

MINUTES OF THE MEETING
Kansas Real Estate Commission
April 8, 2024

The Kansas Real Estate Commission held its regular meeting on Monday, April 8, 2024 at 9:00 a.m. in the KREC Conference Room and via Zoom teleconference.

Commissioners Present:

Natalie Moyer, Chairperson
Bryon Schlosser, Member
Clarissa Harvey, Member

Jacqueline Kelly, Vice-Chairperson
Marsha McConnell, Member

Staff Present:

Erik Wisner, Executive Director
Amber Nutt, Education Director
Lindsey Bowes, Legal Assistant
Kiereon Sisney, Real Estate Specialist/Auditor
Tim O'Brien, Real Estate Specialist/Investigator

Alycia Smith, Licensing Director
Wendy Alkire, Deputy Director & Compliance Director
Cindy Boswell, Real Estate Specialist/Senior Investigator
Stephanie Nelson, Senior Licensing Specialist
Lynn Comfort, Real Estate Specialist/Auditor

Kansas Real Estate Commission Legal Counsel:

Nicole Turner, Assistant Attorney General
Will Skepnek, Assistant Attorney General
Spencer Taylor, Assistant Attorney General
Sydney Walsh, Assistant
Lisa Mendoza, First Assistant Attorney General

Members of the Public:

Mary Froese	Chris Folgate	Lauren Sams	Todd Woodburn	Jolene Martins
TJ Larson	Lana Robbins	Mark Tomb	Vanessa Schmidt	Michael Sharp
Janet Carter	Deb Marklevits	Michael Blackburn	Shelby Ross	
Bryon Ruoff	Katelyn Taylor	Randy Vanderpool	Dawn Sharp	
Bud Cortner	Kim Bischler	Steve Metarelis		

Call to Order

Ms. Moyer called the meeting to order at 9:00 a.m.

Approval of the Minutes of the January 24, 2024 Meeting

Mr. Schlosser moved to approve the minutes of the January 24, 2024 meeting. Ms. McConnell seconded the motion. Motion carried unanimously.

Hearing of Breana R. Holt, Docket 23-1158

Hearing of Joseph A. Swartz, Docket 24-1863

Licensing Report

As of March 2024, there are 19,155 licensees, which is a decrease of 109 compared to March 2023. There are 218 pending applications (62 salesperson, 13 broker, and 143 fingerprint-only files). This is a decrease of 70 applicants compared to March 2023.

Compliance Report

Staff has received 231 complaints and completed 237 compliance reviews so far in FY24. Compliance courses are scheduled for May 7, 2024 and August 20, 2024 for BRRETA and June 4, 2024 and August 28, 2024 for Broker Supervision.

Ms. Alkire provided a summary of her meeting with the Executive Board of the Kansas Register of Deeds Association (RDA). Currently 27 of 105 Kansas counties have property notification systems. The notifications are tied to the property owner's name and not the property. Sending information on the service to property owners in counties that do not have the service could cause undue burden on the county. The counties that have the service want it to be used. Consensus was to continue collecting information before determining next steps.

Hearing of Jerron L. Cheeks, Docket 24-1793

Compliance Report (cont.)

Ms. Alkire reviewed proposed changes to the number of files reviewed during a compliance review. Mr. Schlosser moved to change the number of files reviewed during a compliance review to be 10% of the broker's past year pending and closed transaction total rounded up to the next whole number with a cap of 20 files effective immediately. Ms. Kelly seconded the motion. Motion carried unanimously.

Ms. Alkire provided an overview of a complaint received by the Attorney General's office and a copy of a redacted demand letter sent to the respondent in the complaint that was provided to KREC. The demand letter indicated the respondent in the proposed transaction filed an affidavit of equitable interest with the local Register of Deeds office without making any payments to the seller. Therefore, the buyer did not have equitable rights in the property and the letter provided a footnote to a legal case where the buyer paid 8% of the purchase price under a land contract and this was not considered a substantial payment entitling the buyer to an equitable right to the property.

Education and Communication Report

Staff has approved two pre-license courses and 71 continuing education courses for FY24. Pearson VUE has administered 1,952 exams with an overall pass rate of 57%. Ms. Nutt shared the annual Educators Meeting is scheduled for October 8, 2024.

Ms. Nutt reviewed proposed changes to K.A.R. 86-1-10 related to synchronous distance education courses. Ms. Harvey moved the Commission approve proposed changes to K.A.R. 86-1-10. Approved courses of instructions; procedure. Mr. Schlosser seconded the motion. Motion carried unanimously.

Ms. Nutt reviewed results from a standard setting meeting on March 4, 2024 with Pearson VUE and six subject matter experts (SMEs) to review the cut score for the salesperson and broker state exams. Mr. Schlosser moved to adopt the recommended cut score of 1.79 and a 62% estimated pass rate for brokers. Ms. McConnell seconded. Motion carried unanimously.

Director's Report

The real estate fee fund balance as of February 28, 2024 is \$1,491,328 which is up \$79,000 for FY24. Real estate fee fund receipts for FY24 are \$908,499 and real estate fee fund expenditures for FY24 are \$808,453. Background investigation fee fund receipts for FY24 are \$67,080 and the real estate recovery fund receipts for FY24 are \$16,070.

Mr. Wisner provided an update on the new licensing system and on legislative and policy matters. The 2024 Legislature passed bills granting KREC authority to issue cease and desist orders, exempting spouses of active duty military servicemembers from occupational licensing fees and updating statutes related to KBI criminal history checks.

The KBI is increasing the fee to process background checks from \$47 to \$57. K.A.R. 86-1-5 must be amended to raise the fee collected from individuals who require a criminal history check. KBI agreed to delay the effective date until the amended regulation goes into effect. Mr. Schlosser moved to amend K.A.R. 86-1-5. Fees. to increase the fee cap from \$60 to \$70. Ms. McConnell seconded. Motion carried unanimously.

Public Comment

Bud Cortner with Heritage 1st Realty submitted a letter on buyer agency agreements and the proposed NAR settlements.

Adjournment

The meeting adjourned at 11:58 a.m.