

# 2025 Updates

## R4-28 Commissioner's Rules



# ***R4-28-102 - Document Filing; Computation of Time***

B. In computing any period of time allowed by these rules or by an order of the Commissioner, the day of the act, event, or default from which the designated period of time begins to run is not included. The last day of the period is included unless it is Saturday, Sunday, or a legal State holiday in which event the period runs until the end of the next day that is not a Saturday, Sunday, or legal State holiday. ~~Unless the time period is specified as calendar days, when the period of time allowed is less than 11 days, intermediate Saturdays, Sundays, and legal holidays are excluded from the computation.~~



## ***R4-28-301 - General License Requirements, Non-Resident License***

G. A licensee shall, within 14 calendar days or a later date determined by the Department, respond to a request from the Commissioner or the Commissioner's representative for any documents, electronic files, written statements, or other information required as a part of a complaint investigation, regardless of whether the licensee is named in the complaint.



# ***R4-28-301 - General License Requirements, Non-Resident License***

A. An applicant for any Department-issued license or license renewal. . .shall submit the following information to the Department:

(3) - A **valid fingerprint clearance card** ~~full set of fingerprints as~~ prescribed in A.R.S. § 32-2108.01



## ***R4-28-302 - Employing Broker's License, Non-Resident License***

I. ~~The Department shall not license an employing broker under more than one dba name~~ *Prior to an employing broker adding a dba or trade name, evidence of the employing broker entity holding at least a 10% ownership of the dba or trade name must be provided.* ~~and a person~~ An individual shall not conduct or promote real estate business under any name other than the name under which the ~~person~~ individual is licensed.



***R4-28-303 - License Renewal; Reinstatement; Changes of Personal Information, License, or License Status; Professional Corporation or Professional Limited Liability Company Licensure; Administrative Severance***

E. A designated broker shall notify the Department in writing within 10 days of any change in the employing broker's qualifications under R4-28-301. . .

1. If disclosing information required under R4-28-301 such as an adverse judgment, **bankruptcy**, denial, or restriction of or disciplinary action against a professional or occupational license, or recovery fund payment on the person's own behalf or on behalf of any officer, director, member, manager, partner, owner, trust beneficiary holding 10 percent or more beneficial interest, stockholder owning 10 percent or more stock, or other person exercising control of the employing broker, file with the Department a written statement **within 10 days** of the occurrence, providing detailed information and, upon request by the Department, the supporting documentation identified in R4-28-301(A)(2).



## ***R4-28-304 - Branch Office; Branch Office Manager***

B. Branch office manager. A designated broker may authorize in writing an associate broker or salesperson to act as a branch office manager to perform any of the following duties of the designated broker at the branch office. A designated broker must maintain any letters of authority required under R4-28-303(E)(7) specifying which duties the branch manager is permitted to perform. Any associate broker or salesperson with delegated duties becomes responsible, in addition to the designated broker, for the supervision of licensees licensed through the branch for those duties. This designation does not relieve the designated broker from any responsibilities. ***cont.***



## ***R4-28-502 - Advertising by a Licensee***

B. Any licensee salesperson or broker advertising their own or another licensee's ~~the salesperson's or broker's own~~ property for sale, lease, or exchange in Arizona shall disclose they are licensed ~~the salesperson's or broker's status~~ as a salesperson or broker, and as the property owner by placing the words "owner/agent" in the advertisement.





## ***R4-28-502 - Advertising by a Licensee***

B. Any licensee advertising their own or another licensee's property for sale, lease, or exchange in Arizona shall disclose they are licensed as a salesperson or broker, and as the property owner by placing the words "owner/agent" in the advertisement.



## ***R4-28-502 - Advertising by a Licensee***

C. A licensee ~~salesperson or broker~~ shall ensure that all advertising contains accurate claims and representations, and fully states factual material relating to the information advertised. A salesperson or broker shall not misrepresent the facts or create misleading or ambiguous impressions.



# ***Webster's Dictionary Definition***

## Ambiguous:

1. Capable of being understood in two or more possible senses or ways.
2. Difficult to discern or categorize.



# ***R4-28-502 - Advertising by a Licensee***

## ***November 2024***

E. A licensee salesperson or broker shall ensure that all advertising identifies in a clear and prominent manner the employing broker's legal name or the dba name(s) contained on the employing broker's license certificate. Use of a name that is not licensed or registered with the Department **must be of a smaller font size, be proportionally smaller,** and may not cause confusion as to what or who is licensed. Inclusion of LLC or other corporate entity type identification is not required.



## ***R4-28-502 - Advertising by a Licensee***

E. A licensee salesperson or broker shall ensure that all advertising identifies in a clear and prominent manner the employing broker's legal name or the dba name(s) contained on the employing broker's license certificate.



## ***R4-28-502 - Advertising by a Licensee***

F. A licensee who advertises property that is the subject of another person's real estate employment agreement shall display the name of the listing broker in a clear and prominent manner 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 other licensee's transactions.



## ***R4-28-502 - Advertising by a Licensee***

G. The designated broker ~~shall supervise all advertising, for real estate, cemetery, or membership camping brokerage services~~ is responsible for the advertising of all real estate activity.



## ***R4-28-502 - Advertising by a Licensee***

I. Before placing or erecting a sign or publishing to an electronic medium giving notice that specific property is being offered for sale, lease, rent, or exchange, a licensee salesperson or broker shall secure the written consent of the property owner, and the sign or publication shall be promptly removed upon request of the property owner.





## ***R4-28-502 - Advertising by a Licensee***

**J. The provisions of subsections (E) and (G) do not apply to advertising that does not refer to specific property.**

(E) Requires the name(s) of the employing broker to be displayed clearly and prominently.

(G) States the designated broker is responsible for the advertisement.



# ***R4-28-502 - Advertising by a Licensee***

## **K. Trade Names.**

1. Any brokerage using a trade name owned by another person on signs displayed at the place of business shall place the Designated broker's name, as licensed by the Department on the signs;

2. The broker shall include the following legend, "Each (TRADE NAME or FRANCHISE) office is independently owned and operated," or a similar legend approved by the Commissioner, in a manner to attract the attention of the public.



# ***R4-28-502 - Advertising by a Licensee***

⌞ The use of an electronic medium, such as the Internet, Artificial Intelligence, or web site technology, that targets residents of this State-state with the offering of a property interest or real estate brokerage services pertaining to property located in this state constitutes the dissemination of advertising as defined in A.R.S. § 32-2101(2). All advertising using an electronic medium must comply with Subsection E of this Section and if advertising online, all requirements of advertising set forth above must be satisfied on the advertisement without the need to scroll.



# ***R4-28-802 - Conveyance Documents***

C. Transaction statements. In addition to the requirements of A.R.S. §§ 32-2151.01 and 32-2174, the broker shall retain **true** copies of all receipts and disbursements, **or** copies of the executed and delivered escrow closing statements that evidence all receipts and disbursements in the transaction and **any transaction documents signed by parties to the transaction or any disclosures made as part of the transaction.**



## ***R4-28-1101 - November 2024***

B. A licensee participating in a real estate transaction shall disclose in writing to all other parties any information the licensee possesses that materially or adversely affects the consideration to be paid by any party to the transaction, including:

1. Any information that the seller or lessor is or may be unable to perform
2. Any information that the buyer or lessee is, or may be, unable to perform
3. Any known material fact, material defect, or latent defect existing in the property being transferred; and
4. The existence of a lien or encumbrance on the property being transferred



## ***R4-28-1101 - Licensee Duties to Client***

B. A licensee participating in a real estate transaction shall disclose in writing to all other parties any information the licensee possesses that materially or adversely affects the consideration to be paid by any party to the transaction, including:

3. Any known adverse material defect fact concerning the property or material defect existing in the property being transferred; and



## ***R4-28-1101 - Licensee Duties***

B. A licensee participating in a real estate transaction shall disclose in writing to all other parties any information the licensee possesses that materially or adversely affects the consideration to be paid by any party to the transaction, including:

3. Any known adverse material fact concerning the property or material defect existing in the property being transferred; and



## ***R4-28-1101 - Licensee Duties to Client***

C. A licensee shall expeditiously perform all acts required by the holding of a license. A licensee shall not delay performance, either intentionally or through neglect. If a licensee is unable to perform any act as required by rule or statute, they must expeditiously notify their designated broker of their inability to perform.





# **R4-28-1101 – Licensee Duties to Client**

*November 2024*

D. A licensee shall not ~~allow a controversy with another licensee to~~ jeopardize, delay or interfere with any acts required to be performed by the licensee, including the initiation, processing, or finalizing of a transaction on behalf of a client. This prohibition does not obligate a licensee to agree to alter the terms of any employment or compensation agreement or to relinquish the right to maintain an action to resolve a controversy.



## ***R4-28-1101 – Licensee Duties***

D. A licensee shall not jeopardize, delay or interfere with the initiation, processing, or finalizing of a transaction on behalf of a client. This prohibition does not obligate a licensee to agree to alter the terms of any employment or compensation agreement or to relinquish the right to maintain an action to resolve a controversy.



# ***R4-28-1101 - Licensee Duties to Client***

E. A licensee ~~real estate salesperson or broker~~ shall not act directly or indirectly in a transaction without informing the other parties in the transaction, in writing and before the parties enter any binding agreement, of a present or prospective interest or conflict in the transaction, including that the:

3. Purchaser or seller ~~is the~~ has ownership or is the employee of the licensee's salesperson's or broker's employing broker, or;  
~~owns or is employed by the salesperson's or broker's employing broker; or~~



# ***R4-28-1101 - Licensee Duties***

E. A licensee shall not act directly or indirectly in a transaction without informing the other parties in the transaction, in writing and before the parties enter any binding agreement, of a present or prospective interest or conflict in the transaction, including that the:

3. Purchaser or seller has ownership or is the employee of the licensee's employing broker, or



## ***R4-28-1101 - Licensee Duties to Client***

H. The services that a licensee salesperson or broker provides to a client ~~or a customer~~ shall conform to the standards of practice and competence recognized in the professional community for the specific real estate discipline in which the licensee salesperson or broker engages.



# *R4-28-1101 - Licensee Duties to Client*

I. A licensee salesperson or broker shall exercise reasonable care in ensuring that the licensee obtains the salesperson or broker obtains information material to a client's interests and relevant to the contemplated transaction and accurately communicates the information to the client. 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. A licensee salesperson or broker shall take reasonable steps to assist a client in confirming the accuracy of information relevant to the transaction.



# **R4-28-1101 - Licensee Duties to Client**

November 2024

## J. A licensee shall not:

1. Permit or facilitate access to or occupancy in a person's real property by a third party without prior written authorization from the owner of the property person; or
2. Deliver possession prior to closing unless expressly instructed to do so by the owner of the property or property interest being transferred.
3. Permit or facilitate access to person's real property through another licensee or third-party licensee without prior written authorization from all parties and with disclosure to all parties of any limitation of representation of the licensee.



# ***R4-28-1101 - Licensee Duties to Client***

J. A licensee salesperson or broker shall not:

1. Permit or facilitate access to or occupancy in a person's real property by a third party without prior written authorization from the person owner of the real property.





# ***R4-28-1101 - Licensee Duties***

J. A licensee shall not:

1. Permit or facilitate access to or occupancy in a person's real property without prior written authorization from the owner of the real property.



# ***R4-28-1102 - Property Negotiations***

Except for owner listed properties, negotiations shall be conducted exclusively through the principal's broker or the broker's representative unless:

1. The principal waives this requirement in writing, and
2. No licensed representative of the broker is available for 24 hours.



# ***R4-28-1102 - Property Negotiations***

A. Real estate licensees may not contact a principal represented by another licensee unless the principal's Designated Broker, broker representative with delegated authority, and the licensee are unavailable for 24 hours. A principal may waive or alter this requirement by issuing written instructions.



# ***R4-28-1102 - Property Negotiations***

B. For a buyer and unless the buyer waives this requirement in writing, negotiations must be conducted exclusively through the principal's broker or the broker's representative unless the designated broker, a broker with delegated authority from the designated broker, and the buyer's licensee with an agency relationship are unavailable for 24 hours.



# ***R4-28-1103 - Broker Supervision and Control***

A. An employing broker and a designated broker shall exercise reasonable supervision and control over the licensed activities of licensees brokers, salespersons, and others in the employ of the broker. Reasonable supervision and control includes the establishment and enforcement of written policies, procedures, and systems to:



# ***R4-28-1103 - Broker Supervision and Control***

## **1. Review and manage:**

**a. Transactions of all licensees requiring a salesperson's or broker's license; and**

**b. Use of disclosure forms and contracts and, if a real estate broker, real estate employment agreements under A.R.S. § 32-2151.02;**

## **2. Manage:**

**a.c. Filing, storing, and maintaining documents pertaining to transactions under subsection (A)(5)(4)(a)**



# ***R4-28-1103 - Broker Supervision and Control***

1. Review and manage:

f. Advertising.

**But must also:**

4. Review and inspect:

b. Advertising and marketing ~~by the broker and~~ by licensees salespersons, brokers, and others in the broker's employ.



## ***R4-28-1103 - Broker Supervision and Control***

B. A designated broker shall establish a system for monitoring compliance with statutes, rules, and the employing broker's policies, procedures, and systems. The established system is not limited to but 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 related to real estate activity and failure of an employing broker to enforce the disciplinary policy would be a violation of subsection (D).





# ***R4-28-1304 – Response; Default***

## ***November 2024***

- A. In an audit or investigation, a response shall specifically admit, deny, or state that the party does not have, or is unable to obtain sufficient information to admit or deny each allegation in the complaint. A statement of a lack of information shall have the effect of a denial. Any allegation not responded to may be deemed to be a violation of A.R.S § 32-2153(B)(10) admitted. When a party intends in good faith to deny only a part of an allegation, the party shall admit so much of it as is true and shall deny the remainder.



## ***R4-28-1304 – Response; Default***

- A. A response shall specifically admit, deny, or state that the party does not have, or is unable to obtain sufficient information to admit or deny each allegation in the complaint. A statement of a lack of information shall have the effect of a denial. Any allegation not responded to may be deemed to be a violation of A.R.S § 32-2153(B)(10) admitted. When a party intends in good faith to deny only a part of an allegation, the party shall admit so much of it as is true and shall deny the remainder.

