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Erik Wisner, Executive Director

Real Estate Commission

Sam Brownback, Governor

**MINUTES OF THE MEETING**  
**Kansas Real Estate Commission**  
**April 18, 2017**

The Kansas Real Estate Commission held its regular meeting on Tuesday, April 18, 2017 at 9:00 a.m. at Dodge City Community College, Dodge City, Kansas.

**Commissioners Present:**

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

**Staff Present:**

Erik Wisner, Executive Director

**Staff Appearing by Telephone:**

Kelly White, Deputy Director, Director of Licensing and Education  
Stacey Serra, Legal Assistant  
Amber Nutt, Education Specialist  
Wendy Alkire, Compliance Director

**Kansas Real Estate Commission Legal Counsel:**

Sarah Fertig, Assistant Attorney General – by Telephone

**Members of the Public:**

Tasha Nuci  
Gayla Hewes

**Call to Order**

Mr. Vaught called the meeting to order at 9:02 a.m.

**Approval of the Minutes of the March 20, 2017 Meeting**

Motion was made by Ms. Wenger, seconded by Mr. Wuertz, to approve the minutes from the March 20, 2017 meeting. Motion carried unanimously.

**Review and Possible Approval of Brokerage Relationship Forms**

Mr. Wisner presented comments from Kelly Ellner, a Kansas licensed broker, and staff regarding the revisions to the Brokerage Relationship Forms presented at the March 20, 2017 Commission meeting. After review of the forms, the Commission decided to eliminate the “N/A” option in the Designated Agency section of the Buyer Agency and Seller Agency Agreements. The

Commission also decided to move the section regarding broker compliance with BRRETA to a separate paragraph on all agency and transaction broker agreements. The Commission decided to continue to review and revise the Transaction Broker Addendum.

Motion was made by Mr. Schlosser, seconded by Ms. Wenger, to approve the forms with the changes discussed, apart from the Transaction Broker Addendum. Motion carried unanimously.

Mr. Vaught recessed for a short break at 9:49 a.m.  
Mr. Vaught reconvened the meeting at 9:56 a.m.

### **Proposed Regulation Changes**

Mr. Wisner presented proposed regulation changes to adopt the revised transaction broker addendum, brokerage relationship disclosure and consent to negotiate forms.

Proposed changes to K.A.R. 86-3-27 (transaction broker addendum) were withdrawn pending approval of the associated form.

Motion was made by Mr. Schlosser, seconded by Mr. Wuertz, to approve changes to K.A.R. 86-3-26 (brokerage relationship disclosure) and K.A.R. 86-3-28 (consent to negotiate). Motion carried unanimously.

Motion was made by Mr. Schlosser, seconded by Mr. Wuertz to approve changes to K.A.R. 86-1-10, K.A.R. 86-1-11, and K.A.R. 86-1-12, and to repeal K.A.R. 86-1-13, K.A.R. 86-1-16 and K.A.R. 86-1-17. Motion carried unanimously.

### **Regulation of Teams**

The Commission has previously requested information regarding the regulation of real estate teams. Mr. Wisner provided an overview of efforts by other states at regulation. Of particular concern to the Commission is the advertising by these teams. Often, their advertising omits any reference to their supervising broker's name or trade name. Mr. Wisner and Ms. Fertig will work on a possible statutory change to provide the Commission with the authority to better address advertising violations by real estate teams.

### **Licensee, Education and Exam Report**

Ms. White informed the Commission the number of licensees as of April 3, 2017 was 15,292, an increase of 210 over March.

Staff approved seven continuing education courses in March, six elective courses and one mandatory broker course

In March, there were 326 exams taken with an overall pass rate of 71%. There were 47 broker exams with a pass rate of 74%, and 279 salespersons exams with a pass rate of 70%. Seven brokers and 54 salespersons tested by waiver for equivalent requirements.

In FY2017, there were 2,232 exams administered with an overall pass rate of 68%. 32 brokers and 366 salespersons tested by equivalent requirements, brokers had a 100% pass rate, and salespersons had an 86% pass rate.

At the end of the licensure exam, Pearson provides a survey for applicants to rank their exam experience. The Candidate Satisfaction Exit Survey for the 2016 calendar year shows 98.8% of test takers were satisfied with the overall testing process, most were able to register for the exam within 6-10 days, the first available exam date was within 5 days of the requested date, 78% got their first choice for an exam date, 64% were able to test within 20 miles from home, and 56.9% took their pre-license course within 30 days of the exam.

Commission staff hosted a webinar March 27, 2017 to review the proposed education regulations and to provide an overview of the requirements to upload education to the new licensing system. The feedback was very positive

### **Director's Report**

FY2017 real estate fee fund receipts are \$817,612. This is 2% above estimates. FY2017 expenditures, excluding encumbrances are \$725,853. This is 5% or \$50,000 less than estimated. This is mostly due to about \$25,000 in one time capital expenses that have yet to occur this fiscal year.

The Commission fee fund balance was \$473,044; this is up \$24,500 from July 1, 2016. The carryover will drop over the next few months with the previously mentioned one-time expenditures and the FY2016 encumbrances for the System Automation project. April, however, is one of the heaviest receipting months with respect to new applications. Background investigation fee fund receipts were \$12,999, which is 2% over estimates. The Real Estate Recovery Fund receipts were \$21,000 and the balance of the fund was at \$261,039.

Work continues on the online licensing system. The vendor is currently working on defining rules and steps in the process for individuals to renew and transfer online. The project management team has provided staff a link to a test site to begin viewing the look of the new system. Staff training will occur May 1-4.

Mr. Wisner provided a review of the status of active legal files. There are currently 328 active files. Files pending legal review have been reduced to 73.

Mr. Wisner provided examples of frequently requested Open Records reports. These reports can be posted on our website so requestors do not have to file a request every time they want this information. Staff will work on having the reports posted on the Commission website and update on a regular basis once the new licensing system is live.

Mr. Wisner provided possible dates for FY2018 Commission Meetings.

### **Adjournment**

Mr. Vaught adjourned the meeting at 11:22 a.m.