

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Tuesday, February 25, 2014

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Henderson, Vice Chairman Thompson, Representative(s) Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon

**ABSENT/
EXCUSED:** Rep. Smith

GUESTS: Kimberly A. Coster, IREC; Michell Bird, IREC; Mike Gamblin, IREC; John Eaton, Realtors

Chairman Henderson called the meeting to order at 1:33 p.m.

MOTION: **Rep. Hixon** made a motion to approve the minutes of February 17, 2014. **Motion carried by voice vote.**

MOTION: **Rep. Hixon** made a motion to approve the minutes of February 19, 2014. **Motion carried by voice vote.**

S 1206: **Jeanne Jackson-Heim**, Idaho Real Estate Commission, presented **S 1206** relating to real estate licensing law. She said an education task force comprised of representatives of the Idaho Association of Realtors and the Real Estate Commission formed to discuss continuing education of licensees. She said the task force identified two concerns. She said the first relates to the continuing education necessary to renew a real estate license. She said licensees renew every two years and must complete a minimum of 16 hours of elective continuing education credit plus one core course. She said the Commission core course cannot exceed 4 hours, so that makes the continuing education requirement a maximum of 20 hours every two years. She said new Commission core courses are developed each year and include instruction on law changes, a case law update, and a hot topics section. She said the law presently requires one Commission core course to be taken every two years, thus many licensees are missing important information from the core course not taken during alternate years. She said **S 1206** would require the Commission core course to be taken every year and a corresponding reduction in the elective hours from 16 to 12.

Ms. Jackson-Heim said the second substantive change pertains to continuing education for new licensees in their first renewal or reactivation period. She said **S 1206** requires a new licensee to complete a specified course of 12 post-license hours instead 12 elective hours. She said these courses better prepare new licensees by covering such topics as contract forms, agency law, ethics and professionalism, commercial real estate, and pricing and marketing.

Ms. Jackson-Heim described the third objective of **S 1206** is to add a new definition of post-license education and revise the definition of the Commission core course. She said the bill eliminates obsolete references to challenge examinations and correspondence courses as they are no longer used. She described an added requirement that the director of a certified real estate school must participate in a commission-approved training session at least once every two years to help the school comply with the license law and offer better service to the licensees. She said the last change relates to expenditure of civil penalty monies collected by the Commission. She said the law restricting the use of these funds to educational purposes for people who already hold an Idaho real estate license would expand to allow for education for potential licensees.

In response to questions, **Ms. Jackson-Heim** said the total number of continuing education hours remains the same. She said on-line distance learning meeting the classroom hour requirements have replaced correspondence courses. She noted the College of Western Idaho is planning a curriculum for real estate licensing to meet the demand, however, it is not yet available. She said a list of approximately 50 to 60 real estate schools is available on the Commission web-site. She said a real estate salesperson is an entry level professional with 90 hours of instruction and a real estate broker has experience as a licensed salesperson with additional completed course work.

Rep. Agidius spoke in support of the changes proposed in **S 1206**.

John Eaton, Government Affairs Representative for the Idaho Association of Realtors, described the two year collaborative process that created **S 1206**. He said it is a good work product and will help the industry by increasing professionalism.

Rep. Morse invoked Rule 38, stating that he has an inactive real estate broker's license.

Rep. Agidius invoked Rule 38, stating that she worked as a real estate broker in the past.

MOTION:

Rep. Agidius made a motion to send **S 1206** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Agidius** will sponsor the bill on the floor.

S 1205:

Jeanne Jackson-Heim presented **S 1205** relating to real estate licensing law. She said the legislation accomplishes three objectives. She said the first objective is the addition of a definition of a "regular employee". She said Section 54-2003 of the license law describes when a real estate license is not required. She said the "for sale by owner" exemption, whereby anyone can sell his or her own property without a license and that includes employees of a business that owns property, requires the definition of "regular employee".

Ms. Jackson-Heim said the second objective is to clarify the definition of "state or jurisdiction" to include the District of Columbia and any U.S. territories such as Puerto Rico.

Ms. Jackson-Heim said the third objective adds the words "mountain time" to the 5:00 time deadline to renew a real estate license. She said this addresses the confusion regarding multiple time zones in Idaho.

Rep. Morse invoked Rule 38, stating that he has an inactive real estate broker's license.

Rep. Agidius invoked Rule 38, stating that she worked as a real estate broker in the past.

MOTION: **Rep. Kauffman** made a motion to send **S 1205** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 1:50 p.m.

Representative Henderson
Chair

Catherine Costner
Secretary