

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

March 27, 2014

The Louisiana Real Estate Commission held its regular meeting on Thursday, March 27, 2014, 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:

COMMISSION

Paul Burns, Chairman
James Gosslee, Vice Chairman
Lynda Nugent Smith, Secretary
Patrick Caffery, Jr.
Archie Carraway
Steven Hebert
Cynthia Stafford
Frank Trapani
Evelyn Wolford

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Defrates
Mark Gremillion
Chad Mayo
Robert Maynor
Ryan Shaw
Marsha Stafford
Jenny Yu

GUESTS

Jean Carraway
Chris Donaldson – Donaldson Real Estate School
Rachel Lenox – Bob Brooks School of Real Estate
Norman Morris – Louisiana REALTORS
Dr. Roy Ponthier – ProEducate

Commissioner Caffery led the Invocation; Commissioner Gosslee led the Pledge of Allegiance.

MINUTES

Commissioner Trapani made motion, seconded by Commissioner Caffery, to approve the minutes of the meeting of February 20, 2014. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that revenues are up \$18,275.00. Travel costs, operating expenses, and professional services fees are all down. Personnel expenses are slightly up due to retirements and insurance costs.

(Attachment A)

2. Education/Research/Publication – No Report.

3. Legal/Legislative/Timeshare – Commissioner Gosslee stated that the committee will meet in April to discuss the issue of teams.
4. Standardized Forms – Commissioner Wolford stated that is still reviewing the current contract and is getting feedback from sources such as Louisiana REALTORS and other local boards. She has met with title attorneys to get their input as well.
5. Strategic Planning – Commissioner Nugent Smith stated that the committee has engaged Robin Kistler from LSU to assist with the strategic plan. The current plan is the survey and scheduling phase. She hopes to have a meeting in the upcoming months once new commissioners have been appointed.
6. Errors & Omissions – No report.

DIRECTORS REPORT:

Mr. Unangst stated that he received a letter from Mr. Brent Lancaster at 4:53 p.m. the day prior to the meeting (March 26, 2014). Mr. Lancaster requested an extension for the public hearing that is to be held directly following the regular business meeting. The Commission cannot ignore or violate the law in regards to holding a hearing in the appropriate time frame. The Commission is legally required to hold the hearing as scheduled.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Trapani made motion, seconded by Commissioner Stafford, to approve the stipulation and consent orders as presented to the Commission. Motion carried without opposition.

(See Attachment B)

Pending Legislation -House Bill 869:

(See Attachment C)

Commissioner Hebert stated that he does not see a purpose for this bill and is conflict with Louisiana REALTORS on their standing. He sees the bill as taking a step backward and feels there is a need for an assessment test for the post-licensing course. He stated there needs to be higher standards and accountability. He feels that Louisiana REALTORS is worried that a licensee would lose their license if they could not pass the exam. The intent of the Commission is not to have anyone fail the exam and lose their license. He stated that he has been very vocal on this issue since being placed on the Commission and feels the post-licensing curriculum is good.

Commissioner Hebert made motion, seconded by Commissioner Caffery, to oppose House Bill 869. Commissioner Caffery stated that he agrees with Commissioner Hebert. He explained that he had a resolution unanimously passed by the Legislature in 2007 to upgrade education in the real estate industry. He feels that there needs to be an assessment test to determine the effectiveness and merit of the course. Commissioner Hebert stated that he feels that a compromise can be made with Louisiana REALTORS on amended language and is willing to listen to more. Commissioner Wolford stated that she has no problem with the course being assessed but does want to make sure that licensees would not lose their license if they could not pass the test. She is uncomfortable with the way the law is currently written but would be comfortable working together to change it.

Mr. Morris stated that he feels everyone is on the same page. He stated that Louisiana REALTORS is in total support of the new post-licensing course. He stated that he feels an amendment can be made to allow for a provision of an assessment test that doesn't require a pass or fail score. He stated that they are willing to hold the bill for a week or two to allow for an amendment to be made but does not want to hold the bill for any longer.

Commissioner Gosslee asked if the vote should be delayed until an amendment can be made. Commissioner Caffery feels that the decision should be made today and not at a later date as other

decisions may be made under duress. Commissioner Gosslee asked Mr. Morris if the bill was opposed today, would it create a problem for moving the bill forward?

Mr. Unangst stated that the HB 869 has already been approved by committee and has been moved to the House for floor vote. The vote was scheduled for today but Mr. Unangst had it removed from floor vote due to opposition by the Commission. Mr. Morris agreed not to push the bill any further until the Commission agreed with the language. The legislative session runs until June 2, 2014, therefore there is no immediate rush to amend the language today. The Commission can meet in April and make a decision of language then. Commissioner Caffery stated that he feels trying to work out language before a full Commission vote is irresponsible and unfair to the Commission.

Commissioner Stafford stated that she is against testing for a pass/fail grade. She doesn't want to see a licensee lose their license.

Mr. Morris suggested that the Commission not make a motion on the current bill and that he will commit that if language isn't agreed upon, then the bill will not be passed. He wants to work with the Commission and facilitate language together. Commissioner Caffery stated that he is just now hearing about this bill and is not comfortable moving forward without a vote.

Mr. Unangst stated that he met with Malcolm Young and Mr. Morris prior to their filing of the bill. Mr. Unangst told them that they needed to come before the Commission to present the bill before filing it. This was not done. Mr. Unangst recommended that the Commission vote to oppose House Bill 869.

Commissioner Trapani asked Mr. Morris if language is agreed upon at the April 17th meeting and voted on, will this give time to move the bill through legislation? Mr. Morris agreed that this would give time and that he is willing to work in unison with staff and the Commission and that he has great respect for Mr. Unangst and the Commission.

Commissioner Trapani made an amendment to the previous motion to allow reconsideration of the motion if it passes today and to seek amendment to House Bill 869. Motion seconded by Commissioner Wolford. After discussion, this motion was withdrawn.

Dr. Ponthier stated that until LREC knows there is a solid assessment and a solid course, this needs to be tried. The assessment test needs to be taken and used as a learning tool for the curriculum. He agrees that it is a bad idea to make it a pass or fail test. But, input from an assessment test can be used for changes to the curriculum. Assessment should be used as a tool.

Commissioner Caffery went on the record to state that he is not opposed to working with Louisiana REALTORS to propose language for an amendment. But, he does not feel that HB 869 is acceptable in its current form. Commissioner Wolford feels like a bill can be drafted that everyone is happy with by getting rid of any mandatory pass/fail language.

Mr. Unangst stated that the question is whether this or future Commissions can be trusted not to change the testing requirement. At the October 2013 Commission meeting, testing was discussed and a decision was made to maintain the current rule of Chapter 5527. Current online testing gives the correct answer if a licensee misses the question. He feels this is a great teaching aid. If HB 869 was passed in its current form, this would do away with assessment testing and using that type of testing as a teaching aid.

Mr. Morris noted that the law is silent under post-licensing for testing. He said the language needs to be right in the law so that there is language pertaining to the rule. He thanked the Commission for their time.

Dr. Ponthier requested that the Commission ensure that vendors be able to continue working with ARELLO.

Chairman Burns asked Ms. Mire to read back Commissioner Hebert's earlier motion. Ms. Mire stated that Commissioner Hebert made motion to oppose House Bill 869. That motion was seconded by Commissioner Caffery. Motion then carried unanimously.

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

PAUL BURNS, CHAIRMAN

LYNDA NUGENT SMITH, SECRETARY