

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

March 17, 2016

The Louisiana Real Estate Commission held its regular meeting on Thursday, March 17, 2016, at 10:00 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

Lynda Nugent Smith, Chairman
Evelyn Wolford, Vice Chairman
Steven Hebert, Secretary
Paul Burns
Jeff Donnes
Kelly Ducote
James Gosslee
Deanna Norman
Richman Reinauer
Frank Trapani

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Debrates
Dusty Evan
Mark Gremillion
Robert Maynor
Chad Mayo
Ryan Shaw
Stacy Sharpe
Jenny Yu

GUESTS

Lisa Baker – Burk Baker School of Real Estate & Appraisal
Brei Delahoussaye – Louisiana REALTORS
Rick Roberts
Tim Tullos

Commissioner Stafford was unable to attend the meeting.

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

MINUTES

Commissioner Trapani made motion, seconded by Commissioner Wolford, to approve the minutes of the meeting of February 18, 2016. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Reinauer reviewed the budget report with Commissioners.
(Attachment A)
2. Education/Research/Publication – Commissioner Ducote stated that the committee met prior to the regular business meeting. Discussion took place on the 2017 mandatory CE topic, pre and post licensing course test pass rates, and supplemental consulting/training courses. It was determined that the committee would discuss next month whether there is enough information from the changes being made to the standardized forms to warrant a 4-hour topic on the Buy/Sell Agreement and Residential Property Disclosure forms.
3. Legal/Legislative/Timeshare – SB 259 has been pre-filed with the Louisiana Legislature. This bill is the “clean up” bill for LREC license law.
4. Standardized Forms – Commissioner Wolford stated that the committee would be meeting at 1:00 at the Louisiana REALTORS offices to discuss suggested changes to the mandatory forms.
5. Strategic Planning – Commissioner Gosslee stated that an update has been provided to Commissioners to give everyone an update where the commission is on each item.
6. Errors & Omissions – Commissioner Norman would like to get some additional reports from RISC. Mr. Unangst stated that an RFP for a new insurance bid would need to be developed in July or August if this is the year to bid.
7. Technology – No report.

DIRECTORS REPORT:

Mr. Unangst stated that he was waiting for renewals to be complete to determine how many third time offenders are violators of the continuing education provisions. Originally, third time offenders were to come before the commission to be heard at a hearing. This was decided a few years back when the Cite and Fine schedule was approved. Some of the violators may have been given previous waivers. If the commission would still like to have the third time offenders appear before the commission, staff will be scheduling around 15-20 hearings for these matters. Mr. Unangst reminded the commission that this

will be a time consuming issue as it is an adjudicatory hearing. The alternative would be to determine a third time penalty. Ms. Edwards agreed that this is something that could be done. She reminded the commissioners that if the offender were to appear before the commission in a formal hearing, the offender would be charged with the costs of the hearing as well as whatever fine is imposed. This may cause the licensee not to pay the fine and to not renew. Discussion of alternative fines took place. Commissioner Trapani made motion, seconded by Commissioner Donnes, to set the third time penalty at an informal hearing at \$5000.00. Ms. Edwards explained the full hearing process vs. informal hearing process to the commissioners. Commissioner Trapani stated that he would like to see a penalty that hurts the licensee as they are third time offenders and the violation needs to be taken seriously. Ms. Edwards suggested that the commission go forward as they would any other case in that the licensee can choose whether to go formal or informal in their hearing. She asked that they vote on a fine that they are comfortable with her imposing in an informal hearing. Commissioner Trapani withdrew his motion.

Commissioner Trapani made motion, seconded by Commissioner Donnes, to set the fine at \$2000.00 for third time offenses. After discussion, Commissioner Trapani amended his motion, seconded by Commissioner Donnes, to set the fine at \$1500.00 for third time offenses of continuing education. Chairman Nugent Smith feels it is important to make them understand the importance of continuing education and keeping up with their license. Ms. Edwards stated that she does not think that many licensees will be able to pay that fine and will choose to go to a formal hearing which will then cause them to be assessed the administrative costs, etc. Mr. Maynor suggested that additional CE requirements be considered. After more discussion and vote, motion carried to set the continuing education third time offense at \$1500.00.

Mr. Unangst brought up the current advertising rules and the difficulty in regulating the gray areas. What is considered legally discernible and easily identifiable? He suggested that the commission may want to consider using the terminology "subordinate and dominate in font, style and color". There needs to be more clarified language for enforcement. Chairman Nugent Smith asked if there are other states that have better language and are working. Mr. Unangst stated that there are some states that use the subordinate and dominant language and it appears to be working. An ARELLO Listserve question can be sent out for further information from other states. Commissioner Ducote asked if the violators were repeat offenders and if they are mainly brokers or salespersons? Mr. Unangst stated that in the past, staff has only cited the licensee and has not included the broker. Commissioner Trapani stated that the broker should be held responsible. Commissioner Ducote suggested this topic be added to the broker mandatory course. This will be put under a future Legal/Legislative/Timeshare Committee meeting for discussion.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Resolution of Support for SB 259 (LREC License Law Updates)
Resolution of Support for HB 804 (REAB Appraiser & AMC Law Updates)
Resolution of Support for HB 580 (REAB AMC Proposed Law on Prescriptive Period for Appraisers)
Resolution of Opposition for HB 679 (Proposed Change to REAB AMC Law that Removes Adjudicatory Authority for Board)

Mr. Unangst briefed the Commission on the resolutions for the above Senate and House Bills. Commissioner Wolford made motion, seconded by Commissioner Trapani, to approve the resolutions as presented at the meeting for submission to the Legislature. Motion carried without opposition.

Commissioner Hebert made motion, seconded by Commissioner Trapani, to have a quarterly report on the types of complaints that the commission receives. Motion carried without opposition.

EXECUTIVE SESSION

None

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

LYNDA NUGENT SMITH, CHAIRMAN

STEVEN HEBERT, SECRETARY