

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 February 19, 2018

The Kansas Real Estate Commission held its regular meeting on Monday, February 19, 2018, at 9:00 a.m. at Jayhawk Tower, 700 S.W. Jackson Street, Suite 404, Topeka, Kansas 66603.

Commissioners Present:

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

Staff Present:

Erik Wisner, Executive Director
Kelly White, Deputy Director, Director of Licensing and Education
Stacey Serra, Legal Assistant
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
Stefanie Pope
Larry Rickard
Patrick Vogelsberg
Bill Sneed

Call to Order

Mr. Vaught called the meeting to order at 9:08 a.m.

Approval of the Minutes of the December 18, 2017 Meeting and January 16, 2018 Meeting

Motion was made by Mr. Wuertz, seconded by Ms. O'Brien, to approve the minutes from the December 18, 2017 meeting and January 16, 2018 meeting. Motion carried unanimously.

Public Hearing on KAR 86-3-26 through 86-3-28 (Agency forms adopted by reference).

K.A.R. 86-3-26 through 86-3-28 (Agency forms adopted by reference) are proposed for amendment to update forms which must be approved by Commission. Mr. Wisner summarized the proposed regulations. No written comments were received by the Commission in advance of the hearing. Mr. Wisner called for comments from the public. There were no public comments.

Conference Hearing of Gary Reichle Docket No. 18-6713

Conference Hearing of Bailey Clark Docket No. 18-6723

Mr. Schlosser left the meeting at approximately 10:15 a.m.

Mr. Vaught recessed the KOMA meeting at 10:33 a.m.

Mr. Vaught reconvened the KOMA meeting at 10:43 a.m.

Conference Hearing of Renee Thomas Docket No. 18-6659

Mr. Vaught recessed the KOMA meeting at 11:12 a.m.

Mr. Vaught reconvened the KOMA meeting at 11:27 a.m.

Review Draft of Request for Attorney General's Opinion

It was decided at the December Commission meeting that, in lieu of pursuing legislation, the Executive Director would request an opinion from the Attorney General's office regarding the legality of some rebates. Mr. Wisner presented a draft of this letter for Commission approval along with comments by Bill Sneed, representative for USAA.

After discussion, it was decided to remove the first sentence of the second paragraph regarding the payment of an annual fee to an out of state company and to also remove affiliated from the third and fourth sentences of the second paragraph. Minor edits will be needed to ensure the question is still posed correctly after these removals.

Motion was made by Mr. Wuertz, seconded by Ms. O'Brien to approve the letter with edits requested by the Commission. Motion carried unanimously.

Licensee, Education and Exam Report

Ms. White informed the Commission there were 15,894 licensees as of February 1, 2018, this is up 835 since last year.

Staff approved 26 elective courses in December. Staff approved seven elective courses, three mandatory courses, and two pre-license salesperson courses in January.

In FY2018, there have been 1,749 exams administered with an overall pass rate of 65%. 36 brokers and 234 salespersons tested by equivalent requirements, brokers had a 97% pass rate, and salespersons had an 87% pass rate.

Director's Report

FY2018 real estate fee fund receipts are \$706,503. This is 5% above estimates. Real estate fee fund expenditures for FY2018 are \$629,388. This is 1% or \$11,815 more than estimated.

The real estate fee fund balance is currently \$684,945 which is up \$215,838 from July 1, 2017. \$167,000 of the increase is due to the net repayment of fee funds swept from the Commission in 2009. Background investigation fee fund receipts for FY2018 are \$68,816 which is 1% below estimates. Real estate recovery fund receipts for FY2018 are \$5,174 and the balance in the fund is at \$260,449.

Mr. Wisner presented a summary of legislative issues including House Bills 2494 and 2727.

Mr. Wisner also discussed Senate Bill 421, relating to consideration of civil and criminal records of applicants for licensure. This may create conflicts with existing statutory language. It has not been set for hearing at this time. Mr. Schlosser was appointed by the Commission to work with staff if there is a need to provide comments on the proposed legislation.

Mr. Wisner provided an update regarding the proposed advertising statute. In consultation with Chairman Schlosser, the decision was made to hold off introduction to focus on addressing the issues in HB 2494. During the February KAR Government Affairs Committee meeting there was a lot of discussion on the proposed statute change. The committee moved to appoint a taskforce to look at advertising requirements due to concerns about the impact of the change.

Mr. Wisner provided a review of the status of active legal files. There are currently 373 active files.

Roll Call to adopt amendments from Public Hearing

Roll call vote on amendments to K.A.R. 86-3-26 through 86-3-28 (Agency forms adopted by reference)

Mr. Vaught, "aye"

Ms. O'Brien, "aye"

Ms. Wenger, "aye"

Mr. Wuertz, "aye"

Mr. Schlosser was not present for the vote.

Adjournment

Mr. Vaught adjourned the meeting at 12:26 pm

Attest: _____

Bryon Schlosser, Chairperson

Joe Vaught, Vice-Chairperson

Errol Wuertz

Sue Wenger

Connie O'Brien