

FILED

State of Arizona
Senate
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1996

**Jane Dee Hull
Secretary of State**

CHAPTER 105

SENATE BILL 1023

AN ACT

AMENDING SECTION 32-2121, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE LICENSING.

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

2 Section 1. Section 32-2121, Arizona Revised Statutes, is amended to
3 read:

4 32-2121. Applicability of article; exemption

5 A. The provisions of this article do not apply to:

6 1. A natural person, a corporation through its officers, a partnership
7 through its partners or a limited liability company through its members or
8 managers that deals in his or its own property including cemetery property
9 and membership camping contracts, and that does not also receive special
10 compensation for a sales transaction or does not receive special compensation
11 or other consideration including property management fees or consulting fees
12 for the property management services performed.

13 2. A person holding a valid power of attorney which is being used for
14 a specific purpose in an isolated transaction and not as a method of
15 conducting a real estate business.

16 3. An attorney at law in the performance of ~~his~~ THE ATTORNEY'S duties
17 as an attorney at law.

18 4. Any receiver, a trustee in bankruptcy or any other person acting
19 under an order of a court.

20 5. A trustee selling under a deed of trust.

21 6. Natural persons who are acting as residential leasing agents or
22 managers of residential rental property, who are performing residential

1 leasing activities on residential income property at no more than one
2 location during the period of the agents' or managers' regular workday, who
3 do not receive special compensation for the acts described in subdivisions
4 (a) through (d) of this paragraph and who are employed by the owner or the
5 owner's licensed management agent to perform the duties customarily
6 associated with such employment. For purposes of this paragraph "residential
7 leasing agents or managers" means natural persons employed by the owner or
8 the owner's licensed management agent whose normal duties and
9 responsibilities include any one or a combination of the following:

10 (a) Preparing and presenting to any person a residential lease,
11 application or renewal or any amendment of the lease.

12 (b) Collecting or receiving a security deposit, a rental payment or
13 any related payment for delivery to and made payable to a property, a
14 property manager or an owner or the location.

15 (c) Showing a residential rental unit to any prospective tenant.

16 (d) Executing residential leases or rental agreements adopted under
17 title 33, chapter 10.

18 (e) Acting on behalf of the owner or the owner's licensed management
19 agent to deliver notice pursuant to title 12, chapter 8 and title 33,
20 chapters 10 and 11.

21 7. Any officer or employee of a governmental agency in the conduct of
22 ~~his~~ THE OFFICER'S OR EMPLOYEE'S official duties.

23 8. One natural person acting as a property manager for no more than
24 one nonresidential income property who is employed by the owner or the
25 owner's licensed management agent to perform the duties customarily
26 associated with such employment.

27 9. Natural persons, in the employ of a designated broker, who perform
28 clerical, bookkeeping, accounting and other administrative and support
29 duties, who are not engaged in any other acts requiring a license under this
30 chapter and whose employment is not conditioned on or designed to perform
31 duties otherwise requiring a license under this chapter.

32 10. Communications media or their representatives that are primarily
33 engaged in advertising real estate and that perform no other acts requiring
34 a real estate license, if:

35 (a) The communications media or their representatives do not, directly
36 or indirectly, compile or represent that they compile information about
37 specific prospective purchasers or tenants, except THAT general information
38 about prospective purchasers or tenants, such as demographic and marketing
39 information, may be compiled.

40 (b) The communications media or their representatives do not make
41 representations to prospective real property sellers or landlords, or their
42 representatives, concerning specific prospective purchasers or tenants or
43 specific sales or leasing leads.

1 (c) The fee charged for advertising is based solely on the advertising
2 services provided.

3 (d) The advertisements provide for direct contact between the seller
4 or landlord and the prospective buyers or tenants, or for contact through a
5 licensed real estate broker or property management firm. The communications
6 media or their representatives shall not act as intermediaries or assist in
7 any intermediary action between prospective parties to a real estate
8 transaction, except that additional information about advertised properties
9 may be provided to prospects upon request.

10 11. PERSONS WHO PERFORM RESIDENTIAL PROPERTY MANAGEMENT SERVICES SOLELY
11 FOR NURSING CARE INSTITUTIONS AS DEFINED IN SECTION 36-401 OR PURSUANT TO
12 LIFE CARE CONTRACTS AS DEFINED IN SECTION 20-1801.

13 B. This article applies to sales of cemetery property and membership
14 camping contracts except for sales by a natural person, who is not engaged
15 in the business of selling cemetery property or membership camping contracts,
16 acting with reference to property ~~he~~ THE PERSON owns in ~~his~~ THE PERSON'S own
17 name.

18 C. THE COMMISSIONER MAY GRANT AN EXEMPTION FROM THE LICENSURE
19 REQUIREMENTS OF THIS ARTICLE TO ANY CORPORATION THAT APPLIES FOR AN EXEMPTION
20 ON A FINDING THAT BOTH OF THE FOLLOWING APPLY:

21 1. THE CORPORATION IS A NONPROFIT CORPORATION THAT PROVIDES
22 PROJECT-BASED HOUSING SERVICES AND OPERATES SOLELY AS A CHARITABLE
23 ORGANIZATION PURSUANT TO SECTION 44-6551.

24 2. THE CORPORATION'S SOLE ACTIVITIES RELATED TO REAL ESTATE INVOLVE
25 OWNERSHIP OR MANAGEMENT OF RESIDENTIAL PROPERTY OWNED OR CONTROLLED BY THE
26 CORPORATION.

APPROVED BY THE GOVERNOR APRIL 9, 1996.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 1996.