

MINUTES OF THE MEETING
Kansas Real Estate Commission
January 24, 2022

The Kansas Real Estate Commission held its regular meeting on Monday, January 24, 2022, at 9:00 am at the KREC Conference Room and via Zoom teleconference.

Commissioners Present:

Errol Wuertz, Chairperson
Bryon Schlosser, Vice-Chairperson
Jacqueline Kelly, Member
Natalie Moyer, Member

Commissioners Absent:

Clarissa Harvey, Member

Staff Present:

Erik Wisner, Executive Director
Wendy Alkire, Deputy Director and Compliance Director
Amber Nutt, Education and Communication Director
Lindsey Bowes, Legal Assistant
Dee Raker, Real Estate Specialist
Jennifer Box, Administrative Specialist
Lynn Comfort, Real Estate Specialist

Kansas Real Estate Commission Legal Counsel:

Sarah Shipman, Deputy Attorney General
Jane Weiler, Assistant Attorney General

Members of the Public:

Kim Goudy
Barbara Kearney
Mark Tomb
Jon McCormick
Joe Vaught
Bernard Fried
Derc Albrecht
Julie Zorn
Sue Wenger
John McKenzie
Kathy McCarty
Mark Barker

Call to Order

Mr. Wuertz called the meeting to order at 9:02 am.

Approval of the Minutes of the December 6, 2021 Meeting

Ms. Moyer moved the minutes of the December 6, 2021 meeting be approved. Ms. Kelly seconded the motion. Motion carried unanimously.

Hearing of Bernard Fried, Docket No. 22-0077

Hearing of Derc Albrecht, Docket No. 22-0135

Education and Communication Report

Staff approved 7 pre-license course and 27 elective continuing education courses in FY22. In FY2022, Pearson Vue has administered 1,618 exams with an overall pass rate of 61%.

Hearing of Julie Zorn, Docket No. 22-0137

Compliance Report

Staff have completed 117 compliance reviews in FY2022. In FY2022, staff have received 203 complaints. Compliance courses are scheduled for February 2 and May 4, 2022 for BRRETA and January 26 and April 27, 2022 for Broker Supervision. Ms. Alkire presented a draft of consumer protection flyer and updates to the Commission's website to include more consumer protection resources. Commission members provided feedback on materials and Ms. Alkire will make updates and consult with legal counsel before proposing a final draft. Mr. Wuertz read an email from a licensee with positive feedback related to the Commission's compliance review process.

Licensing Report

As of November 2021, there are 18,948 licensees which is an increase of 403 compared to February 2021. There are 334 pending applications (84 salesperson, 19 broker, and 231 fingerprint-only files), this is a decrease of 42 applicants compared to February 2021.

Director's Report

The real estate fee fund balance as of December 31, 2021 is \$1,326,745 which is up \$205,353 from July 1, 2021. Real estate fee fund receipts for FY2022 are \$728,653 which is 9% higher than estimated. Real estate fee fund expenditures for FY2022 are \$512,320 which is 6% lower than estimated.

Background investigation fee fund receipts for FY2022 are \$63,840. Real estate recovery fund receipts for FY2022 are \$6,966.

The Division of Budget denied the enhancement request to add \$7,100 in FY23 expenditure authority for increased legal representation fees for the Kansas Attorney General's Office. After appeal, the Governor's office did include the enhancement request in her proposed FY23 budget. The Governor also recommends a 5% pay increase for all state employees in FY23. This item will be implemented with Finance Council approval if the Legislature adopts the proposal.

Mr. Wisner provided an update regarding revisions to the unlicensed practice legislation related to wholesaling.

Mr. Wisner also informed the Commission that electronic fingerprinting is now available for applicants. Its currently available at select law enforcement centers and will be rolled out at Pearson test centers soon. The FBI will be on site to do an audit March 22, 2022. The FBI conducts random audits of agencies that receive criminal justice information. KBI last performed an audit of KREC in 2008.

Executive Session

Mr. Schlosser moved that the Commission recess into executive session pursuant to K.S.A. 75-4319(b)(2) for discussion of confidential attorney-client advice related to regulations and policies with Sarah Shipman, General Counsel, Jane Weiler, Disciplinary Counsel and Erik Wisner, Executive Director. Ms. Kelly seconded the motion. Motion carried unanimously

The Commission reconvened the open meeting at 11:00 pm.

Mr. Schlosser moved that the Kansas Real Estate Commission cease collection of the \$15.00 reactivation fee and that staff provide the Commission with any suggested system, statute, or regulatory changes that may be necessary. Ms. Moyer seconded the motion. Motion carried unanimously.

Reorganization pursuant to K.S.A. 74-4202(a)

Mr. Wuertz announced he would be resigning the Commission on or before March 31, 2022. Mr. Schlosser made the motion, seconded by Ms. Kelly to elect Ms. Moyer as Chairperson. Motion carried unanimously. Mr. Schlosser made the motion, seconded by Ms. Moyer to elect Ms. Kelly as Vice-Chairperson of the Commission. Motion carried unanimously. Ms. Harvey and Mr. Schlosser will remain as the designated investigative team members.

Adjournment

Ms. Moyer moved to adjourn the meeting at 11:08am. Mr. Schlosser seconded the motion. Motion carried unanimously.