Kansas Real Estate Commission Jayhawk Tower 700 SW Jackson Street, Suite 404 Topeka, KS 66603-3785



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Erik Wisner, Executive Director

Laura Kelly, Governor

MINUTES OF THE MEETING Kansas Real Estate Commission January 6, 2020

The Kansas Real Estate Commission held its regular meeting on Monday, January 6, 2020, at 9:00 a.m.at Jayhawk Tower, 700 S.W. Jackson Street, Suite 404, Topeka, Kansas 66603.

Commissioners Present:

Bryon Schlosser, Chairperson Joe Vaught, Vice-Chairperson– By Telephone 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 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:

Mark Barker Rod McIntyre Mark Tomb Tim Holt Bud Cortner

Call to Order

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

Approval of the Minutes of the November 18, 2019 Meeting

Mr. Wuertz made the motion, seconded by Ms. Wenger, to approve the minutes from the November 18, 2019 meeting. Motion carried unanimously.

<u>Public Hearing – K.A.R. 86-1-10, 86-1-11, 86-1-12, 86-1-13, 86-1-16, 86-1-17, 86-1-18, 86-3-6a, 86-3-7 and 86-3-20</u>

Mr. Wisner summarized the proposed regulation changes. Bud Cortner and Tim Holt commented on K.A.R. 86-3-7. Mr. Cortner stated licensees using websites that require templates cannot control where advertising appears on the website. Mr. Holt suggested ". . . & Associates" be prohibited as part of a team name and stated the proposed changes to K.A.R. 86-3-7 will help eliminate confusion between team names and brokerage names. No written comments were submitted.

Hearing of Nicole Bradshaw, Docket No. 20-8108

Hearing of David Allen, Docket No. 20-8106

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

Mr. Schlosser reconvened the KOMA meeting at 10:12 a.m.

Compliance Report

The Commission reviewed the status of open legal cases. The oldest complaint pending review (non-litigation) is from March 17, 2017 (previously held due to litigation). The oldest disciplinary file pending staff review is from August 27, 2018. The oldest disciplinary file pending review by the attorney general's staff is from March 20, 2019.

Staff completed 167 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. Five repeat violations were found during 17 follow up reviews in FY2020. Eleven percent of complaints in the last four fiscal years were reported anonymously.

The Commission reviewed I-Team policy changes from September and October 2019. Compliance courses are scheduled for March 25 and July 21, 2020.

Licensee, Education and Exam Report

As of December 24, 2019, there are 16,976 licensees, an increase of 591 from last year and 298 pending applications (65 salesperson, 60 broker and 173 fingerprint-only files). The number of broker applications pending and approved increased significantly at the end of 2019 compared to 2018. As of January 3, 2020, of the 74 pending broker applications, 25 will require Commission review.

One school has been approved to offer the management course required for broker applicants effective January 1, 2020. Two more course approval requests are expected in January or February.

Director's Report

The Commission's appeal to approve a \$5,363 increase in real estate feed fund expenditure authority in FY21 is pending final decision by the Governor

The Commission submitted a proposed fiscal impact statement for SB 244 (pre-filed for introduction in the 2020 Legislative session) based on a request from the Division of Budget. As proposed, SB 244 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.

Delegation Motions for 2020 Legislative Session

Ms. Wenger made the motion, seconded by Mr. Wuertz, that the Commission designate and delegate to the Executive Director its authority to provide testimony to the Legislature or answers to Legislators or Legislative Committees, during the 2020 Legislative Session, on policies decided by the Kansas Real Estate Commission and that the Executive Director is required to notify the Commission of the testimony or answers at the next Commission meeting. Motion carried unanimously.

Mr. Wuertz made the motion, seconded by Ms. Wenger, that the Commission designate and delegate to the Chairperson, or the Vice Chairperson in the absence of the Chairperson, its authority to provide testimony or answers to Legislators or Legislative Committees, during the 2020 Legislative Session, on policies that have not been finally determined by the Commission but require an immediate response by the Commission to the requestor. Any testimony or answers to Legislators or Legislative Committees from the Chairperson, or the Vice Chairperson as the case may be conveyed through the Executive Director. Furthermore, the Chairperson, or the Vice Chairperson as the case may be, is required to notify the Commission of the testimony or answers at the next meeting, whether at a special meeting or at the regularly scheduled Commission meeting. If the Commission approves of the testimony or answers provided, the Chairperson, or the Vice Chairperson shall obtain ratification by the Commission. If the Commission disapproves of the testimony or answers provided, the Chairperson, or the Vice Chairperson shall immediately withdraw the prior testimony or answers and shall provide the requestor with the Commission's approved policy. Motion carried unanimously.

Roll Call Vote – K.A.R. 86-1-10, 86-1-11, 86-1-12, 86-1-13, 86-1-16, 86-1-17, 86-1-18, 86-3-6a, 86-3-7 and 86-3-20

Ms. Wenger made the motion, seconded by Mr. Vaught, to approve K.A.R. 86-1-10 as proposed. Motion carried unanimously.

Ms. O'Brien made the motion, seconded by Mr. Wuertz, to approve K.A.R. 86-1-11 as proposed. Motion carried unanimously.

Mr. Wuertz made the motion, seconded by Ms. Wenger, to approve K.A.R. 86-1-12 as proposed. Motion carried unanimously.

Ms. O'Brien made the motion, seconded by Ms. Wenger, to approve repeal of K.A.R. 86-1-13 and K.A.R. 86-1-16 as proposed. Motion carried unanimously.

Ms. Wenger made the motion, seconded by Ms. Wuertz, to approve K.A.R. 86-1-17 as proposed. Motion carried unanimously.

Mr. Wuertz made the motion, seconded by Ms. Wenger, to approve repeal of K.A.R. 86-1-18, K.A.R. 86-3-6a, and K.A.R. 86-3-20 as proposed. Motion carried unanimously.

Ms. Wenger, made the motion, seconded by Ms. O'Brien, to approve K.A.R. 86-3-7 as proposed. Motion carried unanimously.

Hearing of Brenda Lewis, Docket No. 20-8053

Hearing of Todd Lewis, Docket No. 20-8052

Mr. Schlosser recessed the KOMA meeting at 12:22 p.m.

Mr. Schlosser reconvened the KOMA meeting at 1:31 p.m.

Hearing of Becky Turner, Docket No. 20-8051

Hearing of Jayson Russell, Docket No. 20-8191

Hearing of Jason Kent, Docket No. 20-8213

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

Mr. Vaught made the motion, seconded by Ms. O'Brien, to elect Mr. Wuertz as Chairperson and Mr. Schlosser as Vice-Chairperson of the Commission. Motion carried unanimously. Mr. Vaught made the motion, seconded by Ms. O'Brien, to appoint Ms. Wenger and Mr. Schlosser to the I-Team. Motion carried unanimously.

Mr. Schlosser adjourned the meeting at 3:08 p.m.

Attest: February 17,2020

Errol Wuertz, Chairperson

Bryon Schlösser, Vice-Chairperson

Connie O'Brien

Joe Vaught

Sue Wenger