legal support for the ADRE's position?

306(A)(1)

Does the ADRE believe the revisions are a substantive change? If so, please explain.

307(G)(6)

What is the reasoning for this exception? I think this is statutory language but would like to confirm. What criteria will be used to evaluate the request?

402(C)

If a licensee submits 16 hours for CE credit in one day, will the ADRE inquire about the submission? If so, under what grounds? What is the legal support for the ADRE's position?

502(B)

Advertising their own or another licensee's property for sale shall disclose they are licensed and as the property owner by placing the words "owner/agent" in the advertisement. Does ADRE interpret this to mean the listing broker identify themselves as the "owner/agent" or can they state that the seller is an "owner/agent." Any guidance is appreciated.

502(C)

Advertisements shall not misrepresent the facts or create misleading or ambiguous impressions. Can you give an example of an ambiguous impression?

502(E)

Advertisements shall display the employing broker's legal name or the dba name(s). Must all advertisements include all dbas registered by the employing broker? If not, can one advertisement use one dba of the employing broker on one advertisement and use a different employing broker dba on a different advertisement? Any guidance is appreciated.

502(F)

Advertising another licensee's property shall make a disclosure in the advertisement itself that indicates the properties featured are not representative of the licensee's transaction history and includes information of the other licensee's transactions. What information of the other licensee's transactions must be included? Every transaction they have ever closed? Every current listing? All of the above? Any guidance is appreciated.

502(I)

Shall secure written consent of the property owner prior to placing a sign or publishing to an electronic medium and shall promptly be removed upon request of the property owner. Once an advertisement is published in an electronic medium, it may be impossible to remove it. The Arizona REALTORS® presumes that if a licensee takes every effort to remove the published electronic advertisement, they have complied with this Rule. Is that the interpretation of the ADRE? If not, what is the ADRE's position and what is the legal authority for its position?

Struck 502(K)

What was the reasoning for this deletion?

New 502(K)

Adds use of Artificial Intelligence that targets residents of Arizona constitutes the dissemination of advertising and must comply with subsection (E) without the need to scroll. If a licensee only uses AI to identify potential persons to solicit, there is no advertisement and no need to comply with Section 502, correct? This Rule would only apply to AI if there was an actual distribution of information to an Arizona resident, correct? Any guidance is appreciated.

802(A)

Changes delivery of signed documents to a party to expeditiously instead of “as soon as practical.” Is expeditiously sooner than “as soon as practical”? Must licensees provide documents at a speed that is impractical? Any guidance is appreciated.

1101(C)

A licensee must expeditiously notify their designated broker of their inability to perform all acts required by their license. If a licensee is unavailable for some time (like a vacation) but secures another licensee in their brokerage to service their clients, does the unavailable licensee need to notify their designated broker? What if the licensee is unavailable for an afternoon? An hour? Any guidance is appreciated.

1101(E)

Are the revisions substantive? If so, in what way(s)?

1101(H)

Struck a licensee’s requirement to conform to the standards of practice when providing services to a customer. What was the reasoning for this deletion? What duties, if any, does ADRE believe a licensee owes to a customer and what is the legal support for its opinion?

1101(I)

Struck the language that “A salesperson or broker is not required to have expertise in subject areas other than those required to obtain the salesperson’s or broker’s license.” Does this mean a licensee must have expertise in subject areas beyond the scope of their license? If so, what expertise must they have? What is the ADRE’s legal support for its position?

1102

The new language allows a principal to waive the need to communicate with their licensed representative, even if they are available. Can an adverse licensee solicit the waiver directly from the principal or does the solicitation violate Arizona law? What is the legal support for the ADRE’s position?

1103(A)(1)(a)

DB shall exercise reasonable supervision and control over the licensed activities of licensees and others in the employ of the broker. Reasonable supervision and control includes establishment and enforcement of written policies to Review and manage Transactions of all licensees. Does this mean DBs must review and manage transactions when the licensee sells or buys their own property? If so, how does this requirement reconcile with subsection A that limits supervision to licensed activities? What is the legal support for the ADRE's position?

1103(A)

How does "Review and manage" differ from "Review and inspect"? Why must a DB both Review and manage advertising (A)(1)(f) and Review and inspect advertising (A)(4)(b)? Any guidance is appreciated.

1103(B)

DBs must include a progressive disciplinary policy for managing violations of the employing broker's policies which would also represent a violation of any statutory requirement or prohibition to real estate activity and failure of an employing broker to enforce the disciplinary policy would be a violation of subsection (D). Can progressive disciplinary policy include ranges of discipline? (e.g. Fines of \$0-\$500 for first offense; \$1-\$1,000 for second offense; \$2-\$5,000 for third offense). Will the ADRE be updating the Model ADRE Policy and Procedures Manual?

1304(A)

The new rule replaces the failure to specifically admit, deny or respond that a licensee lacks information to admit or deny an allegation in a complaint to be violation of failing to cooperate with the ADRE (previously the allegation was admitted). Will the ADRE now have to prove these allegations that are not responded to because they are no longer admitted? What is the legal support for the ADRE's position?