

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

November 15, 2018

The Louisiana Real Estate Commission reconvened its regular meeting on Thursday, November 15, 2018, at 9:00 a.m., at 9071 Interline Ave, Baton Rouge, Louisiana, according to regular call, of which all members of the Commission were duly notified, at which meeting the following members were present:

COMMITTEE

Steven Hebert, Chairman
Deanna Norman, Secretary
Lacy Baaheth - arrived at 9:27 am
Jeffrey Donnes
Jeff Free
Eloise Gauthier
Rodney Greenup
Matt Ritchie
Patrick Roberts, Jr.
Evelyn Wolford

STAFF

Arlene Edwards
Summer Mire
Ryan Shaw
Mark Gremillion
Robert Maynor
Telly Hollis
Malissa Fowler
Debbie DeFrates
Dusty Evans
Jenny Yu

GUESTS

Brent Lancaster – Bob Brooks School
Norman Morris – Louisiana REALTORS
Lisa Baker – Burk Baker School of Real Estate and Appraising
Tom Bowes
Jan Murillo

Commissioner Reinauer was unable to attend the meeting.

MINUTES

Commissioner Norman made motion, seconded by Commissioner Gauthier, to approve the minutes of the meeting of October 18, 2018. Motion passed without opposition.

(Attachment A)

COMMITTEE REPORTS:

1. Budget – Mrs. Yu reviewed the budget report with the Commissioners. She stated that revenues are down \$10,000 from the same period last year due to fewer citations being issued. She stated that the budget is in good shape. Mr. Unangst stated that he requested that Mrs. Yu move \$15,000 in funds into postage to cover a mail out to all licensees letting them know that renewals have begun.

(Attachment B)

2. Education/Research/Publication – Commissioner Gauthier stated that Train the Trainer sessions went well. She stated that the only request she received was that the Broker Mandatory course be developed in the future instead of only supplying the outline.

She also stated that the Commissioners received a letter from Mr. James Lindsay asking that brokers over 65 be exempt from continuing education requirements. Chairman Hebert asked if there had ever been a waiver.

After discussion, Commissioner Norman made motion, seconded by Commissioner Roberts, to deny Mr. Lindsay's request. Motion carried without opposition.

(Attachment C)

Commissioner Gauthier stated that Mr. Lancaster wanted to speak to the Commission regarding State Reporting. Mr. Lancaster stated that he recently had a phone call with State Reporting. He stated that during this phone call it came to light that the owner of State Reporting also owns a school. He stated that he views this as a conflict of interest. He stated that he would feel more comfortable sending his data directly to the Commission instead of to State Reporting. He stated that he believes that a solution would be to allow vendors to opt out of using State Reporting.

Mr. Unangst stated that he does not believe this to be a conflict of interest because the agreement signed between the LREC and State Reporting strictly prohibits the owner's school from teaching courses in Louisiana. He stated that any other courses taught by the owner's school out of Louisiana were outside of the LREC's jurisdiction. He stated that the Commission needs to consider the protection of the consumer over the protection of the vendors from competition.

Mrs. Baker stated that she disagrees with Mr. Unangst. She stated that she believes that it is a conflict of interest and that she believes that the pitch to the Commission was made in bad faith and that the agreement should be terminated. She stated that she has other issues with State Reporting, but none bigger than this one.

Commissioner Gauthier asked Mrs. Baker what other issues she has experienced with the service. She stated that she has entered data and had it show up incorrectly on the website with no way to prove that she entered it correctly. Mr. Unangst stated that this is an issue and that it is being addressed and will be fixed.

Chairman Hebert asked how an owner of a school who has pledged not to teach in Louisiana will gain a competitive edge over other vendors by collecting data on Louisiana courses. Mr. Lancaster stated that he has issue with the fact that he believes State Reporting was not truthfully represented. He stated that he believes that State Reporting has an opportunity to suppress information provided by a Louisiana vendor. Chairman Hebert stated that he believes the contract language should be addressed to ensure that there is no conflict of interest. Mr. Unangst stated that he thinks it would be a good idea to have Ms. Edwards take another look at the contract to ensure that there is language protecting vendors from competition. Chairman Hebert stated that after ensuring the language was ironclad the Commission needs to have a discussion with State Reporting regarding the penalties if any issues with competition were discovered.

Mr. Lancaster asked if the Commission would have to accept an RF-4 form turned in by a vendor. Mr. Unangst stated that he would defer to the language of the contract to answer that question.

Chairman Hebert stated that he believed that the discussion of this issue has been exhausted and that the contract should be reviewed and a discussion should be had with State Reporting to ensure that they understand the zero tolerance policy for competition.

Commissioner Gauthier stated that she would get with Ms. Edwards and have a report prepared for next month's meeting.

3. Legal/Legislative/Timeshare – Commissioner Ritchie stated that the Commissioners were given a draft of the proposed new chapter 26 of the rules and regulations, which relate to property management. He stated that this is simply an attempt to bring all rules related to property management into one section and does not make any changes to the existing rules.

Commissioner Ritchie made motion, seconded by Commissioner Gauthier, to approve the proposed Chapter 26 Residential Property Management rule draft. Motion carried without opposition.

Commissioner Ritchie stated that the Commission received a letter from Mr. Thomas Bowes regarding a timeshare registration. He stated that he has a contract on a property that has not closed yet. He stated that he is requesting that the Commission allow him to make application for timeshare registration on the property prior to the closing.

Ms. Edwards stated that the law is clear that an individual must own a property prior to making application for timeshare registration. She stated that she can look in to it further, but that she cannot recommend that the Commission go against the law. She stated that she would get more information to the Commissioners prior to the next meeting.

(Attachment D)

4. Standardized Forms – Commissioner Roberts thanked Ms. Shaw for updating the Deposit Addendum to include a “held by” line. He also stated that he has heard a lot of good feedback from around the state regarding the new contract.
5. Strategic Planning – No Report
6. Errors & Omissions – No Report
7. Technology – No Report

DIRECTORS REPORT:

Mr. Unangst introduced Mrs. Karen Buratt who has recently joined the LREC staff as the front desk receptionist.

Mr. Unangst stated that the Louisiana Interactive approval has gone through on the senate side and now we are just awaiting approval on the house side. He stated that after approval, the Commission will begin publishing digital forms for online completion/payment.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

None

EXECUTIVE SESSION

None

There being no further business, Commissioner Roberts made motion, seconded by Commissioner Greenup, to adjourn. Motion passed without opposition.

STEVEN HEBERT, CHAIRMAN

DEANNA NORMAN, SECRETARY