

MINUTES OF THE MEETING
Kansas Real Estate Commission
February 17, 2020

The Kansas Real Estate Commission held its regular meeting on Monday, February 17, 2020, at 9:00 a.m. at Jayhawk Tower, 700 S.W. Jackson Street, Suite 404, Topeka, Kansas 66603.

Commissioners Present:

Errol Wuertz, Chairperson
Bryon Schlosser, Vice-Chairperson
Joe Vaught, Member
Sue Wenger, Member
Connie O'Brien, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Deputy Director, Director of Licensing and Education
Wendy Alkire, Director of Compliance
Amber Nutt, Real Estate Education Specialist
Stacey Serra, Legal Assistant

Kansas Real Estate Commission Legal Counsel:

Jane Weiler, Assistant Attorney General
Charles Macheers, Assistant Attorney General

Members of the Public:

Kathy McCarty
Mark Tomb

Call to Order

Mr. Wuertz called the meeting to order at 9:00 a.m.

Approval of the Minutes of the January 6, 2020 Meeting

Ms. Wenger made the motion, seconded by Ms. O'Brien, to approve the minutes from the January 6, 2020 meeting. Motion carried unanimously.

Hearing of Dale Brouk, Docket No. 20-8245

Hearing of Janet Audiss, Docket No. 20-8107

Hearing of Kim Hagen, Docket No. 20-8298

Mr. Wuertz recessed the KOMA meeting at 10:15 a.m.
Mr. Wuertz reconvened the KOMA meeting at 10:25 a.m.

Hearing of Erich Massad, Docket No. 20-8212

Compliance Report

The Commission reviewed the status of open legal cases. The oldest complaint pending review (non-litigation) is from March 23, 2017 (previously held due to litigation). The oldest disciplinary file pending staff review is from July 2, 2018. The oldest disciplinary file pending review by the attorney general's staff is from August 27, 2018.

Staff completed 201 compliance reviews in FY2020. The current turnaround time for compliance review results is 12 months. Zero transactions were reported by 35% of brokers in the last four fiscal years. Seven repeat violations were found during 30 follow up reviews in FY2020. Eleven percent of complaints in the last four fiscal years were reported anonymously.

The Commission reviewed a brochure, video and Power Point slides prepared by staff regarding changes to advertising rules effective July 1, 2020. Compliance courses are scheduled for March 25 and July 21, 2020.

Licensee, Education and Exam Report

As of January 30, 2020, there are 16,885 licensees, an increase of 335 from last year, and 246 pending applications (51 salesperson, 43 broker and 152 fingerprint-only files).

Staff approved one mandatory and 16 elective continuing education courses and three pre-license courses from November 1, 2019 to January 31, 2020.

In FY2020, Pearson Vue administered 1,758 exams with an overall pass rate of 66%. Sixty-six brokers and 306 salespersons tested based on requirements met in another state. Brokers had a 73% pass rate, and salespersons had an 87% pass rate.

The Commission reviewed the proposed outline for the Kansas required core course revised to include feedback from course providers.

Mr. Schlosser made the motion, seconded by Mr. Vaught, to approve the proposed outline for Kansas required core courses taught beginning on or before January 1, 2021. Motion carried unanimously.

Director's Report

Real estate fee fund receipts are \$762,535 which is 7% higher than estimated. Real estate fee fund expenditures for FY2020 are \$617,910 which is 4% or \$40,734 lower than estimated.

The real estate fee fund balance is \$1,058,564 which is up \$143,244 from July 1, 2019. Background investigation fee fund receipts for FY2020 are \$71,355 which is 1% lower than estimated. Real estate recovery fund receipts for FY2020 are \$4,025 and the balance in the fund is \$293,164.

Final review of the Commission's budget will occur after May 1, 2020. Enhancement requests for the Special Litigation Reserve Fund and FY2021 pay increases are included in the proposed budget.

Mr. Wisner gave an update on Senate Bill 244. As proposed, the bill provides that all rules and regulations in existence on July 1, 2020 shall expire five years from that date, and any new rule or regulation or substantial amendment of an existing rule or regulation shall expire on July 1 of the fifth year after such enactment, unless the legislature adopts legislation to renew such rule or regulation.

Mr. Wisner gave an update on House Bill 2506/Senate Bill 366. The proposed bill amends the occupational and professional licensing standards for regulatory agencies to receive and review applications from any individual who has established or plans to establish residency in Kansas. The bill had an initial hearing on February 13.

Mr. Wisner gave an update on Senate Bill 391. As proposed, SB391 would require every agency to do a comprehensive review of all occupational or license regulations within their jurisdictions by July 1, 2021. If the review finds a license or occupation doesn't fulfill legitimate public health, safety or welfare objectives, the agency shall recommend repeal or modification of the license or regulation. The bill would allow a person to petition any agency to repeal or modify any occupational regulation within its jurisdiction. Mr. Vaught made the motion, seconded by Mr. Schlosser, to oppose Senate Bill 391. Motion carried unanimously.

Mr. Wisner reported the Senate Commerce Committee will review a briefing on last year's Senate Bill 42 including an additional provision to cap rebates at 0.5% of the purchase price.

Mr. Wisner reported the Senate Commerce Committee will review last year's Senate Bill 168 for Home Inspector registration.

The Commission reviewed a tracking list for other relevant legislation and a report and letter from the Consumer Federation of America.

Mr. Schlosser made the motion, seconded by Mr. Vaught, to adjourn the meeting. Motion carried unanimously.

Mr. Wuertz adjourned the meeting at 12:25 p.m.

Attest: _____

Errol Wuertz, Chairperson

Bryon Schlosser, Vice-Chairperson

Connie O'Brien

Joe Vaught

Sue Wenger