

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building

Room 250

9:00 a.m.

February 21, 2024

Zoom

MINUTES

DIVISION STAFF PRESENT:

Justin Barney, Interim Director, and Hearing Officer

Mark Fagergren, Licensing & Education Director

Kadee Wright, Chief Investigator

Maelynn Valentine, Board Secretary

Laurel North, Investigator

Chris Martindale, Investigator

Sandra Bargas, Education Coordinator

Karen Duncan, Investigator

Van Kagie, Investigator

Jenae Luthi, Investigator

Jenni Myers, Investigator

Steven Green, Assistant Attorney General

Matt Hastings, Division Analyst

Adam Martin, Investigator

Delia Johanson, Investigator

COMMISSION MEMBERS PRESENT:

Marie McClelland, Chair

Andrea Wilson, Vice-Chair

Randy Smith, Commissioner

Jim Bringhurst, Commissioner

Rick Southwick, Commissioner

The February 21, 2024, meeting of the Utah Real Estate Commission began at 9:00 a.m. with Chair McClelland conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes – A motion was made and seconded to approve the minutes of the January 17, 2023; meeting of the Commission as written. Vote: Chair McClelland, yes; Vice Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Smith, yes. The motion was approved.

Public Comment

None

DIVISION REPORTS

INTERIM DIRECTOR'S REPORT – Justin Barney

Mr. Barney reported on the legislative session. The Division bill has been numbered HB 500 and has been published for public comment. There are a couple of amendments that the Division proposed relating to Real Estate, one being the removal of the 10-day reporting requirement for criminal convictions, now that all licensees are enrolled in Rapback, that requirement is no longer necessary. The other section that applies to licensees would add an enhanced penalty for a violation against a vulnerable adult or a person over the age of 65. Currently the maximum penalty is \$5,000 and would be increased to a maximum of \$10,000. An additional matter has been added to the bill by a member of the house who is also a broker and wants all brokers to be involved to a greater extent when there is a case proceeding against an agent/licensee that is supervised by the broker. The Division agrees that it is in the best interest of the industry to have brokers involved in that process, there was an amendment to the bill and it provides that there is a required notice sent to the supervising broker when a complaint that requires a written response from a licensee is made by the Division, the time and place of a disciplinary hearing for the licensee, the resolution of the alleged violations against a licensee, whether action is taken or if there is not violation found. Upon the request of the broker disciplinary actions in the past 5 years against a licensee that is supervised by a broker. The bill is moving forward and is likely to pass before the legislative session ends. An update will be given at next month's meeting.

Mr. Barney reported that there are several other bills that the Division is following that would affect the real estate industry. One bill is HB578 entitled "Property Manager Requirements". This bill would create a new property manager license and would also eliminate dual brokers. The licensing process would be streamlined to that of a sales agent but would require less education and a shorter test. It is unclear if there is enough time left in the session to complete this bill, but it is one that is being monitored. The other bills the Division is tracking are HB 306, which is related to affordable housing. This bill does not directly affect the Division but will impact the Real Estate industry as it will allow smaller lots and starter homes in municipalities that are 15,000 in population or greater. Another affordable housing bill is SB168, it would provide a building code for modular building units and provide for more affordable housing. SB30 would provide for limited disclosure of the purchase

price for real property. HB 169 would require an owner to disclose in writing to a prospective renter before entering into a rental agreement defect in the property that would materially affect the renter's decision to rent if the renter could not discover the defects or reasonable inspection. SB151 regarding fraudulent deed amendments and another affordable housing bill HB 465. Mr. Barney will update the Commission at next month's meeting on the outcome of the bills.

ENFORCEMENT REPORT – Kadee Wright

Ms. Wright introduced the Division's newest Investigator, Delia Johanson.

Ms. Wright reported that in the month of January the Division received 43 complaints; closed 49 cases; leaving 424 open cases. There are 52 cases pending with the AG's office and or the Division Analyst.

Stipulations presented by Kadee Wright

Lary Willey- Commissioner Smith recused himself from voting on the stipulation.

Travis Kozlowski

Stipulations presented by Mathew Hastings

Scott Stephenson

Tina Griffin

Stipulation presented by Steven Green

David Grant

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren reported on statistics. The Division saw a net increase of 23 active sales agents from last month as the Division is holding steady on the number of licensees given the challenging real estate market.

Mr. Fagergren addressed the Commission regarding two individuals who have applied for licensure without a high school diploma or GED. These individuals will be discussed during the executive session.

Mr. Fagergren informed the Commission that the Division will be hosting its annual Caravan on the following dates. April 9th in Vernal, April 16th in Park

City, April 18th in Layton, April 30th in Provo, May 7th in Moab, May 8th in Richfield, May 9th in Cedar City and May 10th in St. George, concluding on May 16th in Logan. The location and dates will be published on the Division website for reservations in the coming weeks.

Mr. Fagergren reported on the issues with the current licensing system. Currently the Division receives sales agent applications via email, U.S Mail and the online EGOV system. Pearson View will soon have a link on the licensees passing sheet informing them of the items that need to be submitted to the Division for licensure. As part of the new system Commerce IT has been working with Division staff to work out any of the nuances that are required of any salesperson application. The Division is comfortable in saying that this system will be available very soon and the Division will no longer accept paper applications via email or U.S. mail. The new process will be available on the Division website this Friday.

COMMISSION AND INDUSTRY ISSUES – Justin Barney

Mr. Barney reported that we will give an update on the current committees at next month's commission meeting.

LICENSING HEARING- Abraham Connor 10:00 am

Abraham Connor did not appear for the informal hearing and will be discussed during the executive session.

A motion was made and seconded to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion was approved.

OPEN TO PUBLIC

A motion was made and seconded to grant licensure for the two individuals without a GED or High School Diploma and waive the diploma requirement showing that they have demonstrated experience equivalency. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion is approved.

A motion was made and seconded to confirm the Division's decision to suspend the license of Abraham Connor. Vote: Chair McClelland, yes; Vice-Chair Wilson,

yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes.

A motion was made and seconded to approve the stipulation for David Grant. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion is approved with concurrence from the Division.

A motion was made and seconded to approve the stipulation for Scott Stephenson. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion is approved with concurrence from the Division.

A motion was made and seconded to approve the stipulation for Lary Willey. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Smith, yes; Commissioner Southwick, yes. The motion is approved with concurrence from the Division.

A motion was made and seconded to approve the stipulation for Travis Kozlowski. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion is approved with concurrence from the Division.

A motion was made and seconded to approve the stipulation for Tina Griffin. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Bringhurst, yes; Commissioner Southwick, yes; Commissioner Smith, yes. The motion is approved with concurrence from the Division.

A motion was made and seconded to adjourn the meeting. Vote: Chair McClelland, yes; Vice-Chair Wilson, yes; Commissioner Smith, yes; Commissioner Southwick, yes; Commissioner Bringhurst, yes. The motion was approved.