

MINUTES OF THE MEETING
Kansas Real Estate Commission
November 16, 2015

The Kansas Real Estate Commission held its regular meeting on Monday, November 16, 2015 at 9:00 a.m. at Three Townsite Plaza, Suite 200, 120 SE 6th Avenue, Topeka, KS 66603.

Commissioners Present:

Sue Wenger, Chairperson
Joseph Vaught, Vice Chairperson
Bryon Schlosser, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Director of Licensing and Education
David Pierce, Director of Enforcement
Stacey Serra, Legal Assistant

Kansas Real Estate Commission Legal Counsel:

Sarah Fertig, Assistant Attorney General
Lisa Mendoza, Assistant Attorney General

Call to Order

Ms. Wenger called the KOMA meeting to order at 9:05 a.m.

Approval of the Minutes of the October 16, 2015 Meeting

Motion was made by Mr. Vaught, seconded by Mr. Schlosser, to approve the minutes from the October 16, 2015 meeting. Motion carried unanimously.

Conference Hearing in the Matter of John Waters, Jr., Docket No. 15-5445

Conference Hearing in the Matter of John Mann, Docket No. 16-5485

Conference Hearing in the Matter of Jamie Shaw, Docket No. 16-5487

Preview of New Website

Mr. Wisner conducted a preview of the features and layout of the new website for the Commission. The site should be online in early 2016.

Review of Possible Amendments to K.S.A. 58-3040

The Commission requested staff examine allowing nonresident brokers to obtain a Kansas Salesperson license. Ms. Fertig reviewed proposed changes to K.S.A. 58-3040. Subsection (b) will allow for issuing a salesperson license to a nonresident broker, assuming they apply for such. Subsection (g) has been completely stricken; there is no longer a practical application for this language.

Staff feels this effectively addresses the experience issue for Missouri broker applicants. Approximately 75% of Missouri applicants who are denied Kansas broker's license list property management experience, which is different from transaction experience that is required in Kansas. This change will allow for licensing of those applicants. Mr. Wisner would like to forward the statute draft to Kansas Association of Realtors for review and comment. Mr. Schlosser would like to have the draft sent to Kansas City Association of Realtors as well. By general consensus, the Commission approves sending the draft for review and comment to both organizations.

Broker Application

Staff is reviewing the current broker application. The Commission has consistently requested additional information when applications come before them for review. A revised application was presented by Ms. White for review. Another draft will be presented by Ms. White and Mr. Wisner at the December meeting

License, Education and Exam Report

Ms. White informed the Commission there are currently 14,416 licensees, this is 114 more than last month. The Commission began tracking the number of licensees in 2004, the highest number of licensees was in October 2006, and there were 17,668.

Staff approved ten continuing education courses. Courses were from a new provider, Council of Residential Specialists. They submitted one course on time management which was denied.

Staff denied a course offered by dotloop that was for a proprietary software system.

The overall exam pass rate was down a little this month at 61%; the pass rate for the calendar year was 69%. Mr. Wisner suggested the lower rate could be attributed to the recent increase in the number of test takers

There was a meeting with Pearson Vue on October 22nd to review the licensure exam. Representatives from Pearson Vue met with staff and four subject matter experts, John Green, Kimberly Brace, Steve Kornspan and Kristine Dewell. The review covered the salespersons portion of the exam as not enough applicants have taken the broker exam. The exam questions were analyzed, new questions were written and several problems were fixed. Ms. White felt the meeting went very well.

Directors Report

Mr. Wisner informed the Commission FY2016 fee fund revenues after transfers and recovery of expenses are \$336,961. This represents 34% of estimated receipts for FY2016 or 1% more than estimated. The KREC Fee Fund Balance is currently \$388,093.88 which is up \$28,000 from July 1. Background investigation fee fund receipts for FY2016 are \$36,032. This represents 36% of estimated receipts for FY2016 or 3% more than estimated.

Overall expenditures are down about 6% compared to estimates. However, after some anticipated expenses, the figure will be closer to 3%. Mr. Wisner noted the Division of Budget sent a letter agreeing with all of the Commission's recommendations. The letter said performance measures will be more closely examined next year.

Mr. Wisner updated the Commission on the new document management system. Final user testing is near completion. A temporary staff person has been hired to begin entering the backlog of documents.

Mr. Wisner updated the Commission on the status of the Online Licensing Management System (OLMS/RELS). The vendor provided a cost estimate to revise the proposed system with enhanced functionality. Mr. Wisner will have a recommendation regarding the cost estimate at the December meeting.

Mr. Wisner presented a draft survey to send to all licensees who have participated in the audit by mail program in the past two years. Staff is attempting to gauge the level of convenience and identify areas that need improvement. The survey will be administered through Survey Monkey and will be sent to approximately 400 email addresses. The survey has seven questions and a box for free response entries. After staff receives the information, they will aggregate the responses and present the results to the Commission.

Mr. Wisner responded to Mr. Wuertz's questions regarding the audit process presented at the last Commission meeting. Wendy Alkire, Compliance Supervisor, will be presenting an overview of the audit process at a future meeting.

Mr. Wisner updated the Commission regarding regulation revisions. Staff is waiting for the official comments from the Kansas Association of Realtors regarding the proposed broker supervision regulation. Staff is still reviewing the comments received from KAR regarding the draft continuing education regulation. There are issues with incorporating parts of the ARELLO distance education requirements in to the draft regulation. Mr. Wisner indicated several regulations related to advertising and reporting requirements are no longer necessary due to changes in practice or because they have been adopted by statute. He suggested they could be repealed at the same time the other regulations are promulgated or revised.

Responses for questions from vendors for the pre-licensing Examination Provider RFP have been submitted. The deadline for final proposals from potential vendors is November 16. The Contract award will run from October 1, 2016 through September 30, 2021 with two optional five year

renewal periods. Mr. Wisner will present a recommendation at the December Commission meeting.

The KBI notified staff last week the process for collecting fingerprints for background checks is being completely revamped. Other agencies are implementing LiveScan technology. KBI now has the volume to make LiveScan independently available.

Mr. Wisner reviewed the commission meeting dates for 2016. The January meeting falls on Martin Luther King, Jr. Day, a state holiday. The Commission discussed cancellation of this meeting and moving any issues to February.

Conference Hearing in the Matter of Steven Nickell, Docket No. 16-5509

Ms. Mendoza moved the Commission pursuant to K.S.A. 77-520, Default, Subsection (d), grant a default order dismissing Mr. Nickell's hearing. The Commission grants said motion.

Mr. Schlosser moved and Mr. Vaught seconded that the Commission enter an executive session for 10 minutes to discuss non-elected personnel in order to protect the privacy of the parties involved, and that Mr. Wisner and Ms. Fertig join the session.

Mr. Schlosser moved and Mr. Vaught seconded that the Commission extend the executive session for additional 5 minutes.

Adjournment

Ms. Wenger adjourned the meeting at 2:08 p.m.

Upcoming Commission Meeting Dates

December 21, 2015

February 15, 2015