



STATE OF UTAH
REAL ESTATE COMMISSION
MEETING MINUTES

May 21, 2025 9:00 am

Real Estate Commission:

Andrea Wilson, Chair
Rick Southwick, Vice Chair
Jim Bringham
Marie McClelland
Randy Smith

I. Commencement

A. Welcome and call to order

- The May 21, 2025, meeting of the Utah Real Estate Commission (Commission) commenced at approximately 9:00 am with Chair Wilson conducting.

B. Consideration and approval of the meeting minutes from the April 16, and April 28, 2025 meetings

- Two sets of minutes were presented for approval:
 - Minutes from the regular monthly Commission meeting on April 16th were moved and seconded for approval. The motion to approve carried unanimously.
 - Minutes from the special session for stipulations on April 28th were moved and seconded for approval. The motion to approve carried unanimously.

C. Public comment

- There was no public comment.
- Administrative Assistant Dallas Thomas confirmed that he was present in the anchor location, but was working from his laptop due to technical issues. No members of the public were present at the anchor location.

II. Division Section Reports

A. Director's Report – Leigh Veillette, Division Director

- Changes to the statewide website template are coming this summer, moving towards a customer utility focus. This will impact the division's website design and licensee/public interaction experience. More details will be provided as they are known.

- Caravan presentations have continued in Spanish Fork, Cedar City, St. George, Vernal, and Logan. The last two presentations will be in Salt Lake City the following Tuesday. The Salt Lake City locations are at the Downtown Library, with sessions at 10:00 am and 1:30 pm.
- Commissioner Smith shared feedback from brokers and agents regarding the extremely negative experience switching from RELMS to the new ML1 system, citing it as unintuitive. Brokers, being frequent users, feel the pain. Concerns were raised about division staff accommodation, with feedback suggesting division staff is not always accommodating or sensitive to issues.
 - Significant technical difficulties have been reported, especially for brokers managing rosters. Ms. Veillette apologized for the difficulties and stated the goal is never to impede business. Ms. North and her team are committed to addressing these concerns. A feedback channel specifically for brokers is being considered to allow them to report issues more quickly.
 - Concerns were raised about email notifications for agent affiliation changes. Brokers receive a notification that a change is happening but often don't know who the agent is or where they are coming from. It was noted that the process is different in the new system and involves checking the roster.
 - Requests were made to include the agent's name and the brokerages involved directly in the notification email, as was done in the old RELMS system, for ease of identification.
 - A request was made for the ability to view agent rosters in alphabetical order in the roster management section. Currently, this feature is not available.
 - Ms. North stated that the programmers (offsite) cannot figure out how to include the agent's name, broker's name, or alphabetical ordering in the current ML1 program. She noted that ML1 was not built for real estate licensing. She will continue to ask the programmers about these issues.
 - ML1 is an interim system. A subsequent system called "Evoke" is planned, expected to be rolled out in about a year. Evoke is described as a licensing platform used nationwide in other states and by the University of Utah athletics commission, and it seems to be built for licensing. It is expected to have better capabilities, including more robust reporting and affiliation change features, potentially similar to or better than RELMS. Ms. North stated that Evoke should be able to handle the current "pain points" mentioned by commissioners, except for seeing CE credits far into the past. Record transfers from ML1 to Evoke should not cause process changes for licensees.
 - Ms. North will provide tech updates, possibly in the newsletter and via email to commissioners, as upgrades occur. The alphabetical order feature is now potentially being reconsidered by IT. A program manager, Jenae Luthi, will attend a future meeting to address existing ML1 issues. Commissioners were encouraged to contact Ms. North directly with problems for faster action.
- Ms. North discussed the April Licensure Stats. She indicated that stats are considered stable and looking good for the spring market.
- Ms. Veillette resumed her report. Implementation of House Bill 337 from the last General Session is paused. The bill's language does not match the policy intent of lawmakers or stakeholders. The plan is to push the effective date from January to July in a special legislative session in September. Committee amendments missed due to a technical

error will be incorporated. A more substantive property management bill is planned for the next General Session in January, led by Representative Walter and Senator Cal Musselman. Licensees should continue business as usual (status quo). Activities of the Commission's property management committee are also paused.

- The regulator group Association of Real Estate License Law Officials (ARELLO) is focused on listening and observing before making conclusions on how private listing networks interact with regulation. A recommended Inman article by compliance specialist Summer Goralik urges regulators to focus on fiduciary duties, disclosure, and broker supervision. Ms. Veillette will share the mentioned articles with the Commission via email.
- Ms. Veillette reviewed the hearing schedule for the rest of the year, which includes regular meetings and both informal and formal enforcement hearings filling up the calendar quickly. The shortened statute of limitations requires moving cases at an even quicker pace.
- **Attorney General's Office Presentation (Deputy Attorney General Douglas Crapo & Assistant Attorney General Jessica Jacobs)**
 - Mr. Crapo offered to hear feedback from the Commission on how their prosecutions for the division could be improved. Commissioners provided feedback:
 - Lack of attorney familiarity and expertise regarding real estate transactions.
 - Focusing on irrelevant points or issues during hearings.
 - Not utilizing expert witnesses, particularly for issues like property value.
 - Issues with time management during hearings, leading to rescheduling.
 - Presenting multiple causes of action or violations for what was essentially a single offense.
 - Mr. Crapo acknowledged the feedback. A suggestion was made that the Commission's written orders clarify where the prosecution focused on the wrong areas. Recruitment for attorneys with real estate experience is difficult, and there is an open position for the Real Estate and Securities Section Director.
 - Ms. Jacobs presented a proposal to delegate the bulk of conducting informal administrative hearings to Administrative Law Judges (ALJs).
 - This delegation is authorized by statute and rule. Delegation requires a written order for each case.
 - The Commission must retain its authority to issue the final order, determine if violations occurred, and impose disciplinary action; this authority cannot be delegated.
 - Process:
 - Commission reviews case and issues a written order delegating hearing authority to the ALJ.
 - ALJ conducts the hearing (presides, maintains order, rules on evidence, administers oaths, ensures parties are heard, weighs credibility). Hearings could be recorded for review.
 - ALJ drafts initial findings of fact and conclusions of law.
 - Commission reviews the ALJ's proposed findings/conclusions, evidence, and recordings.
 - Commission adopts, modifies, or rejects the ALJ's findings.

- Commission issues the final order, specifying violations and sanctions.
- The shortened statute of limitations has significantly increased the number of cases needing to be filed. Delegation improves efficiency, allows for timely case resolution, reduces administrative burden, provides faster outcomes for respondents, and allows for prompt remediation and protection of the public.
- The Commission can choose which informal cases to delegate or keep. It doesn't have to be a permanent decision.
- Before delegating, the Commission would have access to the petition (statement of facts, alleged violations, witness/exhibit list). They could also require the respondent to file an answer and review that.
- There are two ALJs available. Concern was raised about the ALJs' expertise in real estate if the Commission is not present. Experts could be used by either party to assist the ALJ/Commission.
- Discussion occurred on how the commission would review ALJ findings and issue orders while adhering to public meeting laws. Possible methods included reviewing during the monthly meeting or potentially a work session. Reviewing ALJ recommendations or deciding to delegate could fall under exceptions allowing discussion in executive session (e.g., professional competence/character), but the final vote must be in an open public meeting.
- A major concern was not being able to ask questions during the informal hearing if an ALJ presides. It was suggested that the Commission could review recordings/evidence and, if questions remain, request a truncated hearing on specific issues with relevant witnesses.
- Statutes and rules are already in place. The Commission could issue a written delegation order for an upcoming hearing at any time. There is no timeline if the Commission chooses not to delegate.
- Delegating to ALJs would not directly impact the division's budget as ALJs are Department of Commerce employees.
- While not yet implemented by other entities (like the Appraiser Board or Mortgage Commission), this delegation model is used in other states and jurisdictions. The division/AG's Office plans to present this option to other boards/commissions.
- Legal counsel present supported the delegation idea as a way to manage caseload and focus on significant matters, noting the clear statutory basis.
- Concern was raised that licensees might prefer having their cases heard by the Commission (peers) rather than an ALJ. The AG's Office reiterated that the Commission retains final decision-making authority, reviewing evidence and issuing the final order, mitigating this concern.
- The Commission agreed not to make a final decision immediately. The Commission's counsel, Assistant Attorney General Elliott Clark will email commissioners offline to present options and gather feedback (asking for individual replies to avoid quorum issues). The topic will likely be added to the next month's agenda for a decision in a public meeting.

B. Licensing and Education – Laurel North, Licensing and Education Manager

- Ms. North provided her report after the AG's presentation. She reiterated information already covered during Ms. Veillette's report regarding ML1 issues and the upcoming Evoke system.

C. Commission and Industry Issues – Justin Barney, Hearing Officer and Records Manager

- Mr. Barney reported on the property management committee, confirming that its work on rule issues is paused due to the intent to correct technical issues in the recent property management bill (HB 337).

D. Enforcement – Kadee Wright, Chief Investigator

- In April, the division received 36 complaints, closed 37 cases, has 249 open investigations, and 57 cases pending with the AG's Office.
- The division is working through two enforcement systems, causing discrepancies in numbers, but aims to use only one system by the end of the year.
- To prepare for the new shortened statute of limitations, actionable cases were prioritized and sent to the AG's Office for filing. Despite efforts, approximately two dozen cases will be closed because they are now past the statute of limitations.
- The most common complaints received in 2024 were: Advertising complaints (number one), Property Management complaints (from owners and tenants), not having written consent, and breaches of fiduciary duty.
- Ms. Wright clarified that a stipulation previously inquired about was heard on April 28th.
- It was confirmed that there was no need for an executive session.

III. Adjournment

- A motion was made and seconded to adjourn the meeting. The motion carried unanimously.
- The meeting adjourned.