

State of Louisiana Louisiana Real Estate Commission

SEPTEMBER 7, 2023 MEETING MINUTES

On Thursday, September 7, 2023, the Louisiana Real Estate Commission ("LREC" and/or "Commission") conducted its regularly-scheduled, monthly meeting in-person and at the Commission's domicile office located at 9071 Interline Avenue, Baton Rouge, LA 70809 in accordance with La. R.S. 37:1430 *et seq* and other applicable law.

Commission Members Present:

Mr. Jeff Free, Chair (Sup. Ct. Dist. 2) Mr. Rodney D. Greenup, Sr. (At-Large)

Ms. Paula Duncan, Vice Chair (Sup. Ct. Dist. 3)

Ms. Doneva Halphen (Sup. Ct. Dist. 1)

Mr. Joseph Pappalardo, Jr. Secretary (Sup. Ct. Dist. 7) Mr. Theodore Major (At-Large)

Ms. Hanna Chustz (Sup. Ct. Dist. 5)

Mr. Matt Ritchie (Sup. Ct. Dist. 4)

Ms. Synde Devillier (Sup. Ct. Dist. 6) Mr. Rodney D. Greenup, Sr. (At-Large)

Commission Members Absent:

Mr. Tony Cornner (3rd Congress. Dist.)

Staff Present:

Ms. Summer S. Mire, Executive Director Ms. Malissa Fowler

Mr. Thomas E. Devillier, Deputy Director/Executive Mr. Mark Gremillion

Counsel

Ms. Arlene C. Edwards, General Counsel Ms. Telly Hollis

Ms. Amanda Constantine Ms. Allison OToole

Ms. Debbie DeFrates Mr. Jeremy Travis

Ms. Dusty Evans Ms. Nikki Wallace

Ms. Sloane Watts

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Others Present:

Ms. Kim Callaway, Louisiana REALTORS Mr. Taylor Hou, Triple Tied Out

Mr. Wardell Coward Mr. Rick Roberts

Ms. Sheila Greenup Ms. Annette Ross – Janet Parker Court

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I. CALL TO ORDER

Chair Jeff Free called the meeting to order at or about 10:00 a.m. A roll call was conducted in open meeting. See attendance detailed above. Commissioner Major led the invocation; and Chairman Free led the Pledge of Allegiance.

II. PUBLIC COMMENTARY

Mr. Rick Roberts provided a brief overview of the August 31, 2023, Standardized Forms Workgroup meeting. The meeting was held virtually via Zoom and addressed final revisions to the Commission's mandatory forms: (1) *Residential Agreement to Buy or Sell*; (2) *Property Disclosure Document*.

III. APPROVAL OF MINUTES OF AUGUST 17, 2023

Commissioner Pappalardo made a motion, which was seconded by Commissioner Devillier, and unanimously approved to adopt the minutes of the August 17, 2023, meeting as written and circulated (Exhibit A).

IV. PERSONAL APPEARANCES (SEE OFFICIAL TRANSCRIPT/RECORD)

- 1. <u>Case No. 2023-0441; In re: Roberto Miguel Rodriquez</u>: Mr. Rodriquez requested an eligibility determination and applied for authorization to obtain a real estate license in accordance with R.S. 37:1430 et seq. Mr. Rodriquez was placed under oath by Ms. Ross. Mr. Devillier presented information regarding hearing procedure and questioned Mr. Rodriquez, who confirmed on record that he waived objections to the introduction of the proposed *Findings of Fact, Conclusions of Law, and Order* and related exhibits (Exhibit B). Commissioner Devillier made a motion, which was seconded by Commissioner Pappalardo, to introduce all exhibits submitted *en globo*. Mr. Rodriquez proceeded with his testimony. Commissioner Halphen made a motion, which was seconded by Commissioner Pappalardo, to approve Mr. Rodriquez' request to obtain a real estate license. Motion carried unanimously.
- 2. <u>Case No. 2023-0480</u>; *In re: Christopher Ellis*: Mr. Ellis did not appear for his scheduled hearing, and the hearing was continued.

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3. Case No. 2023-0504; In re: Jamasha Delcambre: Ms. Delcambre requested an eligibility determination and applied for authorization to obtain a real estate license in accordance with R.S. 37:1430 et seq. Ms. Delcambre was placed under oath by Ms. Ross. Mr. Devillier explained that due to staff / information technology errors, two (2) emailed notices sent to Ms. Delcambre were not successfully transmitted and/or did not include attachments of the proposed Findings of Fact, Conclusions of Law, and Order and related exhibits. Due to this error, Ms. Delcambre did not have proper notice prior to the hearing. Mr. Devillier and Ms. Edwards thoroughly explained to Ms. Delcambre her options on proceeding with the hearing as scheduled or rescheduling the hearing. Ms. Delcambre stated on the record that she waived all notice requirements and would move forward with the hearing rather than rescheduling until the next Commission meeting date. Mr. Devillier presented information regarding hearing procedure and questioned Ms. Delcambre, who confirmed on record that she waived objections to the introduction of the proposed Findings of Fact, Conclusions of Law, and Order and related exhibits (Exhibit C). Commissioner Devillier made a motion, which was seconded by Commissioner Halphen, to introduce all exhibits submitted en globo. Ms. Delcambre proceeded with her testimony. Following Ms. Delcambre's testimony and questions from the Commissioners, Commissioner Smith-Coward made a motion, which was seconded by Commissioner Major, to reschedule Ms. Delcambre's hearing to a later date. The motion failed 3-6 with Vice-Chair Duncan, Secretary Pappalardo, and Commissioners Chustz, Devillier, Halphen, and Ritchie voting in opposition. Commissioner Devillier made a motion, which was seconded by Commissioner Halphen, to deny Ms. Delcambre's request to obtain a real estate license. The motion failed 3-6 with Vice-Chair Duncan, Secretary Pappalardo, and Commissioners Chustz, Greenup, Major, and Smith-Coward voting in opposition. Commissioner Pappalardo then made a motion, which was seconded by Commissioner Greenup, to approve Ms. Delcambre's request to obtain a real estate license. The motion carried 6-3 with Commissioners Devillier, Halphen, and Ritchie voting in opposition.

V. COMMITTEE REPORTS

1. <u>Budget</u>. Secretary Pappalardo provided a review of the Commission's budget report Exhibit D). Secretary Pappalardo also briefly discussed the renewal statistics for the current renewal period. Secretary Pappalardo concluded his report by commending the Commission's accounting division on a job well done. During the most recent audit, the Commission received an A-plus rating.

2. Education. No report.

3. <u>Legal / Legislative</u>. Ms. Mire delivered an update on the fingerprinting and background check process that began on July 1, 2023. Ms. Mire stated that she and Mr. Devillier recently met with staff at the Louisiana State Police. LSP is currently working on implementing a digital fingerprinting system across the state. The new process will decrease the processing time for background check results to two (2) days (in-state applicants) and seven (7) days (out-of-state applicants). Ms. Mire stated there are approximately fifty (50) locations in Louisiana. The Commission is currently waiting on authorizations from the FBI and LSP to begin implementing the new digital process. Ms. Mire stated there would be a slight increase in pricing, but that the costs would be worth it to some applicants due to the current lengthy turnaround for results. Mr. Devillier stated that the price is set by LSP and not by the Commission. Ms. Mire stated that the Commission would release a new set of guidelines and communications alerting applicants of the new process.

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Ms. Mire opened a discussion on continuing education and post-licensing education audit fines. Ms. Mire stated that under past administration, the Commission granted the executive director the ability to waive fines in the instance that a person had both a continuing education audit case and a post-licensing audit case at the same time, resulting in two, separate three hundred- and twenty-five-dollar (\$325.00) fines. In that instance, the former executive director would allow one of those fines to be waived. Ms. Mire said that authorization had not been granted to her and asked the Commission how they would like to handle these situations. After a brief discussion on the topic, Commissioner Halphen made a motion, which was seconded by Secretary Pappalardo, and unanimously approved to grant Ms. Mire the authority and discretion to waive certain fines, including but not limited when a person has been fined pursuant to both a continuing education audit and post-licensing education audit citation.

- 4. <u>Standardized Forms</u>. Commissioner Halphen provided an update regarding the Standardized Forms Workgroup. Commissioner Halphen stated the workgroup had completed updates to both mandatory forms (Property Disclosure Document and the Residential Agreement to Buy or Sell Form). Commissioner Devillier made a motion, which was seconded by Secretary Pappalardo, and unanimously approved to adopt the revisions to the mandatory forms. Ms. Mire reminded the Commission that both forms will have a mandatory effective date of January 1, 2024.
 - 5. Technology. No report.

VI. EXECUTIVE DIRECTOR REPORT

- 1. <u>IT Director Position</u>. Ms. Mire stated that she will meet with three applicants to fill the open IT Director position this week.
- 2. <u>ARELLO Conference</u>. Ms. Mire reminded the Commission that the ARELLO Conference will take place September 18 22, 2023.
- 3. <u>Building Maintenance and Landscaping</u>. Ms. Mire alerted the Commission that she recently met with landscaping and power washing companies to perform maintenance around the LREC office. Ms. Mire stated that she is planning to decide soon on having an irrigation system installed and repairs to the fencing.

VII. UNFINISHED BUSINESS

None.

VIII. NEW BUSINESS

1. <u>Short Term Rentals</u>. Commissioner Greenup made a motion, which was seconded by Commissioner Smith-Coward, and unanimously approved to add a discussion regarding short term rentals to the agenda. Commissioner Greenup said the New Orleans City Council is proposing to eliminate all short-term rentals in residential neighborhoods and only commercial short-term rentals will be available. Commissioner Greenup said this might be only a problem for New Orleans

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right now, but it could become a problem statewide. Commissioner Greenup continued stating he is unsure what course of action the Commission can take at this moment, but he believes this is an issue that the entire real estate industry should take seriously. Commissioner Greenup said that he's received numerous calls on the subject from real estate agents in Covington and Slidell, and that he's also met with private legal counsel. Commissioner Greenup then opened the floor to the Commission for suggestions on what course of action can be taken. Commissioner Ritchie asked for clarity on what is considered a short-term rental and if this issue is happening anywhere else. Commissioner Greenup stated that any rental under thirty (30) days is considered short term and Commissioner Duncan stated that she's experienced similar issues in Lafayette. Commissioner Ritchie asked Ms. Edwards and Mr. Devillier what action the Commission could take on the issue. Ms. Edwards stated that as Commissioners, they are only allowed to regulate the Louisiana Real Estate License Law and related rules. However, if they have some concerns they'd like to express, they can appear at other public meetings in an individual capacity to voice an opinion. Ms. Callaway said the issue is something that Louisiana Realtors and New Orleans Metropolitan Association of Realtors are both monitoring. Ms. Callaway mentioned that Louisiana Realtors recently completed a survey and that one of the questions asked during the survey dealt with the impact of short-term rentals. Ms. Callaway said the study results will be released in late September. Commissioner Duncan stated that the Real Estate Association of Acadiana are also monitoring the situation.

2. Compliance Property Management Audits – Taylor Hou, Triple Tied Out/APM Help. Commissioner Ritchie introduced Mr. Hou. Mr. Hou delivered a presentation on specialized trust accounting and auditing. Mr. Hou stated his company started primarily to help property managers pass their trust account audits in other states and began noticing that state regulators also needed help performing audits. Mr. Hou submitted a proposal to the Commission to offer his company's services when the Commission receives property management complaints. Commissioner Ritchie added that having a company that specializes in forensic accounting would be a useful tool when the Commission receives such a complaint. Ms. Mire stated that the Commission does not receive many property management complaints but that Mr. Hou's company could be used to gather detailed facts and evidence so that the Commission can make an informed decision. Commissioner Ritchie made a motion, which was seconded by Commissioner Greenup, and unanimously approved to authorize Ms. Mire to execute a contract with Triple Tied Out/APM Help for the purpose of providing the Commission with investigative auditing services relative to its property management compliance cases.

IX. EXECUTIVE SESSION

None.

X. ADJOURNMENT

There being no further business, Commissioner Devillier made a motion to adjourn, which was seconded by Commissioner Halphen, and unanimously approved.