

**FILED**

**Jane Dee Hull  
Secretary of State**

State of Arizona  
House of Representatives  
Forty-second Legislature  
Second Regular Session  
1996

CHAPTER 279

**HOUSE BILL 2142**

AN ACT

AMENDING SECTIONS 32-2125.02 AND 32-2135, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE SCHOOLS.

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

Section 1. Section 32-2125.02, Arizona Revised Statutes, is amended to read:

32-2125.02. Nonresident licensees; service of process; employment

A. An application for and acceptance of a license as a nonresident salesperson or broker shall be deemed to constitute irrevocable appointment of the commissioner as the agent or attorney in fact of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of the licensing, out of transactions under the license or in any action which may result in payment from the real estate or subdivision recovery funds.

B. Duplicate copies of any such process shall be served on the commissioner. The plaintiff at the time of service shall pay the commissioner fifteen dollars, taxable as costs in the action. On receiving this service the commissioner shall promptly forward a copy of the service by certified mail to the licensee at his last address of record with the commissioner. Process so served on the commissioner constitutes service of process on the licensee as though the licensee were personally served with the process in this state.

C. A nonresident licensee shall accept employment or compensation as such only under section 32-2155 and only from a broker who is actively licensed in this state.

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1 D. A nonresident broker shall maintain in this state the records  
2 required by section 32-2151.01 and shall notify the commissioner of the  
3 address where the records are kept.

4 E. Broker or salesperson license applicants who do not reside in this  
5 state are required to complete a minimum of a ~~twelve~~ TWENTY-SEVEN hour course  
6 that is specific to this state's real estate statutes, ~~and~~ rules, PRACTICES  
7 AND PROCEDURES and that is prescribed and approved by the commissioner and  
8 are required to pass the real estate school examination before taking this  
9 state's examination. The subject matter and course outline shall cover areas  
10 specific to this state's real estate practice and law. The requirements of  
11 this subsection also apply, to the extent applicable, to broker or  
12 salesperson applicants who wish to use college credit in fulfillment of the  
13 required ninety prelicensure hours.

14 F. The commissioner may adopt rules necessary for the regulation of  
15 nonresident licensees.

16 Sec. 2. Section 32-2135, Arizona Revised Statutes, is amended to read:

17 32-2135. Real estate schools; courses; instructors;  
18 certification; fees

19 A. Before offering a course of study towards completion of the  
20 education requirement for real estate licensure or renewal of licensure, a  
21 school shall obtain from the commissioner a certificate of approval to  
22 operate a school. A school shall also obtain a certificate of course  
23 approval for each course offered FOR CREDIT. EACH SCHOOL IS RESPONSIBLE FOR  
24 THE CONTENT OF ANY COURSE IT OFFERS.

25 B. The commissioner shall provide approved schools with certificates  
26 of real estate course attendance for issuance by the school to each person  
27 who completes an approved continuing education course. An applicant for  
28 renewal of licensure as provided by section 32-2130 shall file with the  
29 commissioner certificates showing the number of hours of attendance and  
30 course of study.

31 C. The commissioner may withdraw or deny certification or approval of  
32 real estate schools, educational courses or real estate instructors for any  
33 acts inconsistent with the requirements of this chapter, including:

34 1. The commission of or the failure to report a violation by an  
35 approved school or instructor of any provision of this chapter or rules  
36 adopted pursuant to this chapter.

37 2. Improper certification of student attendance or performance.

38 3. Any act that is grounds for discipline under section 32-2153.

39 4. Teaching information or using course materials that have not been  
40 approved by the commissioner.

41 5. Failing to attend any continuing education course required by the  
42 commissioner.

43 6. Filing any false or misleading application, report or documentation  
44 with the department.

1 D. A REAL ESTATE SCHOOL, THROUGH ANY OWNER, DIRECTOR, ADMINISTRATOR,  
2 INSTRUCTOR OR OTHER AGENT, SHALL NOT:

3 1. OFFER A COURSE OF STUDY FOR CREDIT THAT IS NOT APPROVED BY THE  
4 DEPARTMENT.

5 2. PROMOTE OR ADVERTISE THE SCHOOL USING FALSE OR MISLEADING  
6 STATISTICS OR TESTIMONIALS OR ANY OTHER FORM OF DECEPTIVE ADVERTISEMENT.

7 ~~D.~~ E. The commissioner may determine minimal requirements for  
8 approving educational courses and for approving instructors to teach  
9 individual educational courses.

10 ~~E.~~ F. At least thirty days ~~prior to offering an unapproved~~ BEFORE  
11 HOLDING A course of study for completion of the education requirements  
12 leading to licensure of real estate applicants or for license renewal  
13 requirements, an application for A certificate of course approval must be  
14 filed with the department. Course approval shall be for a period of AT LEAST  
15 two years from the date the course was first approved for the school making  
16 application to offer such course, ~~so~~ AS long as the contents of and  
17 instructors for such course remain SUBSTANTIALLY unchanged. For a currently  
18 approved course, the school shall submit notice to the department at least  
19 fourteen days prior to holding such course TO PERMIT THE DEPARTMENT TO  
20 MONITOR THE COURSE.

21 G. THE DEPARTMENT SHALL APPROVE FOR CONTINUING EDUCATION CREDIT ANY  
22 COURSE OF STUDY PROPOSED BY A REAL ESTATE SCHOOL IF THE COURSE SATISFIES THE  
23 COMMISSIONER'S REQUIREMENTS AND IS HELD IN THIS STATE. IF THE SCHOOL  
24 PROPOSES TO HOLD A COURSE OUTSIDE THIS STATE, AT THE DISCRETION OF THE  
25 COMMISSIONER THE SCHOOL SHALL EITHER:

26 1. PROVIDE THE DEPARTMENT WITH A VIDEOTAPE OR VIDEOTAPES OF THE  
27 COURSE.

28 2. MAKE ARRANGEMENTS THAT ARE APPROVED BY THE DEPARTMENT FOR  
29 MONITORING THE COURSE.

APPROVED BY THE GOVERNOR APRIL 24, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 1996