

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

April 15, 2021

The Louisiana Real Estate Commission held its regular meeting on Thursday, April 15, 2021, at 10 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

Lacy Baaheth, Chairman
Matt Ritchie, Vice Chairman
Jeff Free, Secretary
Paula Duncan
Eloise Gauthier
Ted Major
Joe Pappalardo, Jr.
Patrick Roberts, Jr.

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Ryan Shaw
Jenny Yu
Mark Gremillion
Dusty Evans
Tom Devillier
Telly Hollis
Allison O'Toole
Logan Cockerham
Henk vanDuyvendijk

GUESTS

Kim Callaway – Louisiana REALTORS®
Val Richard – Keller Williams
Daisy Broadway – Keller Williams
Tracy Bethley – Dream Home
Anna Trimble – Burk Baker School of Real Estate and Appraisal

Commissioners Devillier, Greenup, and Norman were unable to attend.

MINUTES

Commissioner Gauthier made motion, seconded by Commissioner Duncan, to approve the minutes of the meeting of March 18, 2021. Motion carried without opposition.

(Attachment A)

COMMITTEE REPORTS:

1. Budget – Commissioner Free reviewed the budget report with the commissioners. He stated that the new budget projections are based on an increase in operating expenses due to staff retirement and market adjustments. He stated that travel costs are down due to the COVID pandemic. He stated that the general operating fund is down due to E&O Insurance payouts. He stated that the license count is the highest that it has been. He stated that the budget is in good shape and the agency is in good standing.

(Attachment B)

2. Education/Research/Publication – Commissioner Gauthier stated RFP has been sent out and responses are due by May. An Education Committee meeting will be held in May for selection of the RFP.
3. Legal/Legislative/Timeshare – Commissioner Ritchie discussed HB 258 with the Commission. Mr. Unangst reviewed current CE handling processes with the Commissioners. He stated that current law states that licensees must complete their 12-hour requirement prior to renewal. He stated that currently licensees have until March 31 to renew their licenses by the end of the delinquent period. He stated that people generally fall into three groups, 1) those who renew on time with education completed, 2) those who do not complete their education prior to 12/31 and choose to renew delinquently after they complete their education, and 3) those who simply do not renew. He stated that licensees renewing delinquently are required to complete an affidavit swearing that they did not practice in the period after expiration on 12/31 and when they renewed. This affidavit must be notarized.

Mr. Unangst stated that the purpose of HB 258 is to eliminate the need for the affidavit by moving the renewal period to earlier in the year and making November and December the delinquent period. This will also eliminate any lapse in E&O coverage. He stated that the only push back he has heard at this time is in relation to education. He stated that some people have an issue with licensees potentially losing their licenses because they did not complete their required continuing education prior to 12/31.

Mr. Unangst stated that between the new education reporting system and the transcript updates that show what the licensee is missing from their required education licensees should have no issue knowing what they must complete prior to 12/31.

Commissioner Ritchie thanked Mr. Unangst for his review of the education requirement issues and asked if Mr. Devillier or Ms. Callaway had any comments.

Ms. Callaway stated that in her review in preparation for this bill she came across an existing portion of the law that states that education is due prior to renewal. She stated that she believes that the Commission should consider amending the existing law to align with agency practices.

Commissioner Ritchie asked Mr. Unangst how many licensees made no effort following 3/31 to renew their licenses. Mr. Unangst stated that the vast majority of individuals who do not comply by 3/31 choose to retire or let their licenses go.

Mr. Unangst asked Mr. Devillier to discuss the penalties outlined in HB 258. Mr. Devillier stated that the current process is that a list is generated after 3/31 for those that did not complete their continuing education. Those on the list are fined based on how many times they have violated the continuing education requirement. He stated that the new bill states that those who are included in the CE audit must pay the issued fine and complete the mandatory course in order to keep their license.

Mr. Unangst stated that it would be up to the Commission to determine if they would like to keep the current language of the law and move the delinquent periods or if they would like to add additional language regarding grace periods or waiver applications.

Mr. Unangst stated that the bill is currently in a holding pattern until the determinations have been made and the bill is in the posture that the Commissioners desire.

Ms. Callaway suggested that the Commissioners watch the bill and see where it is until the May meeting and take action at that time if they deem necessary. She stated that the two things that she believes that the Commissioners need to determine are 1) when do they want the license to be renewed and 2) what do they want to do about the current fees and penalties.

Mr. Unangst stated that he believes that it would be better for the Commissioners to determine what language adjustments they would like to make prior to the May meeting.

Ms. Callaway stated that the issue is that the current law states that education must be completed prior to renewal, which means that someone who chooses to renew in September would have to complete their education on or before the date of renewal. Mr. Unangst asked Ms. Edwards for her opinion. She stated that she believes that the current law language stating that education should be completed prior to renewal should be removed or amended. She stated that this is how attorneys complete their continuing education.

Mr. Devillier stated that based on the way that the bill and current law are written can be interpreted to mean that the "license renewal" occurs on 1/1 and that the application date is not what is important.

Commissioner Pappalardo stated that he is in favor of Ms. Edwards' suggestion to remove the current law language that may confuse the goal of the bill.

Ms. Callaway stated that she believes that removing the language will achieve the goal of clarifying the purpose of the bills. She stated that she is meeting with her bill review team next week and that there may be additional amendments requested from that process.

Commissioner Pappalardo stated that it may be helpful to also include when payment is due in the language for clarification purposes.

Mr. Unangst stated that he agrees with Mr. Pappalardo that it will be an education effort. He stated that staff has been collecting licensees' email addresses, which will be used for notices regarding the changes to the renewal period. He also stated that he would plan to use paper mailings, social media, and user portals to educate licensees as well.

Commissioner Pappalardo stated that he believes that brokers and instructors should also be asked to inform their sponsored agents and students of the changes.

Commissioner Ritchie asked what action the Commission needs to take on this bill at this time. Mr. Unangst stated that staff will work with Louisiana REALTORS to get the bill into the best posture for passage.

Mr. Devillier stated that he believes that an edit to section 1455 of the law to make CE penalties either censure or a fine and then a review of the current cite and fine schedule may achieve the goal of clarification.

Commissioner Pappalardo asked what would be accomplished by adding the additional language suggested by Mr. Devillier. Mr. Devillier stated that the authority that would be removed in his proposed language is never used. Ms. Edwards stated that she does not agree with Mr. Devillier that the authority should be removed. She stated that having the option hurts nothing even if it is rarely or never used, but that removing it takes away a power of the Commission. She stated that the removal of the ability to censure or revoke for continuing education violations would possibly make licensees feel more comfortable not completing their education if the only penalty is a fine.

Commissioner Pappalardo made motion, seconded by Commissioner Gauthier, to proceed with the bill while allowing staff, LR, and other stakeholders to revise the current bill language before it is moved to committee. Motion passed without opposition.

4. Standardized Forms – Commissioner Robert stated that the committee will be meeting at the Marriott at 1:00 on May 6 to review the mandatory forms. He stated that Commissioners are welcome to attend, but that they need to let Ms. Mire know as soon as possible to ensure proper notice is posted if there will be a quorum.
5. Errors & Omissions – Mr. Unangst stated that the RISC Insurance has finalized the sale of their company to Assured Partners, Inc. but that they are still managing day-to-day operations and that there has been no change to the LREC E&O processes.
6. Technology – Ms. Shaw stated that staff is working on upgrades to in-house licensing software to speed processing times and meet staff demands. She also stated that staff is continuing to work on the development of digital forms and plans to have the first forms ready for testing in early May. She stated that testing will be the final step before the forms go live online for stakeholder use.

DIRECTORS REPORT:

Mr. Unangst stated that the most recent COVID proclamation by Governor Edwards removed the telecommuting language for state workers, so the LREC is back to operating with full staff in house.

Mr. Unangst stated that IT Director Damien Smart and Mr. Gremillion are working with Pearson VUE to move testing from PSI. He stated that the target date for switching is September.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Case No. 2021-03: Lashonda Williams (BROK.995693184-ACT) - Mr. Devillier stated that Ms. Williams signed a consent order stating that she accepts her suspension and will return to the Commission for a reassessment after her case is settled.

Commissioner Roberts made motion, seconded by Commissioner Pappalardo, to approve the signed consent order. Motion passed without opposition with Commissioner Baaheth recusing herself.

Case No. 2020-001: Kelly Temple (SALE.995688291-ACT) - Mr. Devillier stated that Ms. Temple signed a consent order agreeing to the emergency order.

Commissioner Roberts made motion, seconded by Commissioner Gauthier, to approve the signed consent order. Motion passed without opposition.

EXECUTIVE SESSION

None

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

LACY BAAHETH, CHAIRMAN

JEFF FREE, SECRETARY