

STATE OF KANSAS

KANSAS REAL ESTATE COMMISSION
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GOVERNOR JEFF COLYER, M.D.
ERIK WISNER, EXECUTIVE DIRECTOR

MINUTES OF THE MEETING Kansas Real Estate Commission August 20, 2018

The Kansas Real Estate Commission held its regular meeting on Monday, August 20, 2018, at 9:00 a.m. at the at Jayhawk Tower, 700 S.W. Jackson Street, Suite 404, Topeka, Kansas 66603.

Commissioners Present:

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

Staff Present:

Erik Wisner, Executive Director
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
Jane Weiler, Assistant Attorney General

Members of the Public:

Mark Barker
Patrick Vogelsberg

Call to Order

Mr. Schlosser called the meeting to order at 9:01 a.m.

Approval of the Minutes of the June 18, 2018 Meeting

Motion was made by Mr. Wuertz, seconded by Mr. Vaught, to approve the minutes from the June 18, 2018 meeting. Motion carried unanimously.

Conference Hearing of James Nielson, Docket No. 18-7003

Conference Hearing of Jennifer Robertson, Docket No. 18-7085

Mr. Schlosser recessed the KOMA meeting at 10:01 a.m.
Mr. Schlosser reconvened the KOMA meeting at 10:09 a.m.

Conference Hearing of Jayme Vail, Docket No. 19-7188

Mr. Schlosser recessed the KOMA meeting at 10:33 a.m.
Mr. Schlosser reconvened the KOMA meeting at 11:00 a.m.

Broker Experience Task Force Recommendations

Ms. White presented an update on the Broker Experience Task Force Recommendations. The three schools who currently offer the Broker Pre-License Course in Kansas (Career Education Systems, Lowry School of Real Estate, and Kansas Association of REALTORS) met for a discussion of the task force's recommendation to increase Broker Pre-License Course from 24 to 90 hours. The group proposed creating a 30-hour Broker Pre-License Course and a 30-hour practice course. The latter would be offered instead of the suggested 30-hour specialty area of practice course. The school coordinators suggested the addition of scenarios related to the specialty areas to the practice course. For non-resident/equivalent requirements met candidates, the group proposes requiring the 30-hour practice course in addition to the current 4-hour law course. Staff concurred that this is a better solution than the original proposal from the task force.

To get feedback on content to include in the practice course, it was suggested Commission staff survey 100 supervising brokers from Kansas to find what information would have helped them before obtaining their license, as they were starting their business, and how to run a business while staying in compliance.

Motion was made by Mr. Wuertz, seconded by Mr. Vaught, to proceed with the changes recommended by the Broker Pre-License Course providers and staff. Motion carries unanimously.

Licensing Business Process Changes

Mr. Wisner provided updates on the status of the licensing business process changes discussed at previous meetings. Changes to K.A.R. 86-1-3, 86-1-5, 86-1-9 and 86-3-15, and the repeal of K.A.R. 86-1-15 have been approved by the Division of Budget and the Department of Administration. They are currently being reviewed a second time by the Attorney General's Office due to some technical changes. They should be returned shortly, and public hearing should be held at the November meeting.

The remaining licensing business process changes involve statutory changes. Staff are preparing a draft of the statutory changes for review at the next Commission meeting. Mr. Wisner also provided an overview of the changes for several statutes including revisions for the Broker Task Force recommendations. These revisions will be sent to industry contacts for feedback.

FY2018 Legal Action Summary

Mr. Wisner presented a review of legal actions for FY2018 as compared to the previous four years.

Registration of Trade Names

Ms. White presented a review of applicable statutes and regulations for the registration of trade names used by brokers, teams and agents.

Licensee, Education and Exam Report

Ms. White reviewed the new Applicant Status Report. As of August 1, 2018, there were 320 pending applications. There were 75 salesperson applications, 18 broker applications, and 227 fingerprint only files.

There was a total of 16,479 licensees as of June 29, 2018. There were 594 expired but renewable licensees.

There was a total of 16,332 licensees as of August 1, 2018. There were 513 expired but renewable licensees.

Since the last Commission meeting, staff approved one mandatory salesperson and broker core course, five elective courses and six prelicense courses. Staff denied one elective course.

In FY2018, there was a total of 3,153 exams administered with an overall pass rate of 66%.

Director's Report

FY2018 real estate fee fund receipts were \$1,213,935. This was 9% higher than estimated. FY2018 revenue was the highest since FY2008.

FY2018 expenditures including encumbrances were \$1,056,429. This is 1% less than approved expenditure limits.

The real estate fee fund balance was \$813,160 at the end of FY2018. This is up \$344,052 from the beginning of the fiscal year. The increase was a result of the repayment of funds swept in 2009, higher than anticipated revenues in FY2018, and FY2018 encumbered funds pending payment.

Background investigation fee fund receipts in FY18 were \$127,299 which is 2% above estimates. Real estate recovery funds receipts for FY2018 were \$20,012. As of August 10, 2018, the balance of the fund is at \$328,216.

The Commission will need to submit a realigned budget estimate for FY2019 using the approved amounts from the totals approved by the 2018 Legislature and proposed budgets for FY2020 and FY2021 by September 15, 2018. Proposed adjustments include increases in expenditures on salaries and travel, decreases in OITS costs due to reduced server maintenance requirements and decreases in printing costs due to the elimination of paper licenses.

Mr. Wisner proposed an enhancement request for FY2019 through FY2021 to cover credit card convenience fees and the online licensing system.

Motion was made by Mr. Wuertz, seconded by Mr. Vaught, to include the enhancement request for FY2019, FY2020, and FY2021 in the proposed budget. Motion carried unanimously.

Adjournment

Mr. Schlosser adjourned the meeting at 1:36 p.m.