

MINUTES OF THE MEETING
Kansas Real Estate Commission
December 18, 2017

The Kansas Real Estate Commission held its regular meeting on Monday, December 18, 2017, 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
Errol Wuertz, Member
Sue Wenger, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Deputy Director, Director of Licensing and Education
Stacey Serra, Legal Assistant
Amber Nutt, Education Specialist
Wendy Alkire, Compliance Director

Kansas Real Estate Commission Legal Counsel:

Sarah Fertig, Assistant Attorney General
Jane Weiler, Assistant Attorney General

Members of the Public:

Brad Barker
Patrick Vogelsberg
Riley Scott

Call to Order

Mr. Schlosser called the meeting to order at 9:02 a.m.

Approval of the Minutes of the November 20, 2017 Meeting

Motion was made by Mr. Vaught, seconded by Ms. Wenger, to approve the minutes from the November 20, 2017 meeting. Motion carried unanimously.

Conference Hearing of Shedra Steele, Docket No. 18-6661

Mr. Schlosser recessed the KOMA meeting at 9:32 a.m.
Mr. Schlosser reconvened the KOMA meeting at 9:43 a.m.

Motion was made Mr. Wuertz, seconded by Ms. Wenger, for the Commission to enter executive session for consultation with counsel regarding potential litigation. The meeting was to reconvene in 15 minutes.

The Commission entered into executive session at 9:44 a.m.
The meeting reconvened at 10:05 a.m.

Proposed Statute Changes

The Commission opened discussion on the proposed legislation related to unlawful rebates. Motion was made by Ms. Wenger, seconded by Mr. Wuertz, to authorize the Executive Director to seek an opinion from the Attorney General's office on the meaning of K.S.A. 58-3062(a)(3) and (4) with respect to unlawful rebates. Motion carried unanimously.

Mr. Wisner will consult with Ms. Fertig in development of the request and have a full review at the February meeting before submission.

Mr. Wisner presented the final draft of K.S.A. 58-3086 that clarifies requirements for advertising by teams and individuals revised by staff since the last meeting. Per request from the Kansas Association of Realtors, the phrase "real estate" was removed from the list of prohibited terms.

Motion was made by Mr. Wuertz, seconded by Ms. Wenger, to authorize the Executive Director to introduce legislation to make changes to K.S.A. 58-3086. Motion carried unanimously.

2017 I-Team Policy Update

Mr. Wisner presented a review of the general policy items discussed by I-Team in 2017. Most items have been previously presented to the Commission, except for items from the November 14, 2017 meeting. I-Team discussed developing an educational course to offer to licensees being assessed discipline in lieu of a monetary fine or other action.

Mr. Schlosser recessed the KOMA meeting at 10:37 a.m.
Mr. Schlosser reconvened the KOMA meeting at 10:46 a.m.

Licensee, Education and Exam Report

Ms. White informed the Commission there were 15,862 licensees as of December 1, 2017, this is up 888 since last year.

Staff approved five elective courses in November.

In November, there were 219 exams taken with an overall pass rate of 66%. There were 12 broker exams with a pass rate of 67%, and 207 salesperson exams with a pass rate of 66%. Two brokers and 29 salespersons tested by waiver for equivalent requirements.

In FY2018, there were 1,342 exams administered with an overall pass rate of 63%. 21 brokers and 178 salespersons tested by equivalent requirements, brokers had a 100% pass rate, and salespersons had an 86% pass rate.

Ms. Nutt presented a copy of the new license law book.

Director's Report

FY2018 real estate fee fund receipts are \$522,381. This is 5% above estimates. Real estate fee fund expenditures for FY2018 are \$391,400. This is 5% or \$49,716 less than estimated.

The real estate fee fund balance is currently \$730,701 which is up \$261,594 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 \$49,111 which is 1% below estimates. Real estate recovery fund receipts for FY2018 are \$4,887 and the balance in the fund is at \$267,240.

The old licensing system was deactivated on December 4, 2017. The new system went live for internal users on December 8, 2017. The go-live date for licensees and the public is still pending.

The public hearing for KAR 86-3-26 through 86-3-28 (Agency forms adopted by reference) is scheduled for February 19, 2018.

Mr. Wisner provided a review of the status of active legal files. There are currently 385 active files. The oldest non-litigation complaint pending review is from July 11, 2017. The oldest disciplinary file pending Commission staff review is August 9, 2016 and the oldest file pending review by the Attorney General's office is February 5, 2016.

Mr. Vaught requested staff obtain information on real estate licensing in Nova Scotia regarding the separation of commercial and residential licenses.

Adjournment

Mr. Schlosser adjourned the meeting at 11:01 am