

REFERENCE TITLE: real estate; membership requirement; prohibition

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

## **HB 2003**

Introduced by  
Representative Gillette

AN ACT

AMENDING SECTION 32-2151.01, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-2151.01, Arizona Revised Statutes, is amended  
3 to read:

4 32-2151.01. Broker requirements; recordkeeping requirements;  
5 prohibition; definition

6 A. Each licensed employing broker shall keep records of all real  
7 estate, cemetery, timeshare or membership camping transactions handled by  
8 or through the broker and shall keep employment records, including copies  
9 of employment status, for all current and former employees. The records  
10 required by this section shall include copies of earnest money receipts,  
11 confirming that the earnest money has been handled in accordance with the  
12 transaction, closing statements showing all receipts, disbursements and  
13 adjustments, sales contracts and, if applicable, copies of employment  
14 agreements. The records shall be open at all reasonable times for  
15 inspection by the commissioner or the commissioner's representatives. The  
16 records of each transaction and employment records shall be kept by the  
17 broker for a period of at least five years after the date of the  
18 termination of the transaction or employment. The records shall be kept  
19 in the employing broker's principal office or licensed branch office in  
20 this state or at an off-site storage location in this state if the broker  
21 provides prior written notification of the street address of the off-site  
22 storage location to the department.

23 B. Except as provided by section 32-2174, subsection C, a broker  
24 shall not grant any person authority to withdraw monies from the broker's  
25 trust fund account unless that person is a licensee under that broker's  
26 license.

27 C. A broker shall specifically state in the real estate purchase  
28 contract, lease agreement or receipt for earnest money the type of earnest  
29 money received in any real estate transaction, whether it is cash, a  
30 check, a promissory note or any other item of value.

31 D. All licensees shall promptly place all cash, checks or other  
32 items of value received as payment in connection with a real estate  
33 transaction in the care of the designated broker.

34 E. The broker shall maintain each real estate purchase contract or  
35 lease agreement and the transaction folder in which it is kept in a  
36 chronological log or other systematic manner that is easily accessible by  
37 the commissioner or the commissioner's representatives.

38 F. Sales transaction folders shall include:

39 1. Confirmation that the earnest monies or other monies handled by  
40 or through the broker were handled according to instructions given by or  
41 agreed to by the parties to the transaction.

42 2. A complete copy of the sales contract, any escrow account  
43 receipt, any closing or settlement statement and, if applicable, a copy of  
44 the escrow instructions, listing agreement, employment agreement and  
45 release of escrow monies.

1 G. The designated broker shall review each listing agreement,  
2 purchase or nonresidential lease agreement or similar instrument within  
3 ten business days after the date of execution by placing the broker's  
4 initials and the date of review on the instrument on the same page as the  
5 signatures of the parties. A designated broker may authorize in writing  
6 an associate broker who the designated broker employs to review and  
7 initial these instruments on the designated broker's behalf.

8 H. The broker shall retain all real estate purchase and  
9 nonresidential lease contracts and employment agreements, or copies of  
10 these documents, in the employing broker's principal office or licensed  
11 branch office or at an off-site storage location in this state if the  
12 broker provides prior written notification of the street address of the  
13 off-site storage location to the department.

14 I. The broker shall retain an original or a copy of any document  
15 evidencing a rejected offer to purchase real property as a matter of  
16 record for at least one year. In instances that result in binding  
17 contracts, the broker shall retain prior rejected offers for at least five  
18 years.

19 J. If real property in a development is sold or leased by a  
20 developer without the services of a listing or selling broker, the  
21 developer shall keep all records required by subsections A and C of this  
22 section.

23 K. UNLESS OTHERWISE REQUIRED BY LAW, A BROKER MAY NOT REQUIRE FROM  
24 ANY LICENSEE AS A CONDITION OF EMPLOYMENT ANY AGREEMENT, MEMBERSHIP OR  
25 OBLIGATION INVOLVING A LABOR UNION OR EXTERNAL ORGANIZATION, INCLUDING:

- 26 1. THE MULTIPLE LISTING SERVICE.
- 27 2. A REAL ESTATE TRADE ASSOCIATION.
- 28 3. A REALTOR ORGANIZATION.

29 ~~K~~ L. For the purposes of this section, "business day" means a day  
30 that is not a Saturday, a Sunday or any other legal holiday in this state.

31 Sec. 2. Applicability

32 This act applies to all real estate employment agreements between  
33 licensed employment brokers and licensees that are established or renewed  
34 on or after the effective date of this act.