



State of Idaho
Division of Occupational and Professional Licenses
Idaho Real Estate Commission

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Draft Minutes of 10/01/2024

Commission Members

Present: Elizabeth Hume, Chair
Michael Johnston, Vice-Chair
Jess Dahlinger
Martin Espil
Jill Stone

Division Staff

Present: MiChell Bird, Executive Officer
Jill Randolph, Legal Counsel
Melissa Ferguson, Ed. Program Sup.
Alice Young, Training Specialist
Jesama Rosensweig, Licensing Sup.
Craig Boyak, Investigator
Erin Einarsson, Board Support Spc.

The meeting was called to order at 1:30 PM MT by Chair Elizabeth Hume.

APPROVAL OF 07/16/2024 MINUTES

A motion was made to approve the 07/16/2024 meeting minutes. The motion carried unanimously.

DIVISION BUSINESS

Financial Update: Executive Officer (EO) MiChell Bird presented the Financial Status through June 30, 2024. Year to date revenues were \$1,559,430 and the ending cash balance was \$2,988,000. EO Bird added that the legislature conducted an audit during the previous year and the Commission's cash balance was identified as being on the high end. Therefore, licensing fees will be discussed during the review of the administrative rules-

Legislation Update: EO Bird noted that in March of 2024, House Bill 505 passed, changing license renewals to a two-year cycle with an expiration on the licensee's birth date. EO Bird emphasized that while this bill has passed, it has not been put into effect for Real Estate Licenses yet. DOPL will send notices prior to the implementation of the new renewal cycle.

OASIS Licensing System Update: The OASIS Licensing System went live on July 1, 2024. DOPL staff is aware of several issues and are continuing to make corrections and updates. Education Program Supervisor (EPS) Melissa Ferguson shared that DOPL has a table in the sponsor section that will be available to answer any questions. It was requested that licensees continue to contact DOPL whenever they discover any issues working with OASIS.

COMMISSION BUSINESS

Idaho REALTORS® (IR) Update: President Katrina Wehr presented the IR Membership Report. As of September 30, 2024, there were 11,925 primary members and 1,166 secondary members and 430 affiliates, which brings the total to 13,521 total realtor members in the state of Idaho. 97.4% of all licenses in Idaho are held by IR members.

President Wehr shared highlights from 2024 including the IR Grant Program which distributed \$15,000 to six recipients whose programs supported the well-being of local communities. IR is focused on increasing engagement and provided nine webinars with a total of 6,095 registrants, averaging 677 participants per webinar. Finally, the IR voted to match the Realtor Relief Foundation donations up to \$2,500.

License Base Report: LS Rosensweig provided an overview of the FY2024 License Base Report. As of September 30, 2024, there were a total of 16, 675 active and inactive members with 13,496 active licenses. There are 1,354 brokerages, including sole proprietorships.

Education Report: EPS Ferguson provided the Education Report including the following topics:

- The licensing exam is currently provided by Pearson Vue. This contract is expiring soon and DOPL will be initiating a Request for Proposal (RFP) to licensing exam providers. The selection process is thorough and is anticipated to last approximately one year.
- Commission Developed Courses including the pre-license, broker pre-license, post-license and core classes have been developed by DOPL staff. The post-license courses were last updated in 2014 and are up for renewal. Broker Law has been selected as an additional online course to develop. An RFP will be created for those courses as well. EPS Ferguson requested that any subject matter experts that are available to assist in the development on these courses to please contact DOPL.
- Core 2024 Update: The course is available online through two providers.
- DOPL staff were directed by the Commission to develop a remedial real estate requirements discipline course to address common compliance violations and reduce the amount of civil penalty fines collected. This discipline course was recognized at the 2024 ARELLO annual meeting as innovative and outstanding in its field. To date over 290 licensees have completed the program.

Enforcement Report: DOPL Investigator Craig Boyak presented the Consent Order for Case No. I-REC-2023-460 to the Commissioners and for the Chair's signature. Investigator Boyack spoke to three Probable Cause (P.C.) Memos. A motion was made that finding the facts set forth in P. C. Memos I-REC-2023-659, I-REC-2024-126 and I-REC-2024-213 provided by staff, and pursuant to Idaho Code 54-2058(1), are sufficient to proceed to formal action on the violations presented. Staff is authorized to file an administrative complaint, and upon the initiation of any formal proceedings, the Executive Officer shall appoint a hearing officer to preside in the cases, as provided by law. The motion carried unanimously.

Commission Core 2025 Discussion: The Commission and DOPL staff offered the opportunity for members of the public attending the meeting to provide suggestions for Commission Core 2025 topics, requesting that they focus on risk reduction. EPS Ferguson noted that DOPL is considering including Errors and Omissions (EO) Insurance, specifically EO insurance carriers and third-party deception cases. Chair Hume suggested covering the difference between license law and what is required of realtors. Topic suggestions included:

- Limited Dual Agency both with and without assigned agents and clarifying company policy for what is appropriate.
- Commission transparency in contracts.
- Presenting the Buyer's Representation to the Lender.
- What Realtors are allowed to promise in a listing agreement.
- Social media and billboard advertising.
- Repeating the topic of "staying in your own lane" to provide guidance for realtors on how to stay in their areas of expertise.

- How to correct and provide guidance when Realtors notice mistakes made in their industry.
- The broker's responsibility to review and approve all real estate agreements.

Agency Disclosure Brochure Review: The Commission discussed potential changes to the Agency Disclosure Brochure including removing the "Real Estate Licensees Are Not Inspectors" language as well as updating the language with regards to compensation. A suggestion was made to use the language that is in the compensation agreement form, "compensation is not set by law and is fully negotiable" and that "compensation" be listed as a separate section after "Right Now You Are a Customer". Chair Hume clarified that Idaho law requires the Agency Disclosure Brochure to be signed. EO Bird will present an updated draft of the Brochure with the changes discussed to the Commissioners at the next meeting for their review.

Zero-Based Regulation (ZBR): The Idaho State Legislative Services Office (LSO) conducted an audit of the DOPL Boards and identified that the standard cash balance should be 30% – 120% of operating expenses. The Commission's cash balance was assessed at 219%, but EO Bird noted that the restricted fund, which is funded by fines and is only used for Real Estate Education, was included in that calculation. Additionally, after the payments for the OASIS Licensing System, the cash balance will decrease to 191%.

Administration has asked the Commission to consider a 20% decrease in fees. EO Bird suggested that additional factors that will affect the cash balance be considered. First, EO Bird anticipates that the number of licensees will decrease over the next few years. At the 2024 Annual Meeting, ARELLO projected a 30% decrease throughout the United States, but EO Bird anticipates that Idaho will see a lower reduction in licensees. Secondly, the restricted fund has received approximately \$150,000 each year from fines. However, with the implementation of the enforcing attendance at the Discipline Class instead of paying the penalty fee, EO Bird anticipates that the restricted fund revenue will drop to approximately \$50,000 per year. In order to maintain the spending for education, the money will have to be pulled from the Commission's non-restricted budget. Therefore, EO Bird suggested to the Commissioners to adopt either a 12.5% or 15% reduction for Broker and Salesperson Initial License and Renewal fees, which is outlined in the Fee table in rules.

Vice-Chair Johnston asked if the proposed reduction could create a deficit for the Commission in the future. EO Bird noted that in the years 2009 - 2012, when the Commission was facing a shortage in funds, the total number of licensees was 9,000. Currently, there are almost 17,000 licensees in the state of Idaho and the operating expenses, including DOPL staff, has not changed since 2016. Additionally, EO Bird added that with the proposed 15% reduction, the Commission's cash balance will remain above 120% for the next five years.

Pursuant to [Executive Order 2020-1](#), and the Idaho Administrative Procedure Act, Chapter 52, Title 67, Idaho Code, the Idaho Real Estate Commission performed a thorough review of the administrative rules IDAPA 24.37.01 that govern the profession. A motion was made to approve the rules including the discussed \$25 reduction in fees as pending. The motion carried unanimously.

MOTION TO ENTER EXECUTIVE SESSION: A motion was made for the Commission to enter Executive Session under Idaho Code § 74-206 (1)(d) to consider records that are exempt from disclosure under the Public Records Act, Idaho Code § 74-106(9). The purpose of the Executive Session will be to discuss documents relating to the fitness of an applicant to be granted a license or registration. Roll call:

Chair Hume, aye; Vice-Chair Johnston, aye; Commissioner Dahlinger, aye; Commissioner Espil, aye; and Commissioner Stone, aye. The motion carried unanimously.

Motion to Exit Executive Session: A motion was made to exit Executive Session. The motion carried unanimously.

MOTION(S) RESULTING FROM THE EXECUTIVE SESSION

Motion(s) re: Application(s): A motion was made to grant exemptions to cases #24-08 and #24-09. The motion carried unanimously.

Motion(s) re: Discipline: Discipline cases were discussed during the Enforcement Report.

Public Comment: A comment was made that the IR Forms Committee was created so that Realtors throughout the state of Idaho could gather comments and create the forms based on their work experiences and requirements. Chair Hume thanked the committee and clarified that at ARELLO she observed that nationally there is a trend for transitioning the creation of all forms back to the State level, but that the Commissioners are not making that proposal for Idaho. EO Bird added that DOPL currently does not have the bandwidth to create and maintain the forms and appreciates the work that the IR committee does. Chair Hume expressed appreciation to the licensees for attending, for the hard work of DOPL staff and thanked Commissioners Jill Stone and Martin Espil for their dedication as their terms are expiring soon. A Realtor encountered a 40-year listing and asked how to submit a complaint form. Chair Hume explained that anyone can file a complaint through DOPL. Chair Hume announced that four hours of CE credit would be awarded to those who signed in and out and attended the meeting in full.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 4:21 PM MT.