

Pending Executive Committee Approval on March 29, 2022
RECOMMENDATION TO THE BOARD OF DIRECTORS

FROM:

Executive Committee

RECOMMENDATION:

To amend the Arizona REALTORS® Bylaws at Article VII as set forth in the attached redlined document to provide for the appointment/election of additional Arizona REALTORS® NAR Directors as a result of THE NATIONAL ASSOCIATION OF REALTORS® (NAR) changes to the composition of and qualifications for the 2023 NAR Board of Directors.

BACKGROUND:

In November 2021, the NAR Board of Directors and Delegate Body approved nine changes for the way NAR governance operates, including changes to the composition of and qualifications for the NAR Board of Directors. The number of Directors appointed from each state and local association will be determined based on the NAR membership numbers as of July 31, 2022. As a result, The Arizona REALTORS® will have approximately nine (9) additional National Director allocations based on membership numbers as of July 31, 2022.

In addition, Arizona Local Associations with 500 to 1,900 members will have one (1) National Director appointed by the Arizona REALTORS®. Arizona Local Associations with 499 members or less will have one (1) National Director appointed by the Arizona REALTORS®. Thus, the Arizona REALTORS® will have approximately twelve (12) NAR Directors from the state association in 2023. Again, the actual number of directors allocated will be calculated based on July 31, 2022, membership numbers.

Six (6) of the twelve (12) projected Director positions are currently allocated in the Arizona REALTORS® Bylaws to the:

1. President (automatic pursuant to NAR)
2. Immediate Past President
3. President-elect
4. First Vice President and
5. Treasurer
6. Elected additional entitlement - Mary Roberts – elected October 2021 for 3-year term (December 1, 2021 – November 30, 2024)

The additional six (6) NAR Directors will be:

- One (1) Director from a local association with 500-1,999 members (*currently: Lake Havasu, Northern Arizona, Prescott Area, Sedona/Verde Valley, and Yuma*).
- One (1) Director from a local association with 499 members or less (*currently: Bullhead City/Mohave Valley, Central Arizona, Green Valley/Sahuarita, Kingman/Golden Valley, and White Mountain*).

- Approximately four (4) Director positions without association size limitations.

Effective in 2022 for the 2023 NAR Board of Directors, state and local associations are now required to submit the names of their appointed NAR Directors to NAR by September 15th in the year prior to their service. Failure to timely submit the Directors to NAR constitutes forfeiture of those allocated appointments.

For more information go to: <https://www.nar.realtor/national-leadership/governance-game-changer-presidential-advisory-group-pag>

The recommended Bylaw changes are reflected on the attached document.

BUDGET IMPACT:

Approximately \$54,000 in the 2023 Operating Budget

MOTION:

TO AMEND THE ARIZONA REALTORS® BYLAWS AT ARTICLE VII AS SET FORTH IN THE ATTACHED REDLINED DOCUMENT TO PROVIDE FOR THE APPOINTMENT/ELECTION OF ADDITIONAL ARIZONA REALTORS® NAR DIRECTORS AS A RESULT OF NAR'S CHANGES TO THE COMPOSITION OF AND QUALIFICATIONS FOR THE 2023 NAR BOARD OF DIRECTORS.

FOR MORE INFORMATION CONTACT:

President Gary Nelson gary@garynelsongroup.com

OR CEO Michelle Lind michellelind@aaronline.com

RECOMMENDED AMENDMENTS TO THE ARIZONA REALTORS® BYLAWS AT ARTICLE VII FOR THE APPOINTMENT/ELECTIONS OF ADDITIONAL ARIZONA REALTORS® NAR DIRECTORS AS A RESULT OF THE NATIONAL ASSOCIATION OF REALTORS® (NAR) CHANGES TO THE COMPOSITION OF AND QUALIFICATIONS FOR THE 2023 NAR BOARD OF DIRECTORS.

Note:

Red indicates current Bylaws language to be stricken

Highlighted yellow is new added language.

~~Article VII, Section 2. Nominations of proposed Arizona Directors of the NATIONAL ASSOCIATION OF REALTORS® for terms commencing during the succeeding elective year shall be held at an AAR Directors' meeting no later than December 15. Election shall be by plurality vote.~~

~~As long as there are four (4) or more entitlements ~~allocations~~ not assigned to a Member Board, those remaining entitlements~~ Pursuant to the NATIONAL ASSOCIATION OF REALTORS® (NAR), the AAR President is automatically a National Director. Additional NAR allocations ~~shall be allocated as follows:~~ ~~positions~~ shall be reserved to be filled by the following positions in the following order: ~~AAR Immediate Past President~~, AAR President-elect, AAR First Vice President ~~and~~ AAR Treasurer, AAR Immediate Past President and the AAR RVPs.

The NAR state allocation of one (1) Director who is a primary member in a local association with 500 to 1,999 members (Medium Board Group) shall be allocated to a qualifying Medium Board Group association President on an annual basis rotating alphabetically by association name. If the local association President who is to serve does not meet the criteria imposed by NAR or is already an NAR Director, the local association President shall select another individual from their local association who meets the NAR criteria and is willing to serve.

The NAR state allocation of one (1) Director who is a primary member in a local association with 499 or less members (Small Board Group) shall be allocated to a qualifying association President on an annual basis rotating alphabetically by association name. If the local association President who is to serve does not meet the criteria imposed by NAR or is already an NAR Director, the local association President shall select another individual from their local association who meets the NAR criteria and is willing to serve.

Any remaining positions for terms commencing during the succeeding elective year shall be chosen via election held at an AAR Directors' meeting no later than September 14. Election shall be by plurality vote. ~~are elected, as provided earlier in this section, from members other than primary members from Member Boards that have National Director entitlement(s).~~ REALTORS® in Arizona, ~~except primary members of an Arizona Member Board that has one (1) or more automatic National Directors by virtue of their total number of members,~~ who otherwise meet the qualifications established by NAR ~~in Article VII, Section 6~~ may apply for election for NAR Director.

In the event AAR should lose any ~~at large~~ NAR Director ~~entitlements~~ allocations the ~~entitlements~~ allocations to be eliminated ~~would~~ shall be in the following order: (1) elected positions, beginning with the position with the shortest remaining term; followed by the elected position with the next shortest remaining term, and continuing until all elected positions have been eliminated. If two or more elected positions have the same terms, the elected positions shall be eliminated based upon their primary local association member count pursuant to NAR on July 31st the year prior, with the elected position from the largest local association eliminated first and

then the elected positions shall be eliminated in descending order until all elected positions have been eliminated. ~~whether or not term completed;~~ (2) RVPs based upon their Region member count pursuant to NAR on July 31st the year prior, beginning with the position of the RVP from the largest Region eliminated first and then the RVPs positions shall be eliminated in descending order until all RVP positions have been eliminated. (3) AAR Immediate Past President. (4) AAR Treasurer.

Section 3. National Director vacancies, except for the Medium Board Group and Small Board Group Directors that occur between NAR ~~NATIONAL ASSOCIATION OF REALTORS®~~ meetings shall be filled by an election to be held at a regularly scheduled AAR Board of Directors meeting or at a special meeting of the AAR Board of Directors, provided that there is thirty (30) day notice to Member Boards prior to the meeting. The replacement process shall begin at the time there is an actual vacancy or when a seated National Director provides written notification of intent to vacate the position at a time definite. In the event the foregoing would cause a vacancy at a subsequent National meeting, the President, with the approval of the Executive Committee, may appoint a replacement until such time that an election could be held.

National Director vacancies in the Medium Board Group and/or the Small Board Group that occur between NAR meetings shall be filled by the local association from which the National Director vacancy occurred.

Section 5. The application process shall be as follows:

b. A Notice of Request for Applications for **elected** NAR Director positions, if any, shall be sent to each Member Board and RVP and shall be published by AAR at no

later than ten (10) days following NATIONAL ASSOCIATION'S notice of ~~entitlements~~ allocations to State Associations.

c. Each NAR Director candidate's application ~~will be reviewed to verify~~ shall include the candidates' self-certification of compliance with the NAR position qualifications as applicable.

d. AAR RVP applications shall be verified by the respective Regional Nominating Committee and follow procedures as provided in Section 7 of this Article.

~~d~~e. Any applicant for AAR Officer or National Director shall provide evidence of acceptance and qualification for the office.

~~e~~f. A candidate shall not make application for more than one (1) AAR Office but may also make application for National Director.

Section 6. The following is AAR's minimum criteria ~~shall be established~~ for acceptability as nominees for AAR Officers ~~or National Directors~~:

a. Any nominee for AAR Officer shall be a REALTOR® or REALTOR-ASSOCIATE® member in good standing, **and**

b. The nominee must display knowledge of the AAR Plan issues and objectives, **and**

c. The nominee must have been an elected officer of his Member Board and have served in that capacity for at least one (1) year; **or**

d. The nominee must have been an elected or appointed director of AAR and have served in that capacity for a minimum of one (1) year; **or**

e. The nominee must have served at least one (1) year on the Executive Committee.

NAR will review National Director applications for compliance with National Director position criteria. If any National Director application is rejected by NAR, a qualified replacement candidate shall be appointed by the AAR President-Elect.

Section 8. AAR shall conspicuously **display its report of qualified** candidates for each elective office **at least forty-eight (48) hours** before the election is held. No nominations may be made from the floor.

POLICY C.3 - NATIONAL DIRECTOR REIMBURSEMENT

National Directors eligible for expense reimbursement shall be those elected or appointed to fill entitlements other than those entitlements assigned Member Board and specifically representing franchise and/or large firm entitlements, as designated by the NATIONAL ASSOCIATION OF REALTORS®, and who are not otherwise reimbursed. Authorized reimbursement for National Directors to attend National meetings is contingent upon their attending the Member and Directors Forum, AAR Caucus (if any), the Rocky Mountain Regional Caucus and all meetings of the National Board of Directors at each National meeting. Any exceptions shall be approved at the President's discretion. **AAR will reimburse the NAR Director travel costs which includes: airfare, registration, hotel, and food.**

2023 NAR ARIZONA DIRECTORS

BASED UPON THE RECOMMENDED AMENDMENTS TO THE ARIZONA REALTORS® BYLAWS – 3/22

President Eric Gibbs – 2 years (2023, 2024 as Immediate Past President “IPP”).

President-elect Shelley Ostrowski – 3 Years (2023, 2024, 2025 as IPP).

First Vice President Sindy Ready 3 Years (2023, 2024, 2025 as P, 2026 as IPP.)

TBD Treasurer, 4 Years (2023, 2024, 2025, 2026 as P, 2027 as IPP).

Immediate Past President Gary Nelson (2023).

RVP 1 Diana Bingham (2023).

RVP 2 Teresa Acuna (2023, 2024).

RVP 3 Bryan Anderson (2023).

RVP 4 Louis McCall (2023, 2024).

RVP 5 Steve Redmond (2023).

Medium Board Group – Mary Roberts, Lake Havasu (2023, 2024). 2025 Northern AZ President to serve as Director.

Small Board Group – Bullhead/Mohave Valley AOR, Richard Iminger (2023). 2024 Central AZ President to serve as director.

Elected Director(s), if necessary, based upon the NAR July 31,2022 membership numbers.