

An Explanation of the Designated REALTOR® Dues Formula

The NATIONAL ASSOCIATION OF REALTORS® (NAR) model bylaws established a membership formula which all local associations are required to adopt. Dues are assessed to each principal (Designated REALTOR®) in a real estate firm on the basis of the number of real estate and appraiser licensees employed by or affiliated as independent contractors with the firm, partnership or corporation. Credit is given to the Designated REALTOR® for each individual associated with the firm who voluntarily seeks and receives REALTOR® membership.

Many years ago when NAR first established its dues structure, it considered three options for assessing dues to brokers who applied for Designated REALTOR® membership:

1. On the basis of how many salespeople work in a Designated REALTORS® office;
2. On the basis of how many properties were sold by the Designated REALTOR'S® office each year;
or
3. On the basis of the dollar value of the properties sold annually by the Designated REALTOR'S® office.

N.A.R. selected the first option. As an example, if a Designated REALTOR® has 8 licensees working in his office, his dues are for himself and an assessment for each of those 8 licensees. If 5 of those real estate licensees voluntarily join a local association and pay dues, the Designated REALTORS® personal dues would be less those 5 individuals that joined; in other words the Designated REALTOR® would be calculated for himself plus the remaining 3 non-member real estate or appraiser licensees.

All Designated REALTORS® and salespeople associated with them should be aware that any dues assessment paid by a Designated REALTOR® does not constitute any form of "registration" or "dues" payment for any licensee that has not made an application to be a REALTOR® member of the organization. Rather, the Designated REALTOR'S® personal dues are computed on the basis of the number of non-member licensees associated with him or her.

Any individual that has not personally made application to be a REALTOR® member of the REALTOR® organization is not entitled to any of the benefits or obligations of REALTOR® membership; therefore any licensee affiliated with a Designated REALTOR® where the Designated REALTOR'S® personal dues have been increased due to this formula are not entitled to any member benefits.

Any further questions regarding the Designated REALTOR® Dues formula can be directed to the
Phoenix Association of REALTORS® at 602-246-1012

Proper Procedure to Calculate the Designated REALTOR® Dues Formula

When the Phoenix Association of REALTORS® calculates the DR Dues Formula, PAR goes to great lengths to have the most accurate and up to date information as possible.

Because the NAR DR Dues Formula only requires the licensees to join a local association, not necessarily the Phoenix Association of REALTORS®, we do not use our in-house database to calculate the DR Dues Formula. Instead, we use the Arizona Department of Real Estate roster and compare it to the National Association of REALTORS® Database.

The following are reasons for this procedure:

1. The Arizona Department of Real Estate roster will show every licensee within an office.
2. PAR has found the information to be incorrect at times with the Arizona Department of Real Estate and by our research, we are bringing this information to your attention, and helping in correcting any errors that have been made to ensure people are properly licensed with the Arizona Department of Real Estate. This step lessens your liability as a Designated Broker.
3. The National Association of REALTORS® Database is used by all local associations, and any licensees who are members of all local associations should be listed.
4. On occasion, the information listed with the National Association of REALTORS® is also incorrect, and by our research, we will address another issue, that is if an agents' record is properly uploading to the National Association of REALTORS® Database, which could be essential to the licensee and the benefits in which he/she may be eligible for.
5. After the comparison of both databases is made, PAR will send you a copy of the research we used to calculate the DR Dues Formula, giving you all the tools necessary to see the complete picture.
6. PAR allows an adequate amount of time to comply with the DR Dues Formula and include all the necessary forms to help with you with this requirement.

You, as a Broker or Office Manager, should never accept any thing less than the procedures we have listed above. Remember, every association is required by NAR to calculate the DR Dues Formula, but that doesn't mean that all Associations handle it the same way.

The Phoenix Association of REALTORS® believes you should be armed with all the information from the get go, and that you should not be required to ask for it. Another belief is that the databases in place are those to be used and periodically corrected, instead of ignored and used as a last resort.

At any time, you too can do the research for your office to ensure that you are in compliance with the DR Dues Formula. The websites to visit are located below, and if at any time you have questions, please feel free to give us a call.

Arizona Department of Real Estate

<http://www.re.state.az.us/>

Click on "Directory of Licensees"

Click on "[Search the database or download files](#)"

Click on "Licensed Entities"

Enter Business Name

Click on the Company's Name

Then click on "Employees" located at the far right

National REALTOR® Database

<http://www.realtor.org>

Click on "REALTOR® Directories"

Click on "Find An Office"

Enter the Office information

then click on "Show Office Members"