

2017 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1306

2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

HB 1306
2/2/2017
27829

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to the real estate commission; to provide an effective date; and to declare an emergency

Minutes:

Attachments 1-6

Chairman Kasper opened the hearing on HB 1306.

Rep. Tom Beadle introduced the bill which puts term limits in place. An amendment was handed out Attachment 1. (1:36-2:38)

Chairman Kasper: Explain the difference between the Real Estate Commission and the Real Estate Board.

Rep Beadle: The Real Estate Commission regulates and handles licensure of real estate sales professionals in the state of North Dakota. In addition to that, we have the various trade organizations such as the ND Association of Realtors in which there is a board that is elected by members of the association. They handle a lot of training, outreach, advocacy, etc. You can be a licensed real estate professional with the commission and not be a member of the association of realtors.

Chairman Kasper: Is this an official action of the Real Estate Commission?

Rep. Beadle: It started off as a conversation among a number of licensed real estate professionals. It worked its way up through the government affairs division of the state association of realtors. There were some conversations throughout some of the local entities.

Chairman Kasper: There was a vote?

Rep. Beadle: Yes, the government affairs committee did take a vote on this.

Chairman Kasper: How many members are on that committee?

Rep Beadle: I am not aware of those numbers.

Nancy Willis, North Dakota Association of Realtors, appeared in support. Attachment 2.
(7:01-11:15)

Vice Chair Louser: Explain the difference between a licensing entity and real estate of North Dakota versus what we call in our industry a board or an association.

Nancy Willis: We are a professional trade organization. We have seven local boards from Dickinson, Minot, Bismarck, Fargo, Williston, Jamestown, and Grand Forks. Those boards all have the local members from those areas and districts belong to those local associations. In turn those local associations belong to the state association. The state association has a board of directors that are selected by those local boards to serve on our state board, and in addition to that, the officers of our state board are elected by all of the members of the association. When we decide that we are going to introduce legislation, we set up a task force representing all seven of those boards, and they have a discussion about the type of legislation they want to move forward, vote, and make a recommendation to our government affairs committee. Our government affairs committee is composed of 32 members who are volunteers that have an interest in government affairs. We have other committees like education and membership. Seven of our government affairs committee are state legislators, and they are ex officio on the committee, because we know they are very busy and cannot always attend all the meetings. We do provide them all the same information as the other members. The government affairs committee voted to move this legislation forward, then to the board of directors, and they voted to move it forward. We asked Rep. Beadle to be a sponsor our bill since he is a realtor member.

Vice Chair Louser: I wanted the distinction between the real estate board and the real estate commission.

Nancy Willis: The entities that we looked at were all boards and commissions that oversee professional licensure. We didn't include in that examinations boards and commissions that are advisory boards and commissions.

Cindy Harvey, Broker/Owner, Elite Real Estate, appeared in support. Attachment 3.
(15:15-19:58)

Rep. Steiner: You realize that the governor appoints when the term comes up? You could make a recommendation to appoint someone else so the same person wouldn't serve for 20-25 years.

Cindy Harvey: Once the term is up, the state of practice is the governor calls and asks if they would like to be reappointed.

Chairman Kasper: I don't see where there has been a problem with the longevity. Why hasn't your association acted earlier if term limits are something you desire?

Jill Beck, CEO for the ND Association of Realtors, appeared. Previous to and during Governor Schafer's administration, the ND Association of Realtors did play an active role in

the appointment of the commission members. Leading into the Hoeven's administration, appointments were being made earlier and earlier, and it was kind of a moving target when that was going to be made.

Chairman Kasper: Either you were frustrated because the reappointments were being made without your advice anyway, or you went along because things seemed to be going quite well with the current board. Which would it be?

Jill Beck: This past year there was a current commissioner who had made her announcement that she was not going to reapply, so we did publish it to our membership, and there were six to eight applicants. That is where some of this discussion started that there were more members that we were aware of that were interested in this position, and several members have brought it up for several years about terms limits. It just hasn't been brought forward to our government affairs committee, and membership did bring it forward, and this is where we are today.

Rep. B. Koppelman: Has there been a problem with the long-serving board members?

Jill Beck: There was no issue with any one particular commission member. Due to the health of the organization and public, we felt it was time to look at term limits and have some fresh eyes brought into the commission.

Dave Lanpher, Broker/Realtor at Park Co., Fargo, appeared in support. Attachment 4. (25:50-28:38)

Rep. Vetter: Of the real estate commission members, how many are appointed?

Dave Lanpher: They are all appointed by the governor.

Rep. Vetter: Without this term limit process, it is pretty hard to move people off this commission?

Dave Lanpher: My understanding for any governor appointed commissions is there is an application process. You submit your name to the governor's office, and he looks at those names and makes an appointment for the term. The history with the real estate commission is that in the last 15 or so years, it has been very hard to find when the application process becomes open for anybody else to apply, and this allows more freedom and information so that people can have the opportunity to do that.

Rep. Laning: What happens if someone chooses to quit after five years?

Dave Lanpher: Only one member is appointed in any year for a five-year term, so only one term expires in a year.

Rep. Laning: If that person resigned after that first five-year period instead of completing a second five-year, you would then have two people appointed in the same year.

Dave Lanpher: No. If somebody completes a term of five years, the new appointment would start the next five-year term. That would be a new appointee for that expiring term.

Rep. Laning: I see it as a potential problem.

Rep. B. Koppelman: To clarify Rep. Laning's question, if I had three years left of my term and I resign today, and the other five-year term was coming close, I believe he would be appointing two people in the same year, but one would be for an unexpired term and one for a new term. Would you say all boards and commissions should have term limits of two terms?

Dave Lanpher: I am a great believer of term limits. There needs to be good, regular turnover for the freshness of ideas on a board.

Rep. B. Koppelman: You are proposing to make it 4 realtor members. If this is happening with one expiring every single year and if some have to be brokers and some are allowed to be associate brokers, it seems to me to be pretty easy to put the word in that you are interested for something that is coming up in the next nine or ten months. Is that not the case?

Dave Lanpher: If you go to the real estate commission website, you will see the list of commissioners and no indication of when their terms are expiring.

Chairman Kasper: Vice Chair Louser just brought up the governor's website where you can go to boards and see the real estate commission with the names of the people and the appointment and expiration dates of their term.

Rep. Steiner: I was involved with appointments to boards. The Oil and Gas Research Council, the association I use to work for, had two positions on that council. The same thing happened to us. We did not know the terms were coming up. We had someone who had retired, and the governor wanted to reappoint all the time. It was awkward to say you have served 12 years, could you please step down. The governor always reappointed beyond what our association probably would have forwarded. I have sympathy for your case today, and I do agree with term limits

Opposition:

Pat Jergenson, Executive Director of the ND Real Estate Commission appeared in opposition. Attachment 5. (38:03-44:43)

Rep. B. Koppelman: Is there anything that would prohibit that fifth member from being a non-broker real estate agent or somebody to where there is no member at large from the public on this board?

Pat Jergenson: The way I understand the proposed legislation it would have to be four brokers and one member of the public. The way the law is already written the governor must appoint at least three brokers and ability to appoint two other members which could be members of the public.

Chairman Kasper: It could be an associate broker?

Pat Jergenson: An associate broker or a salesperson.

Rep. B. Koppelman: The "must be" is suggesting you want to have expertise from the industry that makes up 3/5 of the board. Current law may mean maybe it is alright if it is five.

Rep. Dockter: Are there any amendments that we could make so it would be palpable for the commission?

Pat Jergenson: We would have to see what those are, because this bill is more than a term limits bill. It is the composition of the commission as well.

Rep. Dockter: Maybe you could meet with the association and figure out a compromise.

Chairman Kasper: Has there been communication problems between the real estate commission and brokers or realtors or associations in the past that would be the reason for the people bringing the bill forward to not consult with the real estate commission?

Pat Jergenson: For whatever reasons we were not consulted on this. I don't understand why. We were told at a special meeting that there was no problem, but we were presented with the bill as you see it.

Chairman Kasper: Has there been any recent disciplinary action by the real estate commission that may have caused some realtors to think they needed or wanted to change?

Pat Jergenson: We have had some advertising issues, but not revoking licenses or maxing out on fines or anything. We had about six complaints in front of us that resulted in action of a fine of some sort and maybe take an education class that resulted in that activity.

Rep. P. Anderson: Does the real estate commission have term limits?

Pat Jergenson: No. That capability sits with the governor. The governor has the right to remove or not reappoint a commissioner.

Rep. P. Anderson: What is the average number of years that your board members have been on the commission?

Pat Jergenson: They have served between 15-20 years. Since 2002, no one has put their name in.

Rep. Olson: Are the meetings of the commission subject to open meeting rules and the notification requirements of the pending meeting?

Pat Jergenson: We have to follow open meeting rules. We publish our meeting notice when I have a meeting date set. It goes to the Secretary of State's Office which is published on their website. We publish it on our website.

Rep. Olson: Was a meeting called to discuss this bill?

Pat Jergenson: On December 15, we had a regularly scheduled commission meeting. Before that meeting, Jill Beck, had told me that the association was talking about term limits. At that meeting we told the commissioners that the association was looking at it. We did not have a formal meeting until January 10, because we did not see the bill. We had a meeting this last Tuesday.

Rep. Olson: Did any members of the association attend the January 10 meeting to express any of their input as to this particular bill with the commission?

Pat Jergenson: We invited Jill Beck, their CEO, Tricia Schlosser, their Government Affairs chair, and Lyn Dwyer, NDAR president to attend, but our meetings are always open meetings so anyone can come in and attend at any time.

Rep. Olson: Did any members of the association attend and give any feedback at that time?

Pat Jergenson: They were all three there, two in person and one on conference call.

Rep. Vetter: Is there any way to change the membership other than the governor?

Pat Jergenson: It is at the will of the governor. Commissioner Diane Louser has submitted written testimony which is attached to my testimony.

Scott Breidenbach, ND Real Estate Commission member, appeared in opposition. Attachment 6. (58:01-1:03:24) Testimony from Roger Cymbaluk, Jerry Schlosser, and Jerome Youngberg was attached to his testimony.

Rep. B. Koppelman: Is there somewhere around 400 active and associated brokers. Is that correct? How many licensed realtors are there in the state?

Pat Jergenson: We only have the numbers of the people who have real estate licenses. I would have to defer to the association of realtors. Not all real estate licensees are members of that professional association.

Rep. B. Koppelman: How many are licensed?

Pat Jergenson: Currently, there are 2,016 brokers, broker associates, and salespeople licensed in the state of North Dakota.

Rep. B. Koppelman: Doesn't it seem reasonable to think that out of those nearly 2,500 members, there is enough capable people to fill positions if this bill were to pass after a person has served a decade on the commission?

Scott Breidenbach: The board of directors did the voting. That is probably a 30-35-person panel. It is not all 2,000 members.

Rep. B. Koppelman: Don't you think there is enough people if we have term limits in place to secede those who are term limited out and still have a functional board?

Scott Breidenbach: That currently applies. If someone's position is ending, everyone has the right to seek that appointment.

Rep. Vetter: What won't you be able to accomplish if you do not have ten years in office?

Scott Breidenbach: If there are term limits throughout the other states and on the committees that we are part of, it is like building a relationship and trying to get something done which is hard to do if other people are term limited out. There are many things that are put forward that can't get done, because the people that are in charge of doing them are no longer on the commission.

Rep. Vetter: Could you give me an example?

Scott Breidenbach: Committees that are long standing members are asked to do tasks that take longer than a number of years. I can't give you a specific example.

Rep. Vetter: Doesn't the commission have power over these different people applying?

Scott Breidenbach: That power is held by the governor only.

Pat Jergenson: The reason Commissioner Breidenbach feels so strongly on us being able to continue participation in ARELLO, real estate license law officials, is because we are a small state and have a small staff. It allows us as a small state to network and bring back to North Dakota for the benefit of the licensees and the public, information as to what is going on with laws and scams to our members. The problem is we only meet twice a year, and it takes a while to get yourself situated and be part of that organization.

Nancy Willis: Our government affairs met December 8 and set up a task force to talk about a bill. After that Jill Beck emailed Pat Jergenson to let her know that we were looking at term limits for the real estate commission. Subsequent to that, there was a meeting in December by the commission which Pat talked about, and they made a comment about if there was any information or assistance that we needed from them and we acknowledged that. Our internal task force met on December 22 and 29.

Chairman Kasper: How many people were at that task force meeting?

Nancy Willis: There were seven, one from each of our local boards, and then staff. After the December 29 meeting, the task force wanted to recommend to the government affairs committee about moving this forward. December 30, there was an email that was sent to all of the government affairs members.

Chairman Kasper: How many on the email list?

Nancy Willis: There are 32 members of the government affairs committee. At the same time, it was also sent to all the commissioners. The only response we received was from

Chairman Schlosser, and he said it looked to him like this had no merit and that we were impinging on the authorization of the governor. Subsequent to that December 30 email, there was another commission meeting on January 10, and we attended the meeting. We brought the same language that you have without the amendments to that meeting. We asked if the commission had any issues and if there were things that they wanted to change. They did not recommend any amendments or changes. They were against it and chastised us for doing this.

Chairman Kasper: What was your vote on your government affairs committee of 32 people?

Nancy Willis: There were 25 voting members. There were ten members to move this forward and eight to not. The amendments we put forward today were specifically to address concerns they had.

Chairman Kasper closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Fort Union, State Capitol

HB 1306
2/9/2017
28119

- Subcommittee
 Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to the real estate commission; to provide an effective date; and to declare an emergency

Minutes:

Chairman Kasper opened the meeting on HB 1306. This is the bill that deals with the real estate commission disagreement on how things are done currently.

Rep. Laning: I think a little outside influence is good. I make a motion for a DO NOT PASS on HB 1306.

Rep. Olson seconded the motion.

Rep. B. Koppelman: I agree adding additional members from the industry is problematic. Some boards and commissions can't be members of the trade. I wish we had the opportunity to specify those two other members had to be independent of the industry. I do think the term limit piece has some merit. These are appointed, and it seems to be the norm for more than two decades.

Rep. Vetter: I would move the amendments we received at the hearing, 43-23-01.

Chairman Kasper: Tell us why you like it.

Rep. Vetter: I agree with changing the amount of people, but I also agree that the term limits are a valid point. The amendment adds associate real estate brokers. The people against the bill didn't like the fact that wasn't in there.

Rep. Schneider seconded the motion.

Rep. B. Koppelman: Rep. Vetter, would you consider amending the amendment? I would suggest leave the number three from the industry. I would suggest we change that number from the general public to two. I make a motion to further amend the amendment.

Rep. Vetter seconded the motion.

Rep. C. Johnson: This would affect the Governor's Office. We didn't hear any testimony from the Governor's Office whether they are in favor or opposed to any of this.

Rep. B. Koppelman: The Governor's Office has staff that monitor legislation, and they will let us know if something really bothers them. I took their not bringing testimony that they either don't have an opinion or have chosen to be neutral on this.

Rep. Laning: If we implement these four, those sitting members would be kicked off at the same time?

Rep. B. Koppelman: If you look at the second portion of the amendment where it says provided, the term of a commissioner, who is serving on August 1, 2017, and who has previously served, etc., that language fixes that.

A voice vote was taken. Motion carried.

Chairman Kasper: I think the amendment makes the bill better by far. However, my opinion is that we have an internal dog fight that has been precipitated by I don't know what.

Rep. Steiner: At my previous job I had the same problem with not knowing when the Oil and Gas Research Council terms came up, and we had a board member appointed and the governor kept reappointing. You need to have rotation, and it is awkward to ask somebody to step down.

Rep. P. Anderson: I agree with Rep. Steiner. We have had the same chair and vice chair for 25 and 15 years. We should do a do pass on this one.

Rep. Schneider: I agree on the term limit issue with Rep. Steiner, and I think that is important enough as a single issue to defeat the do not pass. I think the amendment by Rep. Vetter and the amendment to the amendment suggest by Rep. Koppelman make this a lot better bill and support a do pass on this.

Rep. Vetter: Recently, that was one of things that was done with the appraisal board—limiting the terms. I am against the do not pass.

Rep. B. Koppelman: I don't believe this takes power away from the Governor's Office. It has the governor look for opportunities to bring new people in and come up with new ideas. I am going to oppose the do not pass.

A roll call vote was taken on the DO NOT PASS AS AMENDED on HB 1306. The motion had been made by Rep. Laning and seconded by Rep. Olson. 5 Yeas, 8 Nays, 1 Absent. Motion fails.

Rep. Vetter made a motion for a DO PASS AS AMENDED on HB 1306.

Rep. Steiner seconded the motion.

A roll call vote was taken. 8 Yeas, 5 Nays, 1 Absent.

Rep. Steiner will carry the bill.

Chairman Kasper reopened the meeting and asked to reconsider the previous action, because the fact that they overlooked the emergency clause being on the bill nullifies what they tried to do with the amendment.

Rep. B. Koppelman made a motion to reconsider.

Rep. Schneider seconded the motion.

A voice vote was taken. Motion carries.

Chairman Kasper: We need to look at Page 2, Line 9, removing the emergency clause so that the intent of the amendments that we passed will not be nullified by the emergency clause which would make the bill effective as soon as it is signed by the governor.

Rep. Steiner would move as such.

Rep. Rohr seconded the motion.

A voice vote was taken. Motion carried.

Rep. Vetter made a motion for a DO PASS AS AMENDED on HB 1306.

Rep. Steiner seconded the motion.

A roll call vote was taken. 8 Yeas, 5 Nays, 1 Absent.

Rep. Steiner will carry the bill.

43-23-01. Real estate commission - Members.

The state real estate commission consists of five members appointed by the governor, ~~three~~ four of whom must be licensed and active real estate brokers or associate real estate brokers, appointed by the governor who have been licensed real estate brokers or associate real estate brokers in the state for at least five years. One member must be of the general public and not licensed as a real estate broker in the state. Each member must be a resident of the state and a member may not reside in the same county as another commission member. The commission shall organize by the election of a chairman.

43-23-02. Commission - Term - Duties - Records.

The governor shall appoint each member of the commission for a term of five years. Terms must be staggered so the term of one member expires each year. At the expiration of the term of any member of the commission, the governor shall appoint a successor for a term of five years. A commissioner may not serve more than two consecutive five-year terms; provided, the term of a commissioner, who is serving on August 1, 2017, and who has previously served more than two consecutive five-year terms, shall not terminate on August 1, 2017, but shall continue until the end of that commissioner's existing five-year term. In the event of a vacancy on the commission for any reason the governor shall appoint a member for the unexpired term of that member.

February 9, 2017

2/9/17 DA

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1306

Page 1, line 2, remove "to provide an effective date; and to"

Page 1, line 3, replace "declare an emergency" with "and to provide for application"

Page 1, line 9, remove the overstrike over "~~three~~"

Page 1, line 9, remove "four"

Page 1, line 9, remove the overstrike over the overstruck comma

Page 1, line 9, after "~~governor~~" insert "or associate real estate brokers."

Page 1, line 10, after "brokers" insert "or associate real estate brokers"

Page 1, line 10, replace "One member" with "Two members"

Page 1, line 11, remove "a"

Page 1, line 11, replace "broker" with "brokers"

Page 2, replace lines 8 and 9 with:

"SECTION 3. APPLICATION. This Act applies to state real estate commission appointments of members which take place after July 31, 2017. This Act does not invalidate the current term of a member serving on the commission on August 1, 2017."

Renumber accordingly

Date: 2-9-17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1306

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Vetter Seconded By Schneider

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter			<i>Voted on with #2</i>		
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Adds or associate real estate brokers

Date: 2-9-17
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By B. Koppelman Seconded By Vetter

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

*Voiced
 vote
 motion
 carried*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*Leave the number 3 from the industry
 and change the number to 2 from the
 general public*

Date: 2-9-17
 Roll Call Vote #: 3

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Laning Seconded By Olson

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	x		Pamela Anderson		x
Scott Louser-Vice Chairman	A		Mary Schneider		x
Jason Dockter		x			
Craig A. Johnson	x				
Daniel Johnston		x			
Karen Karls		x			
Ben Koppelman		x			
Vernon Laning	x		<i>Motion fails</i>		
Christopher D. Olson	x				
Karen M. Rohr	x				
Vicky Steiner		x			
Steve Vetter		x			

Total (Yes) 5 No 8

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-9-17
 Roll Call Vote #: 4

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Vetter Seconded By Steiner

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman		X	Pamela Anderson	X	
Scott Louser-Vice Chairman	A		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson		X			
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning		X			
Christopher D. Olson		X			
Karen M. Rohr		X			
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 8 No 5

Absent _____

Floor Assignment Steiner

If the vote is on an amendment, briefly indicate intent:

Date: 2-9-17
 Roll Call Vote #: 5

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By B. Koppelman Seconded By Schneider

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

*Voice
 Vote
 motion
 carries*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-9-17
 Roll Call Vote #: 6

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Steiner Seconded By Rohr

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

*voice
 vote
 motion
 carries*

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Removing Line 9, Page 2

Date: 2-9-17
 Roll Call Vote #: 7

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Vetter Seconded By Steiner

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman		X	Pamela Anderson	X	
Scott Louser-Vice Chairman	A		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson		X			
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning		X			
Christopher D. Olson		X			
Karen M. Rohr		X			
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 8 No 5

Absent _____

Floor Assignment Steiner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1306: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to provide an effective date; and to"

Page 1, line 3, replace "declare an emergency" with "and to provide for application"

Page 1, line 9, remove the overstrike over "three"

Page 1, line 9, remove "four"

Page 1, line 9, remove the overstrike over the overstruck comma

Page 1, line 9, after "governor" insert "or associate real estate brokers."

Page 1, line 10, after "brokers" insert "or associate real estate brokers"

Page 1, line 10, replace "One member" with "Two members"

Page 1, line 11, remove "a"

Page 1, line 11, replace "broker" with "brokers"

Page 2, replace lines 8 and 9 with:

"SECTION 3. APPLICATION. This Act applies to state real estate commission appointments of members which take place after July 31, 2017. This Act does not invalidate the current term of a member serving on the commission on August 1, 2017."

Renumber accordingly

2017 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1306

2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee

Sheyenne River Room, State Capitol

HB 1306

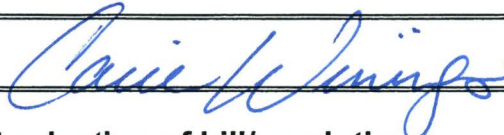
3/3/2017

Job Number 28668

Subcommittee

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 43-23-02 of the North Dakota Century Code, relating to the real estate commission; and to provide for application.

Minutes:

Attachments: 1-7

Chairman Poolman: Opened the hearing on HB 1306.

Representative Beadle, District 27: Testified as sponsor and in support of the bill. This bill comes at the request of the Association of Realtors in North Dakota. They want to look at addressing some of the turnover problems that are perceived by a number of the members in terms of whether or not we have proper transition on the Real Estate Commission and whether the commission is adequately responding, reviewing, and handling real estate licensing requests and concerns in a timely manner. A number of the members of the real estate professional community believe that the Real Estate Commission, while effective, has certain areas that we would like to see some changeover in. One of the areas that a number of the agents at my office, which is about 120 licensed agents, is regarding advertising laws. They feel there is a lot of ambiguity in that area. A number of the professionals feel that we need some turnover to help lead to some adjustments. They feel there needs to be consistency and accountability. A number of our commissioners have been there for well over 10 years.

(2:45) Senator Marcellais: Is the current commission in favor of this?

Representative Beadle: I believe they were not in favor of how the process was handled for this all to be taken care of. One of the things that we ran into was the timeline restraints. We held over introducing this bill until the last day. While the Government Affairs Committee had numerous conversations on this with the state Association of Realtors, this is something they wanted to advance and they voted as a trade association to make that advancement. The Real Estate Commission, to my knowledge, felt that they were not properly consulted and they felt they were being blindsided. The original bill did have some other provisions in it, but we limited it down through the House GVA Committee to only the term limits.

Senator Marcellais: It mentions 2 consecutive 5 year terms, if they serve that, can they then come back later on?

Representative Beadle: I interpret that they could. Historically, once they have time off, I think there are some boards that allow them to return after they have had some time off. I do not know if that was the intention of the association when they had me draft this.

(5:50) Nancy Willis, North Dakota Association of Realtors: See Attachment #1 for testimony in favor of the bill.

(10:30) Senator Marcellais: How many appraisers do we have in the state?

Nancy Willis: I cannot answer that, but it is a lot.

Senator Marcellais: I thought there was a big demand because they cannot get them up where I am at.

Vice Chairman Davison: How did we arrive at 5 years? Was the current trend already 5 years?

Nancy Willis: Yes, the current term is 5 years. We did look at other states and other licensing boards in North Dakota that have term limits, and the average was 6 years. Since ours already served 5 years, we settled on two consecutive 5 year terms.

(11:55) David Lanpher, Broker/Realtor at Park Co. Realtors, Chair, North Dakota Real Estate Appraiser Qualifications and Ethics Board: See Attachment #2 for testimony in support of the bill.

(15:20) Cindy Harvey, Broker/Owner, Elite Real Estate in Minot: See Attachment #3 for testimony in support of the bill.

(17:45) Vice Chairman Davison: If someone has a term of 5 years, then the Governor can reappoint.

Cindy Harvey: Yes.

Vice Chairman Davison: Are we suggesting that the past governors have not been keeping up with who they are appointing to the on the board? Were they not listening and that is how we got to this point?

Cindy Harvey: I cannot speak as to how the Governor's office appoints or selects their candidates. I do know that when this position recently opened up, there were 6 applications and the person that was appointed had retired.

Senator Marcellais: You mentioned that they southwest seldom participates in this, why is that?

Cindy Harvey: It has traditionally been that one commissioner is allowed from a county, and some counties boards are not represented currently.

(19:50) Tricia Schlosser, Government Affairs Committee Chair, North Dakota Association of REALTORS: See Attachment #4 for testimony in support of the bill.

(23:05) Senator Meyer: How long has this commission been set at 5 members?

Tricia Schlosser: I do not know that answer. Others may have that information.

Vice Chairman Davison: Being part of this commission is voluntary correct?

Tricia Schlosser: Yes, I believe a state rate is allotted for each meeting.

Vice Chairman Davison: (Asked Nancy Willis to return to the podium.) I believe that 1/3 of the boards in the state have term limits, is that something that we should look at for all boards? Here in GVA we get into the middle and refereeing things, and if we can't work it out among the commissioners and groups, we end up changing Century Code, which is fine, but do you think as a legislature that we should look at more term limits? How did we get here today?

Nancy Willis: I think because these are political appointments, that appointments depend a lot on how well individuals are known and what kinds of activities they conduct in the state. Unless someone that has done something that is drastically awful, there doesn't seem to be a reason to not continue to re-appoint someone. I think that puts at a disadvantage other individuals who maybe would also like to seek a position on commissions that maybe were not as active in areas that are looked at more closely than others. I don't think that means that they are not as competent or skilled. I think that is how the system has been, and I think it is that way across the country. We have had members that have been interested in serving on the commission, but when commissioners announced that they would like to be re-appointed, they just don't feel like they should submit an application. I think that having term limits takes away the political side and makes it more of a neutral way to have change on boards and commissions.

(28:00) Pat Jergenson, Executive Director, North Dakota Real Estate Commission: See Attachment #5 for testimony in opposition to the bill.

(31:56) Vice Chairman Davison: Was there an official vote from the commission on this bill that you have documentation on?

Pat Jergenson: Yes, we have at two different meetings. I do not have that with me, but I can provide the minutes to the committee.

Vice Chairman Davison: Would you do that please?

Pat Jergenson: Yes. (Mentioned the testimony from commissioners attached.)

Vice Chairman Davison: What is the longest term currently being served?

Pat Jergenson: I believe it is 25 years. It was just re-appointed, and that commissioner was re-appointed because he had made know in 2015 that he did not want to be re-appointed but he was called by the Governor's office because no one had put their name in.

Vice Chairman Davison: Do you have a monthly newsletter?

Pat Jergenson: Quarterly.

Vice Chairman Davison: Do you put it in there when there are new appointments coming up?

Pa Jergenson: No.

Vice Chairman Davison: Do you have e-mails for all of the real estate people?

Pat Jergenson: Yes.

Vice Chairman Davison: Do you put it in there?

Pat Jergenson: No.

Vice Chairman Davison: It is not my job to provide opinions on things necessarily, but I think communication is a really important thing no matter what we do in life.

Pat Jergenson: We don't disagree. I guess we just thought that since it came out of Governor's office we would leave it be. At one point the Association of Realtors advertised it through their members and we did not realize it was an issue. We were told everything was fine. Some of these things we are hearing for the first time. It is unfortunate that it is being aired here and not in conversations between the two organizations.

(35:20) Jerry Schlosser, Chairman, North Dakota Real Estate Commission: See Attachment #6 for testimony in opposition to the bill.

(38:39) Senator Veda: What is the learning curve on this commission? Is it something you can jump right into and understand what is going on or does it take a few years to settle in and make decisions?

Jerry Schlosser: I believe there is a learning curve. It is a different process. There are process and references. On the commission, the decisions more often or not are based on law, rules, and regulations. We consult with our attorney on almost everything.

Vice Chairman Davison: Closed the hearing on HB 1306.

See Attachment #7 for additional information provided to the committee after the hearing.

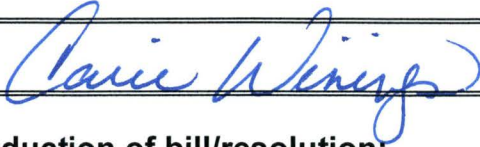
2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Sheyenne River Room, State Capitol

HB 1306
3/9/2017
Job Number 28953

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 43-23-02 of the North Dakota Century Code, relating to the real estate commission; and to provide for application.

Minutes:

No Attachments

Chairman Poolman: Opened HB 1306 for committee discussion.

Vice Chairman Davison: This was a bill that we talked about that had quite a bit of testimony. As I learned last session on GVA, sometimes we do some refereeing between associations and boards. It is always better if they come in together with a solution and change some things within century code. Unfortunately, this is one of those where they are definitely at odds. Really what the association is asking is to change to 5-year term limits. They feel like there isn't enough turnover or vision, and that it is really stuck because the Governor keeps appointing the same people. My concept of it is that it is a little bit more of a political appointment and it is hard to get new people involved. The board thinks that no one is interested and that they don't see a need to have any turnover. They don't see any problems and they were surprised by this. I did ask the executive director if they have all of the e mail addresses for the realtors, and the answer was yes. I asked if they send them out an e mail 30 days prior to when you can send in to be nominated for a position on the board and her answer was no. I also asked if they had a newsletter and she stated that they send one out quarterly. I asked her if they put it in there and the answer was no as well. The executive director, to me, clearly is not interested in having new members on the board. I understand that. I am an executive director, and I have a board. I get comfortable with some of the board members but we have bylaws that state how many terms you can serve and when I look back at board member turnover it has always been a positive experience because we get more schools involved directly and more in depth and you get more discussion in the schools and organizations. What we are voting on here is if we want them to have term limits of 5 years. The current term limit is 5 years but we are limiting it to 2 consecutive 5 year terms.

Senator Meyer: I work hand in hand with this industry being a mortgage lender. I spoke with many brokers and realtors in my market and they are all fully in favor of this. They feel that

they are disconnected from the board. When they need to have a hearing it may take a couple of weeks because they may be out of state. I mentioned a question that Senator Vedaa asked one of the commissioners about the concern of a learning curve, and this broker from Grand Forks that runs the biggest agency said that there should never be a learning curve in this because we are dealing with the real estate handbook. We are not putting a rookie new to real estate on the commission. It would be a seasoned broker who knows that handbook inside and out. They feel like it would be good to get some fresh blood in there every once in a while.

Senator Bekkedahl: I was a licensed real estate agent for 20 years, and my father had a broker's license for long before that. I do still have contacts in the industry. Maybe it is a generational thing, but my contacts are opposing the bill. They see that the association is not willing to work with the current board in this process. It sounds to me like the real estate commission was kept out of this discussion and the bill was put in by the association. I think that it is incumbent upon anyone that if you have these issues, you talk to the affected people first and if you can't work it out then this is the last resort. I was a little amazed that the real estate commission feels slighted that they were not involved in the process and they are going to have to live with the results. I plan to oppose it based on the response from the people that I have dealt with for those reasons. I think the association and the board need to work together to work this out among themselves. I agree that there should be a process that is more transparent in order to solicit people to run for these positions. That is not happening now and I cannot speak to that.

Senator Marcellais: I recall the opposition saying they were not notified on the bill. We got a lot of opposition on this but they did not get it on the House side. I oppose the bill also.

Chairman Poolman: It is interesting on how things can be so different based on the people that we talk to and the crowds that we run with. I too talked to all my realtor friends and they said it absolutely needs to happen. It sounded to me that, from their perspective, there was not an ability to have a conversation on this. It is interesting how the perspective is different. I feel like 10 years is a long time on a board. I do not feel like we are cutting them off. I would be in favor of the bill as well.

Senator Meyer: After a year off of the board, they can come back, correct?

Chairman Poolman: Correct.

Senator Bekkedahl: For the record, I do favor boards that have term limits.

Chairman Poolman: I think it is healthy.

Vice Chairman Davison: I think the issue lies within the day to day leadership of the commission. It always comes down to communication, and I think that is where the issue is at.

Vice Chairman Davison: Moved a Do Pass.

Senator Meyer: Seconded.

Chairman Poolman: Asked for any further discussion?

Senator Vedaa: I have served on numerous boards and if you go back years and you look, there were probably not a lot of realtors in the state. I think that this new influx of people and the housing that goes with that probably brought a lot more realtors. When I look back to a board that I was on, you could do two 3-year terms and then no one would want to be on it when you would get done. No one wanted to be on it. Could that happen on this board? I think it has happened in the past.

Chairman Poolman: Yes, there are all sorts of empty position on the boards and commissions across the state. That happens frequently, but I think the realtors would tell you that they had no idea of how or when to apply. I think that they would say that you have not seen applications. It sounds like there is an interest now.

A Roll Call Vote Was Taken: 4 yeas, 2 nays, 0 absent.

Motion Carried.

Vice Chairman Davison will carry the bill.

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Davison Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Poolman	✓		Senator Marcellais		✓
Vice Chairman Davison	✓				
Senator Bekkedahl		✓			
Senator Meyer	✓				
Senator Vedaa	✓				

Total (Yes) 4 No 2

Absent 0

Floor Assignment Davison

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1306, as reengrossed: Government and Veterans Affairs Committee (Sen. Poolman, Chairman) recommends DO PASS (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1306 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1306

43-23-01. Real estate commission - Members.

The state real estate commission consists of five members appointed by the governor, ~~three~~ four of whom m must be licensed and active real estate brokers or associate real estate brokers, ~~appointed by the governor~~ who have been licensed real estate brokers or associate real estate brokers in the state for at least five years. One member must be of the general public and not licensed as a real estate broker in the state. Each member must be a resident of the state and a member may not reside in the same county as another commission member. The commission shall organize by the election of a chairman.

43-23-02. Commission - Term - Duties - Records.

The governor shall appoint each member of the commission for a term of five years. Terms must be staggered so the term of one member expires each year. At the expiration of the term of any member of the commission, the governor shall appoint a successor for a term of five years. A commissioner may not serve more than two consecutive five-year terms; provided, the term of a commissioner, who is serving on August 1, 2017, and who has previously served more than two consecutive five-year terms, shall not terminate on August 1, 2017, but shall continue until the end of that commissioner's existing five-year term. In the event of a vacancy on the commission for any reason the governor shall appoint a member for the unexpired term of that member.



North Dakota Association of REALTORS®

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Attachment 2
1306
2-2-17

North Dakota Association of REALTORS®

2017

BOARD OF DIRECTORS

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PRESIDENT ELECT

Ben Schroeder

VICE PRESIDENT

Amy Hullet

DIRECTOR AT LARGE

Jill Kjorstad, GRI, SFR, CRS, SRS

PAST PRESIDENT

Cindy Harvey, CRS, CRB, ABR, ePro, SRES, GREEN

NATIONAL DIRECTORS

Daryl Braham, CRB, GRI

Vicki Roller, CRS, GRI

REGIONAL VICE PRESIDENT

Donald Marple, GRI

LOCAL BOARD REPS

Badlands:

Nicole Schoeder, ABR

Ninetta Wandler, ABR, CRS, GRI

Bismarck-Mandan:

Judy Maslowski, SFR

Desri Neether

Tricia Schlosser, CRB, GRI

Mary Shelkey-Miller, ABR, GRI

Fargo-Moorhead:

Shane Cullen, ABR, BPOR

Christine Feickert, GRI

Kevin Fisher, CRS, GRI

Emily Johnson

Vicky Matson, ABR, CRS, GRI

Shawn Ostlie, GRI

Jodi Tollefson, GRI

LuAnn White

Grand Forks:

Lynda Hartmann, CRS, GRI

Ruth Ann Halvorson, GRI

David Blumkin, ABR, CRS, GRI

Jamestown:

Diann Loper

Minot:

Sue Heth

Shari Anhorn, CRS, GRI

Williston:

Jill Kjorstad, GRI, SFR

STAFF:

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Jane Marum, *Admin/Membership*

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Robyn O'Gorman, *Admin Assistant*

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Nancy Willis, *Gov't Affairs Director*

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TESTIMONY IN FAVOR OF HB 1306

FEBRUARY 2, 2017

HOUSE GOVERNMENT & VETERANS AFFAIRS

Chairman Kasper and Members of the House Government & Veterans Affairs Committee, for the record my name is Nancy Willis and I represent the North Dakota Association of REALTORS®.

The North Dakota Association of REALTORS® represents more than 1700 (1712) REALTOR® and more than 200 Business Partner (218) members.

NDAR requested that HB 1306 which relates to changes to the real estate commission be introduced at the request of its members. I have been at the Association for just about five years and every legislative session, a discussion ensues about the merit of term limits and other changes to the real estate commission composition.

Three years ago, the National Association of REALTORS® implemented a program entitled "Core Standards." This program is mandatory for all state and local REALTOR® associations that want to be members of or affiliated with the National Association of REALTORS®. The program directs state and local associations to work toward best practices in operations, in advocacy, in education and in member professionalism. As such, state and local associations around the country have examined their policies and procedures and have had discussions about how to improve their members' professionalism and service to the public.

As NDAR has undertaken this examination, members have included discussions about the entity that licenses real estate professionals and asked whether or not there also might be room for improvement there as well. The result of those discussions was that the benefit of term limits and perhaps other changes to the commission might be warranted and that

(over)

based on how often the topic has come up in the past, there was no time like the present to work toward those changes.

Attached to my testimony are the two charts we reviewed during our discussions. One is a list of other professional licensing boards in ND and their composition. About 1/3 of them have term limits. The other is a list, although not from all 50 states, of other state's real estate commissions and their composition. About half of the commissions we looked at have term limits and many have specific stipulations for membership and qualifications.

The result is HB 1306. Our members do not believe that any of the changes being proposed are onerous or detrimental to members, licensees or the public. On the contrary, they believe that the changes they are proposing in most cases codify practices already in place, provide direction to the Governor on what licensees would like to see in the composition of the real estate commission that governs them and allows for more participation by real estate professionals in the governing body that oversees their practice.

I would like at this time to introduce Cindy Harvey, NDAR's immediate past president, and broker/owner of Elite Real Estate in Minot, to walk you through the changes in the bill and NDAR's rationale for proposing them. After Ms. Harvey testifies, Dave Lanpher, an NDAR past president and currently chair of the ND Real Estate Appraiser Qualifications and Ethics Board also will offer testimony in support.

I would be happy to answer any questions you may have now or after Ms. Harvey and Mr. Lanpher testify.

ND Professional Boards Terms/Composition

Board	# of members	# from profession	Selection	Term	Limits	Notes
Abstracters' Board of Examiners	3	1	Governor appointed	6 yrs	None	1 term expires on 3/31 of odd-# years
Accountancy, State Board of	5	5	Governor appointed	5 yrs	2 terms	4 CPAs/1 LPA
Addiction Counseling Examiners Board	7	5	Governor appointed	3 yrs	2 terms	1 in private practice/ 2 public members
Animal Health, State Board of	9	9	Governor appointed	7 yrs	2 terms	1 commercial beef; 1 purebred beef; 1 dairy; one swine; 1 sheep; 2 bison; 2 veterinarians; 1 non-traditional livestock
Architecture and Landscape Architecture State Board of	3	3	Governor appointed	6 yrs	None	Licensed and resident in practice for 3 yrs
Athletic Trainers, North Dakota Board of	5	3	Governor appointed	4 yrs	None	1 MD; 1 public member
Audiology & Speech-Language Pathology Board of Examiners	8	7	Governor appointed	3 yrs	2 terms	2 audiologists;3 speech-language path. 1 otolaryngologist; 1 hearing aid spec. 1 consumer
Banking Board, State	7	6	Governor appointed	5 yrs	None	4-state bank exec for 5 yrs;1 state or nat'l bank for 5 yrs; 1 -Banking & Finance Commissioner; 1 member of public
Barber Examiners, Board of	3	3		3 yrs	None	Must have practiced in state for 5 yrs
Career & Technical Education, State Board of	9	6	Governor appointed	6 yrs	None	6 - 1 from each district; 2 members of NDSBA 1-Supt of Public Instruction
Chiropractic Examiners, State Board of	5	5	Governor appointed	5 yrs	2 terms	Licensed chiropractors practiced in state 5 yrs
Clinical Laboratory Practice, ND Board of	7	4	Governor appointed	3 yrs	None	1 MD; 1 adm clinical lab dir; 1 clinical lab scientist 1 clinical lab tech; 2 consumers; state health offcr or designee as ex-officio
Cosmetology, State Board of	5	3	Governor appointed	3 yrs	None	3-licensed cosmetologists with 3 years experience; 1-2ndary or post 2ndary educator; 1 licensed health care provider
Counselor Examiners, Board of	5	3	Governor appointed	3 yrs	None	2 practicing counselors; 1 counselor educator; 2 public members
Dental Examiners, State Board of	7	6	Governor appointed	5 yrs	2 terms	5 dentists; 1 dental hygienist; 1 public member
Dietetic Practice Board	5	4	Governor appointed	3 yrs	None	3 - licensed, registered dietitians; 1 licensed nutritionist; 1 healthcare consumer All professionals must be actively practicing for 3 years
Education Standards & Practices Board	10	10	Governor appointed	3 yrs	2 terms	4 public school classroom teachers; 2 school board members; 1 non public school member; 2 school administrators; 1 dean or chairman of college education department
Electrical Board, State	5	3	Governor appointed	5 yrs	None	1 representing public; 1 master electrician/contractor 1 journeyman electrician; 1 REC consumer; 1 investor owned utility rep
Engineers and Land Surveyors, State Board of Registration for Professional	5	5	Governor appointed	5 yrs	None	4 professional engineers; 1 professional land surveyor
Funeral Service, State Board	4	3	Governor appointed	4 yrs	None	3 practicing embalmers; 1 state health officer
Hearing Aid Specialists, Board of	10		Governor appointed	4 yrs	2 terms*	4 hearing instrument spec.;1 otolaryngologist; 3 audiologists; 2 consumers (may be reappointed

P. 3

ND Professional Boards Terms/Composition

P.4

						1 year after second term has ended)
Integrative Health Care, State Board of	7	6	Governor appointed	3 yrs	2 terms	Governor chooses from list of individuals licensed under this board and recommendations - 1 pharmacist
						1 acupuncturist; 1 physician; 1 naturopath; 1 FNP; 1 music therapist; 1 consumer
Marriage and Family Therapy Licensure Brd	5	4	Governor appointed	4 yrs	2 terms	4 licensed therapists; 1 public member
Massage, Board of	5	3	Governor appointed	2 yrs 3 yrs	None	3 LMTs - 3 yrs; 1 public member; 1 massage instructor - both 2 years
Medical Imaging and Radiation Therapy Board of Examiners	9	8	Governor appointed	4 yrs	2 terms	5 medical imaging or radiation professionals, one each from radiography, radiation therapy, nuclear med, sonography, imaging education; 1 MD; 1 medical physicist; 1 rural MD; 1 public member
Medicine, State Board of	13	11	Governor appointed	4 yrs	2 terms	1 PA-C; 9 MD; 1 DO; 2 public members
Nursing Home Administrators, State Board of Examiners for	9	4	Governor appointed	3 yrs	None	1 State Health Officer; 1 DHS Dir; 1 MD; 4 nursing home administrators; 1 RN; 1 hospital administrator
Nursing, State Board of	9	8	Governor appointed	4 yrs	2 terms	5 RNs; 1 APRN; 2 LPN; 1 public member. All nursing members must be actively practicing.
Occupational Therapy Practice, Board of	5	4	Governor appointed	3 yrs		3 licensed OTs; 1 licensed OT asst.; 1 public member All licensee must be actively practicing and have been in practice at least 3 years prior to appt.
Optometry, North Dakota State Board of	7	5	Governor appointed	5 yrs	None	5 registered optometrists and 2 public members
Pharmacy, State Board	7	6	Governor appointed	5 yrs	None	5 licensed pharmacists; 1 registered pharmacy tech; 1 public member unaffiliated with health care.
Physical Therapy, Board of	6		Governor appointed	5 yrs	None	3 registered PTs; 2 licensed MDs; 1 public member
Plumbing, State Board of	5	2	Governor appointed	4 yrs		1 master plumber (5 yrs exp); 1 journeyman plumber (5 yrs exp); 1 registered professional mechanical engineer; 1 public member; 1 State Health Dept.
Podiatric Medicine, Board of	5	5	Governor appointed	4 yrs	None	4 DPM (2 yrs exp); 1 MD (2 yrs exp)
Psychological Examiners, State Board of	7		Governor appointed	3 yrs	None	7 PhDs (5 yrs exp) actively practicing
Real Estate Appraiser Qualifications And Ethics Board, North Dakota	5	3	Governor appointed	5 yrs	2 terms	3 appraisers; 1 financial industry; 1 public member
Real Estate Commission, North Dakota	5		Governor appointed	5 yrs	None	3 active real estate brokers; 2 public members
Reflexology, North Dakota Board of	3		Governor appointed	3 yrs	None	3 members of ND Reflexology Association
Respiratory Care, State Board of	7	6	Governor appointed	3 yrs	None	4 RTs; 1 MD; 1 public member; 1 registered polysomnographic technologist
Social Work Examiners, ND Board of	6	3	Governor appointed	3 yrs	2 terms	2 licensed SW; 1 licensed and certified SW; one licensed, independent clinical SW; 2 public members
Soil Classifiers, State Board of Registration for Professional	5	3	Governor appointed	5 yrs	None	3 registered, professional soil classifiers; 2 at large
Veterinary Medical Examiners, State Board of	5	4	Governor appointed	3 yrs		3 licensed DVM (1 large animal, 1 small animal, 1 both); 1 vet tech (all 5 yrs exp); 1 public member
Water Well Contractors, State Board of	7	4	Governor appointed	4 yrs	None	5 appt-2 water well contractors; 1 pitless pump installer; 1 geothermal system installer; 1 at large; state engineer and state health officer or designees ex officio

Other State Composition

Board	# of commissioners	Terms	Limits	Appointed by	Notes
Alberta, CA	12	3 yrs	2 terms	6 Real Estate Association	Real estate brokers from different local boards, plus 1 residential and one commercial
				1 Mortgage Brokers Assoc	Must be mortgage broker
				1 Minister of Service	Public
				2 REA/MBA combined	1 public 1 broker not member
				2 Commissioners	1 appraiser 1 property mgr
Alabama	9	5 yrs	2 terms	Governor/conf by Senate	6 brokers nominated from largest RE association; 1 non member broker; 1 consumer; 1 black. All must have been residents for 10 yrs and brokers 10 yrs in practice
Arkansas	5	3 yrs	None	Governor	3 RE industry; 1 public; 1 senior
California	N/A	N/A	N/A	Governor	Dept. of Consumer Affairs, Bureau of Real Estate - Commissioner
Colorado	5	3 yrs	None	Governor	3 brokers; 1 subdivision expert 1 public member
Connecticut	7				3 brokers; 2 salesperson; 2 public
Delaware	9	3 yrs	2 terms	Governor	3 brokers; 1 associate broker; 1 salesperson; 4 public Residents for 5 yrs prior Specifies broker residency Broker and associate broker active for 5 yrs. Sales 4 yrs Specifies county of public
Florida	7	4 yrs	1 term	Governor/conf by Senate	4 brokers; 1 broker or agent 2 public; 1 senior Brokers - 5 yrs exp prior Broker/agent - 4 yrs exp prior Public not now or ever RE
Georgia	6	5 yrs	None	Governor	5 "significant RE experience as licences"; 1 public
Hawaii	9	4 yrs	None	Governor/conf by Senate	All U.S. citizens and 3 yr state residency prior to serving 4 licensed brokers with at least 3 yrs prior experience;

Other States RE Composition

P.6.

					2 public; 3 other. Must be from specified areas of state.
Idaho	4			Governor	4 Geographic areas of state Commission works with IAR Also RE Education Council
Indiana	12			Governor	9 members representing Congressional districts; 1 real estate member at large; 2 public members real estate member must be broker for 5 yrs; all must be residents of Indiana
Iowa	7	3 yrs		Governor	4 brokers; 1 salesperson; 2 public
Kansas	5	4 yrs		Governor	3 brokers 5 yrs exp.; 1 at large no RE; 1 other Represent 4 Cong Districts
Kentucky	3	3 yrs	2 terms	Governor	4 brokers; 1 public member
Louisiana	11			Governor	9 broker or broker associate each from Supreme Crt District 2 broker or broker associate each from Congress District
Maine	6	3 yrs	None	Governor	4 industry; 2 public Industry must be broker or associate broker w/5 yrs exp
Maryland	9	4 yrs		Governor	5 licensed RE brokers, assoc brokers or salespersons; 4 public 5 RE members from certain areas
Massachussets	5	3-5 yrs		Governor	3 RE; 2 public
Minnesota	N/A	N/A	N/A	Governor	Dept. of Commerce Commissioner all done by RE division of agency
Missouri	7	5 yrs	None	Governor	6 brokers w/10 yrs exp.; 1 public (req.)
Montana	7	4 yrs	2 terms	Governor	5 RE industry; 2 public
Nebraska	7	6 yrs	1 term	Governor	3 brokers @ Congress district (exp.) SOS Chair by statute (no term limit) 1 broker at large; 1 salesperson; (exp.) 1 public member

Other State Composition

Nevada	5	3 yrs	2 terms	Governor	Must be U.S. Citizen and state resident for 5 yrs prior
					Brokers must have 3 yrs exp. or broker/salesman 5 yrs.
					3 members from geographic areas
New Hampshire	5	5 yrs	2 terms	Governor	2 brokers; 1 salesperson; 1 lawyer; 1 public member. All 6 yr residency
New Jersey	8			Governor	5 brokers; 2 public; 1 govt
New Mexico	5			Governor	4 brokers; 1 public
New York	15	2 yrs	5 terms	Governor appts 3 brokers & 1 public; Senate Majority Leaders appts 1 broker and 1 public; Speaker appts 1 broker and 1 public	1 SOS and 1 Supt of Dept Fin Srvcs at least 5 brokers w/10 yrs exp. Leader and speaker can do brokers or public so you could have: 7 brokers and 6 public or 6 brokers and 7 public or 5 brokers and 8 public (currently 5 and 8)
North Carolina	9	3 yrs	None	Governor appts 7 Assembly appts 1 on rec of Senate President Assembly appts 1 on rec of Speaker of House	at least 3 brokers; 2 not involved in RE;
North Dakota	5	5 yrs	None	Governor	3 brokers; 2 other
Ohio	5			Governor	
Oklahoma	7	4 yrs		Governor	5 brokers w/5 yrs exp. 1 public member; 1 RE school
Oregon	9	4 yrs	None	Governor	7 industry/2 public
Pennsylvania	10			Governor	6 brokers (1 cemetery broker) 3 public; 1 consumer protection; 1 commissioner
Rhode Island					Dept. of Business Regulation
South Carolina	10	4 yrs	None		2 public, not RE; 7 brokers actively practicing from @Cong Dist.; all elect an 8th at-large in RE practice
South Dakota	5	3 yrs	3 terms	Governor	3 brokers; 2 public
Tennessee	9				
Utah	5			Governor	5 brokers
Vermont	7			Governor	1 attny; 2 public; 3 brokers 4 yrs exp

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Other States RE Composition

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					1 salesperson.
Washington	7	6 yrs		Governor appts 6	Geographical area specified
					6 brokers w/ 5 yrs exp in industry
					1 director
West Virginia	5	4 yrs		Governor w Senate conf	resident for 6 yrs prior
					1 public; 4 broker, associate broker
					or salesperson w/10 years exp
					1 broker a VRA nominee
Wisconsin	7	3 yrs	2 terms	Governor	5 broker/salesperson; 2 public
Wyoming	5	3 yrs	2 terms	Governor w/Senate conf	Must be a WY resident
					At least 3 and not more than 4
					broker w/5 yrs exp
					Can't be from same county

41 6 3 yrs 32% avg 2 terms



North Dakota Association of REALTORS®

North Dakota Association of REALTORS®

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Attachments
1306
2-2-17

2017

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Shane Cullen, ABR, BPO

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Emily Johnson

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Shawn Ostlie, GRI

Jodi Tollefson, GRI

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Shari Anhorn, CRS, GRI

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nancy@ndrealtors.com

TESTIMONY IN FAVOR OF HOUSE BILL 1306

February 2, 2017

House Government and Veterans Affairs Committee

Chairman Kasper and Committee Members, my name is Cindy Harvey and I am a broker/owner of Elite Real Estate in Minot. I also am the immediate past president of NDAR.

I am here today to ask for a Do Pass on House Bill 1306 and to go through the changes and amendments we are requesting, as well as to answer any questions you may have.

The purpose of the real estate commission in regulation, under Article 70-02-01-01, section 2. is: "... to safeguard the public interest in real estate transactions, to regulate the licensing of real estate brokers and salespersons, to encourage and require the maintenance of high standards in ethical practices by all real estate licensees doing business in North Dakota, and to seek out and prosecute those persons who unlawfully engage in dishonest, fraudulent or criminal activities therewith."

1) Currently Century Code says the commission must be composed of **three real estate brokers and two others**, but for more than 25 years the composition of the Commission has been **four brokers and one other**, who has been an attorney. Our first change would revise the composition to four brokers to codify the long-standing actual composition. This maintains the higher level of professionalism on the commission and continues to protect the public. We also specify that the one other must be a member of the public not holding a real estate license in ND.

2) Our second change is **an amendment** to clarify that by broker we mean either a **managing broker (one who supervises others) or an associate broker (one who is supervised)** but who both hold a broker's license. This difference is not distinguished in century code right now. Two current commission members

(over)

and several in the past have been associate brokers. We also ask that they have been **licensed in ND for five years**. A salesperson must practice for two years before applying for a broker's license, but once obtained, can put the license in escrow and does not have to comply with continuing education requirements unless they choose to re-activate their license. So it is possible to never actually practice or carry out the duties of a broker. We believe it is in the best interest of the public and in the member's ability to carry out his/her duties to be engaged actively in the profession.

3) Our third change would require that Commission members be **residents of ND** and that **no two Commissioners be from the same county**. With the advent of the oil boom, the number of out-of-state brokers licensed to do business in North Dakota increased. As long as these individuals meet ND licensing requirements and the education requirements in their state, they may continue to hold a valid license. However there is no requirement that they reside in ND. We believe that those engaged in the duties of the Commission to oversee real estate activity in ND should be residents. The stipulation that no two Commissioners be from the same county is to ensure that there is geographic diversity on the Commission. For the most part this has been the case, but in the early 90's there were two commissioners from Burleigh County that served at the same time on the Commission and because these are appointments, we wanted to ensure that diversity.

4) We also are asking that term limits be imposed on Commissioners' service. Currently no term limits exist. Of the five Commissioners, once their current terms are completed, two will have served 25 years, one will have served 20 years, one 15. The one newly appointed member replaced a commissioner who had completed 20 years of service and chose not to be re-appointed. We are proposing **two consecutive five-year terms** or 10 years. We believe that this still is quite a long time for someone to be engaged in public service.

5) Finally, we are offering a second **amendment** that clarifies that should this legislation pass, the current Commissioners may **serve out their terms** before appointments must comply with these changes to regulation. We also have removed the emergency clause as our attorney believed that even though terms begin July 1 and legislation becomes effective August 1 it is not necessary.

I would be happy to answer any questions at this time and if I can't answer something, we have staff and members here that can! Thank you.

North Dakota Real Estate Commission Composition and Terms

Member Name	Position	County	Profession	Appt. Date	Term Ends
Breidenbach, Scott		Cass	Associate Broker	7/1/2016	6/30/2021
Cymbaluk, Roger		Williams	Broker	7/1/1995	6/30/2020
Louser, Diane R.	Vice Chair	Ward	Attorney	7/1/1994	6/30/2019
Schlosser, Jerry	Chair	Burleigh	Broker	7/1/2003	6/30/2018
Youngberg, Jerome		Grand Forks	Associate Broker	7/1/1997	6/30/2017

Number of years on commission at end of term:

Breidenbach, Scott	5 years
Cymbaluk, Roger	25 years
Louser, Diane R.	25 years
Schlosser, Jerry	15 years
Youngberg, Jerome	20 years

- The ND Real Estate Commission website lists Commissioners by name but does not show their terms.
- There is no information on the ND Real Estate Commission which informs licensees about the process for applying to serve on the Commission, nor is there a link to the Governor's website where this is contained.
- The ND Real Estate Commission does not publish information when a Commissioner's term is coming due to inform brokers that there may be an opportunity to apply to serve on the Commission.
- The practice since Governor Hoeven took office has been that the Governor's office contacts commissioners to determine if they wish to be reappointed. If they do, the appointment moves forward.
- In 2015, Commissioner Cymbaluk let it be known that he did not want to be reappointed. A broker contacted him to get information and had planned to apply. Subsequently Commissioner Cymbaluk also let it be known that the Governor had contacted him about remaining on the Commission because he wanted someone from the Bakken area. As a result, the interested broker never submitted the application.
- Because of the Governors' practice of contacting Commissioners and re-appointing, brokers, including NDAR members, have not felt that there is an opportunity for appointment and have not submitted applications. In 2016, when Commissioner Kris Sheridan announced that she would not seek re-appointment, eight (8) brokers applied.



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Amy Hullet

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**TESTIMONY FOR HB 1306
RELATING TO THE ND REAL ESTATE COMMISSION
FEBRUARY 2, 2017
GOVERNMENT & VETERANS AFFAIRS COMMITTEE**

Chairman Kasper and Committee Members, my name is David Lanpher. I am a member and past president of NDAR, a Broker/REALTOR® at Park Co. in Fargo and currently chair the North Dakota Real Estate Appraiser Qualifications and Ethics Board.

I believe that term limits are a good thing and I do not see a problem with any of the other changes proposed in this bill.

Term limits bring fresh eyes to long-standing processes. It doesn’t matter how committed commission members are, it is human nature that after participating in an activity where the same things are done the same way for a long time things become stale.

I think that allowing for regular turn-over increases the potential for interested applicants because they know they may not have to be there for life. I also think it allows for reconfiguration of board composition, including opportunities to bring in new perspectives and new skills.

I also think that having a larger group of alumni who have served on the Commission will strengthen the professionalism of licensees which is a benefit to all real estate licensees and to the public.

I speak from experience based on my service on the North Dakota Real Estate Appraiser Qualifications and Ethics Board. Term limits were imposed in the 2011 Legislative Session--six years ago. During that time, I have seen a positive change on the Appraiser Board. (Examples will be given).

I would be happy to answer any questions that you may have.



Attachment 5
1306
2-2-17

North Dakota Real Estate Commission

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ndrealestatecom@midconetwork.com
www.realestatend.org

TESTIMONY Against HB 1306

Members

Chair
Jerry Schlosser
Bismarck

Vice Chair
Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Heather C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Good morning Chairman Kasper and members of the Government and Veterans Affairs Committee. My name is Pat Jergenson. I have been the Executive Director of the North Dakota Real Estate Commission for almost 15 years and I am testifying today against HB 1306. This proposed legislation came about with no input from the North Dakota Real Estate Commission – what I bring forward to you is the same information we would have shared with the ND Association of REALTORS® if we had been included in the drafting of this bill.

Section 1 Amendment to ND Century Code 43-23-01 adds additional criteria the Governor must follow when determining appointments to the Commission.

1. Line 9 of the proposed bill changes the make-up of the Commission from at least 3 active real estate brokers to 4. It is true that for many years the Commission has had 4 brokers and one public member but that was at the choice of the Governor. We do not see the need to add additional restrictions for the Governor to follow in making his appointments nor do we see how this requirement to

always have 4 brokers is a benefit to the consumer whom the Commission is charged to safeguard.

2. Line 10 adds the requirement that the broker must have been licensed as a real estate broker in North Dakota for at least 5 years. As of January 9, 2017 when I researched the number of brokers in North Dakota who fall within this proposed requirement there were 192 licensed brokers and 202 licensed associate brokers. I make that distinction between brokers and associate brokers because the statute did not in the past and neither does the legislation before you now - but maybe it should. A broker associate is defined in ND Administrative Code 70-02-01-09 as "A real estate broker regularly licensed who does not conduct an office under the broker's own name, but is employed by another licensed broker or affiliated with another licensed broker on a fee division basis and performs service similar to that of a salesperson, must not at any time act independently as a broker, and shall not perform any real estate service without full consent and knowledge of the broker's employing or supervising broker. The employing or supervising broker shall at all times be responsible for the action of the employed or affiliate broker to the same extent as though the employed or affiliated broker were an employed salesperson." So under the criteria in this bill will a broker associate qualify?

I don't believe that consideration was given to situations which exclude licensees who may want to seek appointment to the Commission. For instance, consider a licensee who has had their salesperson license for more than 5 years and decides that they would like to apply for an appointment to the Commission.

That licensee, upon receiving their broker license, would have to wait another 5 years before they would qualify for appointment under this bill. One of the requirements to receiving a broker license is that a salesperson must be active for 2 years prior to their application for a broker license. With this change a licensee must have had at least 7 years of having an active real estate license to qualify for appointment. Would that mean a salesperson who has 5, 10, 15 years in the business is less of a professional than someone who has been a salesperson for 2 years and a broker for 5? This bill as drafted requires the Governor to appoint 4 brokers eliminating the option of appointing a broker associate or a salesperson, both categories that also are regulated by the Commission. It also does not allow the Governor to appoint another public member.

3. Lines 12 and 13 add a requirement that each member must be a resident of the state and a member may not reside in the same county as another commission member. To my knowledge the Governor has historically appointed Commission members from various areas of the state. The Commissioners today are from Fargo, Grand Forks, Minot, Williston and Bismarck. I am not aware of there ever being a problem which would require this legislation. This bill unnecessarily restricts the Governor's selection. If there is nothing to fix why is this necessary?

Section 2 Amendment to ND Century Code 43-23-02 adds term limits. Commissioner Breidenbach will testify to this portion of the bill.

Page 2, line 8 of the bill states an effective date of July 1, 2017. It is unclear what the effect of the term limit phrase "A commissioner may not serve more than two consecutive five-year terms" come July 1 is. We have been told by the North Dakota Association of REALTORS® that it is not their intent to clear the slate of Commissioners come July 1 but as drafted the language is unclear and ambiguous. It could be interpreted to mean that 4 out of 5 of the current Commissioners are off the Commission come July 1 because of the new term limits. This would be a bad idea and cause damage to the continuing operation of the Commission and its ability to carry out its purpose of effectively and consistently protecting the public. The North Dakota Association of Realtors leadership also stated to the Commission that they had no issues with the Commission yet this bill has an emergency clause. The intent of this bill may be to have term limits begin with the next appointee however that intention is not stated anywhere in this bill.

Our concern with this bill is that it was not fully thought out, places unnecessary restrictions on the Governor's choice to appoint, and does not further the purpose of the Commission to protect the public. This bill is not necessary and there are many items in this bill that are unclear in their interpretation and application.

For these reasons, the North Dakota Real Estate Commission urges a DO NOT PASS vote on HB 1306.

Louser & Zent, P.C.

Diane R. Louser
Brenda M. Zent

Attorneys At Law

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January 31, 2017

Members of the Government and Veterans Affairs Committee
ND State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505

RE: HB 1306

My name is Diane R. Louser and I am from Minot, ND. I am presently serving as the public member on the ND Real Estate Commission, having first been appointed by Governor Ed Schafer, then by Governor John Hoeven, and most recently by Governor Jack Dalrymple. As a public member of the Commission, I am not a member of the ND Association of Realtors nor am I licensed to sell real estate. I am writing this letter because I am opposed to HB 1306.

At this time, the ND Real Estate Commission consists of five members appointed by the Governor, four of whom are active real estate brokers and one from the general public. Each member is appointed for a term of five years. HB 1306 changes the number of brokers that must be on the Commission from three to four. It is my position that the Governor should continue to be allowed discretion on whether the Commission should be made up of three brokers or four. The purpose of the Commission is to protect the consumer. It is submitted it would be in the consumer's best interest for the Governor to determine the make-up of the Commission as opposed to the make-up being required under state law.

My second concern with HB 1306 is the provision that a member may not reside in the same county as another member. As there are currently seven Boards of Realtors in North Dakota, brokers from various counties are likely to be members of the same board, resulting in the possibility that there could be two members from the same board on the Commission.

The additional change provides that a Commissioner may not serve more than two consecutive five-year terms. It is my understanding that 2/3rds of the boards and commissions in North Dakota do not have term limits. There has been no justification for how HB 1306 will benefit the public through term limits.

P.6

Members of the Government and Veterans Affairs Committee
Page 2
January 31, 2017

Finally, it is not clear when HB 1306 would become effective. As originally stated, it would become effective July 2017. To my knowledge, no justification has been set forth that the changes qualify as an emergency nor have facts been provided as to how HB 1306 would benefit the public. I, therefore, ask that there be a Do Not Pass on HB 1306.

Very truly yours,



Diane R. Louser

DRL/jab



Attachment 6
1306
2-2-17

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West Fargo

Shane C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Good morning Chairman Kasper and members of the Government and Veterans Affairs Committee. My name is Scott Breidenbach. I was appointed to the North Dakota Real Estate Commission on July 1, 2016 and am the newest member of the Commission. I am testifying today against HB 1306.

Section 2 Amendment to ND Century Code 43-23-02 line 20 adds term limits. This bill is more than the addition of term limits. The Commission first saw this bill in draft form when it was emailed to us on Friday afternoon, December 30th – a holiday weekend. The Commission's next meeting was January 10, 2017 and the Commission specifically invited representatives from the North Dakota Association of REALTORS® to be present and discuss the proposed bill. Lyn Dwyer, President of NDAR, Jill Beck, CEO and Government Affairs Chair Tricia Schlosser attended the meeting and participated in the discussion. Based on the conversation at that meeting the Commission voted to not support NDAR's proposed legislation as presented for the reasons our Executive Director addressed in her testimony as well as the fact that as stated by those representing the North Dakota Association of

REALTORS® at our meeting there is no problem that needs to be fixed that requires immediate action. Since there was no immediate problem noted the Commission recommended to the association that more time be given to developing this legislation.

Personally I feel that 2 terms is not enough time to be able to fully participate in professional organizations that provide the Commission members an avenue to learn how other states deal with licensing issues. For example, ARELLO®, the Association of License Law Officials, meets twice a year. Term limits stifle participation because of the time constraint. We come from a small state and have a fulltime two person staff – the information, contacts and experience derived from participating in a professional association such as ARELLO® is so beneficial not only to us as Commissioners and our staff but to the State of North Dakota. North Dakota Commissioners have participated on a national scale through ARELLO®, participation that strengthens the North Dakota Real Estate Commission and helps further its purpose of consumer protection.

I am not only a Commissioner I am a member as well as a past president of the North Dakota Association of REALTORS®, and an active real estate agent. One of the reasons given for this legislation was that no one wants to put their name in for an appointment and go up against a sitting Commissioner. We, you and I, compete for any number of things in our daily lives: on the playing field, to get that perfect job, to be elected. The very nature of the real estate business is competition. Real estate agents compete for a listing, compete for a buyer, and compete to get that house sold. If someone wants to be appointed to the Commission the fact that they must “compete”

against someone else for that appointment shouldn't stop them from seeking that appointment.

A search of the state archives shows that the last time the North Dakota Association of REALTORS® put forth names of its members for consideration to the Governor's office was 19 years ago in 1998. In 2001, 2002, and 2003 they endorsed current Commissioners for reappointment and there was nothing in the archives indicating any endorsements from the Association since 2003. The representatives from the North Dakota Association of REALTORS® claimed during our January 10 meeting that no one knows about the upcoming appointments, even though one position becomes available every year. It is simple to locate the information on the state's website or pick up the phone and call the Commission office, call the Governor's office, or call the North Dakota Association of REALTORS®. The ND Association of REALTORS® Mission Statement is: To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®. Informing their members of upcoming appointments to the Commission would be advocating for the success of its members.

The terms of Commissioners are staggered so the Governor appoints a Commissioner each year. The system is in place for new people to apply for a position as a Commissioner on an annual basis, but very few have. Brokers can use the system that already exists if they want to serve on the Commission. There is no problem that needs to be fixed.

The North Dakota Real Estate Commission urges a DO NOT PASS vote on HB 1306.

Pat Jergenson

From: Roger Cymbaluk <roger@basinbrokers.com>
Sent: Tuesday, January 31, 2017 3:39 PM
To: pat.ndrecom@midconetwork.com
Subject: term limits

Chairman Kasper and Members of the Government and Veterans Affairs Committee

Thank you for allowing me to address your committee in writing rather than in person regarding the Term Limits bill.

For the record I am not opposed to term limits, however I think it is prudent to look at the motivation to set this policy. If the sponsors of this bill are doing so that more participation from brokers or the public is encouraged , in my experience, that is hollow.

In 2014 , I made it known I would not seek reappointment , but I received a call from the Governor's office to re-consider as no-one from Western North Dakota made any effort to pursue the position.

Our commission belongs to a national organization with several states , Canadian Provinces and several countries; North Dakota along with a couple of other states and Jurisdictions have been the envy of many of our peers as we have been able participate in various roles knowing we could commit the time to do so.

If the supporters of this bill think we as Commission members do a poor job, let us know or advise their local Legislators who will take the initiative to have us replaced.

I have had the privilege of serving and being appointed by three Governors and I can assure you if they felt we weren't doing the job in the best interests of the Public and the State of North Dakota, I nor the others wouldn't be here.

In my opinion the term limits should be at the pleasure of the Governor's office with the process that we currently adhere to.

Thank you,
Roger Cymbaluk

Real Estate Commissioner
Real Estate Broker
926 3rd Ave. East
Williston, ND 58802-0456
701-572-5560
roger@basinbrokers.com

Pat Jergenson

From: Jerry Schlosser <jschlosser@century21morrison.com>
Sent: Tuesday, January 31, 2017 4:31 PM
To: pat.ndrecom@midconetwork.com
Cc: Jerry Schlosser
Subject: HB 1306

Testimony AGAINST HB 1306

Chairman Kasper and members of the Government and Veterans Affairs Committee.

My name is Jerry Schlosser. I currently serve as the Chairman of the North Dakota Real Estate Commission (NDREC). Regrettably I will be out of town at the same time as your committee meeting. Please accept this letter as my testimony against HB 1306.

I am a real estate broker and have been a member of the North Dakota Association of Realtors (NDAR) for the past 40 years. I value the positive relationship that has existed between the Realtors and the Commission. Both organizations are concerned about the public. The Realtors advocate for its members and service to the public, while the Commission is focused on the protection of the public in real estate related matters. I don't believe that by restricting the Governor's authority to chose or replace a Commissioner helps in the protection of the public.

On January 10, 2017 the Commission had its first opportunity to review and discuss this bill. The Commission voted to oppose HB 1306. Among the reasons to oppose this bill are the following:

- 1- The Commission is not aware of problems or issues that exist today, or have existed, to which HB 1306 would serve to correct. The Commission certainly encourages and expects all problems or issues would be brought before the Commission. Better to solve problems at the Commission level than to seek the legislative process.
- 2- The Governor currently has the authority to appoint a new commissioner each year. We believe that brokers who wish to serve on the Commission should submit their applications to the Governor's office. The system and the process is available to everybody...but it does require taking the action-step and apply.
- 3- The primary responsibility of the Commission is the protection of the public...it's not clear how HB 1306 will help to protect the public. And it is not clear what professional, legal, economic or ethical issues, if any, HB 1306 addresses.

The North Dakota Real Estate Commission urges a Do Not Pass vote on HB 1306.

Thank you.

Sent from my iPad

J. 6

Testimony Against HB 1306

Chairman Kasper and Members of the Committee:

I am Jerome Youngberg, a current commissioner with the ND Real Estate Commission and a member of the ND Association of Realtors. I am also a licensed associate real estate broker with Dakota Commercial and Development Company of Grand Forks. I am not able to be there in person and have asked our Executive Director to submit my testimony to you.

The commission's responsibility is to protect the public by establishing rules and regulations that ensure that consumers involved in real estate transactions are being served by licensed real estate agents that have met minimum standards established by rules, regulations and laws. This responsibility also includes the enforcement of the rules, regulations and laws.

It is not the commission's responsibility to enforce the real estate trade association's Code of Ethics or other requirements of the members of the association. I would hasten to add that many of the requirements are similar or identical to the real estate commission's rules, regulations, and state laws but not all.

In many areas of life we value experience. For example legislators who are reelected are valued as committee chairs, vice chairs and other leadership positions. Also, state employees are given incentives to continue employment with the state with annual raises and other benefits because of the experience they bring to their positions.

The governor has the responsibility of making the appointments to the commission and this bill would be a restriction on his choices.

I would ask this committee to reject this bill and continue to allow the governor to have the choices he currently has in either reappointing or selecting someone new to serve on the real estate commission.

Thank for your time and consideration.



North Dakota Association of REALTORS®

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To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

**TESTIMONY IN FAVOR OF HB 1306
MARCH 3, 2017
HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE**

Chairman Poolman and Members of the Senate Government & Veterans Affairs Committee, for the record, my name is Nancy Willis and I represent the North Dakota Association of REALTORS®.

The North Dakota Association of REALTORS® is a 501 (c)6 non-profit professional business organization with more than 1700 (1712) REALTOR® members and more than 200 (218) Business Partner members, such as employees of financial and title companies, etc. Our state membership represents 73% of the 2,306 license holders in ND, some of which are out-of-state or reciprocal licenses. The North Dakota Real Estate Commission is the professional licensing board for real estate licensees in North Dakota.

For some time now, when our association holds its Strategic Planning sessions, members have suggested that term limits would be beneficial for the health of the body that governs real estate practice. Last year, members asked NDAR to move this forward through legislation.

In doing research prior to requesting introduction of this legislation, we found that both in North Dakota and in other states, licensing and professional boards and commissions with term limits that have been imposed through legislative action do exist, so setting term limits for appointed boards and commissions is not new or without precedent.

We do not believe that term limits circumvent the Governor’s authority. If that were the case, then the ND licensing boards and other states’ commissions with appointed members would be doing so as well. We also do not believe that longevity is necessary in order to carry out commission duties. An active real estate broker appointed to the commission is assumed to be knowledgeable of and in compliance with the licensing rules and regulations and is expected to have ensured that licensees that he or she supervises are as well.

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We believe that the language in this bill is self-explanatory. I have, however, included a timeline of the communication we had with the Commission as they have communicated to us that they did not feel they were afforded enough time to review the bill. There also was a concern in the original version of the bill that it could be interpreted that Commissioners terms all would end when this legislation became effective. We addressed that with an amendment that became Section 2.

We do believe there is room for improvement in how the commission carries out its duties and also believe term limits are healthy. We have been asked how this benefits the public and our response is to ask how it does not benefit the public. We believe there is more benefit to the public in having members of a Commission that regularly turn over than having Commissioners who continue to be reappointed for 15-25 years (attachment) and perhaps longer with reappointments. Others must agree, as both Montana and South Dakota have term limits (attached) and the House passed this bill to the Senate by a vote of 68-21. For those reasons we respectfully request a DO PASS.

I have distributed testimony that one of our REALTOR® members in Fargo asked to be shared as he could not be here. I also was informed by William Gion, a certified appraiser from Regent and the president of the recently formed ND Appraisers' Association that they have taken a position in support of this bill and I have passed out their letter of support as well.

I would be happy to answer any questions you may have. A number of our members also plan to testify in support.



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TIMELINE FOR COMMUNICATION WITH REAL ESTATE COMMISSION ON HB 1306

Thursday, December 8, 2016

NDAR has scheduled Government Affairs Committee meeting to discuss bills of interest pre-filed for 2017 session. Members suggest pursuing Real Estate Commission term limits in the 2017 session. Committee members pass a motion to establish a task force with representation from all seven local boards to research the issue.

Thursday, December 8, 2016

NDAR CEO Jill Beck communicates to the Executive Director of the NDREC that the association is looking into bringing legislation related to term limits to the 2017 Legislative Session.

Thursday, December 15, 2016

At a publicly announced meeting of the NDREC, commissioners acknowledge being aware of the association's pursuit of possible term limit legislation and one commissioner offers to participate in discussions. (12/15/16 Commission meeting minutes under *Other*)

Thursday, December 22, 2016

Task force meets. Reviews ND professional boards/commissions and other states real estate boards/commissions and asks staff to draft bill language amending NDCC. Members decline offer for commissioner to serve on task force as they feel it is a conflict of interest.

Thursday, December 29, 2016

Task force members review draft language, make some changes and pass a motion to recommend to the full Government Affairs Committee to pursue legislation containing draft language.

Friday, December 30, 2016

An e-mail with the draft language is sent out to all Commissioners and the Executive Director as well as the NDAR Government Affairs Committee members and the NDAR Board of Directors, the process for moving forward is explained and input is requested. Commission chair, Jerry Schlosser, responds that he will ask the executive director to coordinate a commission meeting to "address NDAR's effort to circumvent our Governor's authority in this matter". He also says, "As the Commission has been kept in the dark in this matter...." which is in conflict with the minutes of the Commission's December 15 meeting where it states that the Commission was aware that this activity was taking place.

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January 8, 2017

At a scheduled NDAR Government Affairs Committee meeting, bill language is reviewed and members are apprised of Commissioner Schlosser's response. A motion is made to take no further action until the commission has met. The motion fails. Members say that this has been discussed for many years and if not now, when. A motion is made to recommend the draft language and pursuit of legislation to the NDAR Board of Directors. The motion passes.

January 10, 2017

Commission invites NDAR staff--the CEO and Government Affairs Director and NDAR members--the President and the Chair of the Government Affairs Committee to a meeting at the commission office. The commission's attorney, executive director and commission chair are present at the office. The other commissioners participate by conference call. NDAR representatives ask for specific feedback on legislation. Some feedback is received, but meeting primarily consists of commissioners chastising NDAR representatives for having undertaken this and for not including a commissioner during task force discussions.

January 11, 2017

NDAR's Board of Directors meets to discuss action to be taken on proposed legislation. Staff and members that attended the January 10 commission meeting share commission's response and reaction. A motion is made to move forward to seek a sponsor and introduce term limit legislation. The motion passes.

Commissioners continue to testify that the association did not give them an opportunity to provide feedback and continue to refer to the process by which the association conducted its business, even though NDAR's leadership followed the process outlined in its bylaws for introducing legislation on behalf of its members.

North Dakota Real Estate Commission Composition and Terms

Member Name	Position	County	Profession	Appt. Date	Term Ends
Breidenbach, Scott		Cass	Associate Broker	7/1/2016	6/30/2021
Cymbaluk, Roger		Williams	Broker	7/1/1995	6/30/2020
Louser, Diane R.	Vice Chair	Ward	Attorney	7/1/1994	6/30/2019
Schlosser, Jerry	Chair	Burleigh	Broker	7/1/2003	6/30/2018
Youngberg, Jerome		Grand Forks	Associate Broker	7/1/1997	6/30/2017

Number of years on commission at end of term:

Breidenbach, Scott	5 years (appointed in 2016 when 20-year commissioner did not seek reappointment)
Cymbaluk, Roger	25 years
Louser, Diane R.	25 years
Schlosser, Jerry	15 years
Youngberg, Jerome	20 years

- The ND Real Estate Commission website lists Commissioners by name but does not show their terms.
- There is no information on the ND Real Estate Commission which informs licensees about the process for applying to serve on the Commission, nor is there a link to the Governor's website where this is contained.
- The ND Real Estate Commission does not publish information when a Commissioner's term is coming due to inform brokers that there may be an opportunity to apply to serve on the Commission.
- The practice since Governor Hoeven took office has been that if the sitting Commissioners express a desire to remain on the commission and apply, they are re-appointed.
- In 2015, when Commissioner Cymbaluk's term was up, he let it be known that the Governor had asked him to remain on the Commission because he wanted someone from the Bakken area on the Commission.
- Because the practice has been that sitting Commissioners are reappointed year after year, brokers have not felt there is an opportunity for appointment and have not submitted applications. In 2016, when Commissioner Kris Sheridan announced that she would not seek re-appointment at least six brokers expressed interest in submitting applications.

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SURROUNDING STATES REAL ESTATE COMMISSIONS AND THEIR TERMS

MINNESOTA

Minnesota does not have a Commission. Regulation of real estate licensees fall under the duties of the Commissioner of the Minnesota Department of Commerce and the state employees in this department that are responsible for handling all licensing activities and taking and resolving complaints and disciplinary actions.

MONTANA

2-15-1757. Board of realty regulation. (1) There is a board of realty regulation.

(2) the board consists of seven members appointed by the governor with the consent of the senate. Five members must be licensed real estate brokers, salespeople or property managers who are actively engaged in the real estate business as a broker, a salesperson or a property manager in this state. Two members must be representative of the public who are not state government officers or employees and who are not engaged in business as a real estate broker, a salesperson, or a property manager. The members must be residents of this state.

(3) **The members shall serve staggered terms of 4 years. A member may not serve more than two terms or any portion of two terms.**

(4) The Board is allocated to the department for administrative purposes only as prescribed in 2-15-121.

South Dakota

36-21A-13. Real estate commission created—Composition. There is created a South Dakota Real Estate Commission. The commission consists of five members appointed by the Governor. The members may not all be of the same political party. Three members shall be active real estate brokers; two shall be members of the public.

36-21A-14. Terms of commission members—Vacancies. **Each member of the commission shall be appointed for a term of three years.** Any member appointed to the commission prior to July 1, 2005, shall serve the four-year term to which the member was originally appointed. Any member appointed to the commission after July 1, 2005, shall serve a three-year term. **No member may serve more than three consecutive full terms.** Any member appointed to fill a vacancy arising during a commissioner's term shall serve for the unexpired portion of the term. The appointment to an unexpired term is not considered a full term.

TESTIMONY IN SUPPORT OF HB 1306
Provided by Bernie Erickson, REALTOR®, Park Co. Realtors, Fargo ND

I support the proposed changes to how the North Dakota Real Estate Commission operates and would like to share my family's recent experience to explain why.

I became a licensed Realtor six years ago, and joined the top firm in the Fargo market. It has been so rewarding on so many levels that my 33-year-old stepson decided this may be a move up the real estate ladder he should consider, having currently been working in the residential leasing market.

He interviewed several firms in town, liked the variety of structures, environments and compensation models they offered, and enrolled in the UND pre-licensure course in late August.

He completed his course work in early October, and with the support of his employer, transitioned into a part-time temp position in the company and applied to take his licensure exam.

He was notified at the end of October that there were some questions the commission would like answered and they wanted to speak with him at their next meeting.

November came and went. Our son contacted the board office on a regular basis and was politely told by the office manager that there were no meetings scheduled, but to please continue to check the commission website for schedule updates.

December came and went. Our son's part time temp position now turned into a part time temp position with a different hospitality company.

He phoned and e-mailed on a regular basis as to when a meeting would be scheduled. I joined in with regular phone and e-mail inquiries. My bosses joined in with regular phone and e-mail inquiries. January came and went.

Finally, in the second week of February he was notified that there would be a meeting in late February, and that he should plan to attend a phone conference. He spent two hours on the phone, much of that time listening to the commission's outrage at the possibility of term limits. He then had a chance to affirm that the information they had was in fact correct, and he was given the green light to take his exam.

His nearly four-month delay was resolved with a 10 second verification of information.

I later learned the board had met via phone conference at least twice in the interim to discuss proposed legislation, but had never notified the public nor real estate professionals that their issues could be addressed during that time.

In my opinion, a board whose sole function is to serve the public and professionals regarding issues related to a specific industry, who just spent 1/3 of the year refusing to do either, is the textbook example of dysfunction!

There is a competent and geographically diverse group of real estate professionals proposing changes to how this critical commission serves the needs of North Dakota citizens and real estate professionals. It has become abundantly clear to me and my family that the current structure model no longer serves those needs.

Respectfully submitted,
Bernie Erickson
3102 37 Ave S
Fargo, ND 58104

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P.O Box 7521, Rapid City, SD 57709

www.ndappraisers.org

March 1, 2017

Ms. Nancy R. Willis
Government Affairs Director
ND Association of Realtors®
nancy@ndrealtors.com

Re: House Bill No. 1306

Ms. Willis:

At your request, House Bill No. 1306 relating to establishing term limits for the North Dakota Real Estate Commission was presented to the North Dakota Appraisers Association's (NDAAA) Board of Directors conference call meeting on February 28, 2017. The Board was confident that sufficient, competent, and qualified realtors exist in the state to serve on the Real Estate Commission. The NDAAA Board of Directors voted unanimously to support the legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Ibach", is written over a faint, larger version of the same signature.

Joe Ibach – Chairman
NDAAA Legislative Committee



North Dakota Association of REALTORS®

HB 1306 3-3-17 # 2

To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

**TESTIMONY FOR HB 1306
RELATING TO THE ND REAL ESTATE COMMISSION
March 3, 2017
SENATE GOVERNMENT & VETERANS AFFAIRS COMMITTEE**

Chairman Poolman and Committee Members, my name is David Lanpher. I am a member and past president of NDAR, a Broker/REALTOR® at Park Co. Realtors in Fargo and currently chair the North Dakota Real Estate Appraiser Qualifications and Ethics Board.

I believe that term limits are a good thing and I do not see a problem with any of the other changes proposed in this bill.

Term limits bring fresh eyes to long-standing processes. It doesn't matter how committed commission members are, it is human nature that after participating in an activity where the same things are done the same way for a long time things become stale.

I think that allowing for regular turn-over increases the potential for interested applicants because they know they may not have to be there for life. I also think it allows for reconfiguration of board composition, including opportunities to bring in new perspectives and new skills.

I also think that having a larger group of alumni who have served on the Commission will strengthen the professionalism of licensees which is a benefit to all real estate licensees and to the public.

I speak from experience based on my service on the North Dakota Real Estate Appraiser Qualifications and Ethics Board. Term limits were imposed in the 2011 Legislative Session--six years ago. During that time, I have seen a positive change on the Appraiser Board. (Examples will be given).

I would be happy to answer any questions that you may have.

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North Dakota Association of REALTORS®

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To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

**TESTIMONY IN FAVOR OF HB 1306
MARCH 3, 2017
SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE**

Chairman Poolman and Committee Members, my name is Cindy Harvey and I am a broker/owner of Elite Real Estate in Minot. I also am the immediate past president of NDAR. I am here today to ask for a Do Pass on House Bill 1306.

As was just mentioned, members of the Real Estate Commission can currently continue to be appointed for an unlimited amount of time. To my knowledge there has been no challenge to a commissioner renewing their appointment. When a commissioner recently decided not to continue serving there were more than 6 applicants for that one seat. I believe there are many great individuals that have untapped potential for leadership in our industry. With no term limits the same people keep the same position for years... 20 to 25 years is not uncommon. When you have a commission that as a group has had such a lengthy term of service it leaves parts of the state without representation on the commission. The southwest portion of North Dakota has not had a commissioner on the board in over 20 years. Term limits would open up the opportunity for a new group of people with new ideas and new energy to bring their talents to the commission.

I have attended several commission meetings and it does seem they could use an injection of fresh ideas.

One way the commission could benefit from new members is to continuously embrace new technology. REALTORS and licensees work in a fast-paced, quickly changing world--a world that requires them to keep pace with continuously updating technology. Our clients use all types of mobile and online apps to educate themselves, to check their credit, to determine house payments and



to conduct just about any aspect of business you could imagine. We would like to see a vibrant commission that is willing to embrace technology to more readily respond to the needs of licensees and more importantly, the needs of the public. As an example, today when a licensee chooses to change companies without interruption they must physically bring their license to the commission office to be exchanged for a new license. This is a terribly inefficient way of doing business in the modern world. The commission could address issues like this but they are too unaware, too unmotivated or too uncaring to make proactive decisions affecting the community. We are not looking for change for the sake of change but we recognize that new people bring new ideas and new energy that can improve the policies and procedures for everyone. We believe term limits would help achieve this goal. Thank you.



North Dakota Association of REALTORS®

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To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

**TESTIMONY IN FAVOR OF HB 1306
MARCH 3, 2017
SENATE GOVERNMENT & VETERAN AFFAIRS COMMITTEE**

Chairman Poolman and Members of the Senate Government and Veteran Affairs Committee, for the record, my name is Tricia Schlosser and I am currently the Government Affairs Committee Chair for the North Dakota Association of REALTORS®.

Thank you for allowing me to testify on a bill that impacts a governing body whose main purpose is to protect the public. The North Dakota Real Estate Commission (NDREC) was created to ensure a level of honesty and professionalism in the business of selling real estate in North Dakota. Their job is important as they enforce the very century code in which you, the legislative body, sets forth to protect the consumer.

Therefore, it is incumbent upon all of us to make sure this appointed Commission—like all Commissions and Boards that protect the public—is a healthy body. A healthy body has continual renewal. Just like our own bodies continue to create new cells for the renewal of life, all organisms and organizations seek renewal for continued health.

Longevity and experience have their merits as they provide an understanding of history; why past decisions were made that set precedents for new ones. But the body also needs new people who bring an infusion of thoughts and ideas and question why things are done the way they are done. That questioning will either improve processes or it will confirm best practices. In a dynamic industry like real estate, this is even more important. Again, renewal creates a healthy body.

As you have heard in prior testimony, the NDREC has the longevity piece covered. You have also heard that the Commissioner’s terms are each five years, one Commissioner’s term being completed every year. Of course, an interested party may

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apply at any time for consideration. However, it is a powerful statement about the current system when a 20-year experienced Commissioner announces her retirement in 2016 at least six applicants put their name forth after several years of few to no applications.

You may also hear testimony today involving the semantics of how this bill came to exist. Process is important, but what you have in front of you today is a simple bill. Even three of the five Commissioners in a January Commission meeting said they do not oppose term limits for this appointed body. Again, this bill simply allows for a periodic renewal of this Commission, no more, no less.

Finally, I must disclose that I have a close, personal connection with a ND Real Estate Commissioner. My father-in-law is the current chair of the NDREC and is here today. We each are standing up on behalf of our organizations with different viewpoints. However, our organizations want the same thing—for licensees to grow in professionalism in order that we may all serve the public more effectively. If the public is well served, then our businesses will flourish.

I ask the Committee to recommend a DO PASS on HB 1306. I would be happy to answer any questions at this time. Thank you.



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North Dakota Real Estate Commission

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Members

Chair

Jerry Schlosser
Bismarck

Vice Chair

Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Jerome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

TESTIMONY against HB 1306

Good morning Madam Chair and members of the Government and Veterans Affairs Committee. My name is Pat Jergenson. I have been the Executive Director of the North Dakota Real Estate Commission for almost 15 years and I am testifying today against HB 1306.

The North Dakota Real Estate Commission is part of the executive branch of North Dakota government. The Commission ensures that the interests of the public who use the services of real estate licensees are adequately protected against wrongful actions by licensees whether deliberate or the result of inadequate exercise of reasonable judgment in carrying out their duties and responsibilities as an agent for one of the parties involved in a transaction. We investigate complaints, issue licenses to brokers, broker associates and salespersons, and determine appropriate pre-licensing, post-licensing and continuing education.

The Commission is made up of 5 members appointed by the Governor, three of whom must be active real estate brokers. Members of the Commission are appointed for a term of five years, staggered so the term

Jergenson Testimony page 2

of one member expires each year. At the expiration of the term of any member the Governor appoints a successor for a term of five years.

One of the reasons the trade association has given for establishing term limits is that no one wants to put their name in for an appointment and go up against a sitting Commissioner. We all compete for any number of things in our daily lives: on the playing field, to get that perfect job, to be elected or re-elected. The very nature of the real estate business is competition. Real estate agents compete for a listing, compete for a buyer, and compete to get that house sold. If someone wants to be appointed to the Commission the fact that they must "compete" against someone else for that appointment shouldn't stop them from seeking that appointment. A search of the state archives shows that the last time the trade association put forth names of its members for consideration to the Governor's office was 19 years ago in 1998. In 2001, 2002, and 2003 they endorsed current Commissioners for reappointment and there was nothing in the archives indicating any endorsements from the Association since 2003. (I have provided this information as an addendum to my testimony.) Representatives from the trade organization claimed during our January 10th meeting and in testimony before the House Government and Veteran's Affairs Committee that no one knows about the upcoming appointments, even though one position becomes available every year something that has been in century code since the Commission was established in 1957. It is simple to locate the information on the state's website or pick up the phone and call the Commission office, call the Governor's office, or call the North Dakota Association of REALTORS®. In testimony on the House side the trade association

Jergenson Testimony page 3

pointed out that there was not a link on our website providing information to licensees who are looking for information on how to be appointed. We were not aware that this was an issue and added that information to our website within a few days of that testimony.

As I stated earlier the terms of Commissioners are staggered so the Governor appoints a Commissioner each year. The system is in place for new people to apply for a position as a Commissioner on an annual basis, but very few have. Brokers can use the system that already exists if they want to serve on the Commission. There is no problem that needs to be fixed.

This bill leaves too many unanswered questions and doesn't clarify current language:

- What happens if an appointment is not made when a term expires?
- Does the sitting Commissioner continue to serve until the appointment and qualification of a successor has been made?
- Can a former member of the Commission be reappointed to the Commission in the future?
- If so in what time frame?

The Commission always has been and is willing to sit down with the ND Association of REALTORS® to work these items out. If this bill is defeated our hope is to be able to come to the table with the trade organization to fine tune this section of century code and bring a better, cleaner bill next session.

Therefore we urge a DO NOT PASS vote on HB 1306.

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Year	Appointee	Other Applicants for consideration	Endorsed by
1997	Jerry Youngberg	Yvonne Huber, Jerry Schlosser, Jim Deibert	NDAR
1998	Bob Willer (reappointed)	Earl Allen	NDAR
1999	Diane Louser	none	
2000	Roger Cymbaluk (reappointed)	none	NDAR endorsed Roger Cymbaluk
2001	Kris Sheridan (reappointed)	Leon Mallberg	NDAR endorsed Kris Sheridan
2002	Jerry Youngberg (reappointed)	none	NDAR endorsed Jerry Youngberg
2003	Jerry Schlosser	Kerry Carpenter, Wade Bachmeier	
2004	Diane Louser	none	
2005	Roger Cymbaluk	Wally Rodgers	
2006	Kris Sheridan	none	
2007	Jerry Youngberg	none	
2008	Jerry Schlosser	none	
2009	Diane Louser	none	
2010	Roger Cymbaluk	none	
2011	Kris Sheridan	none	
2012	Jerry Youngberg	none	
2013	Jerry Schlosser	none	
2014	Diane Louser	none	
2015	Roger Cymbaluk	none	
2016	Scott Breidenbach (new)	Darren Schmidt, Jeff Shipley, Betsy Denis, Barb Grande, Mary Shelkey-Miller, Arthur Rosenberg	



North Dakota Real Estate Commission

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Testimony against HB 1306

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Jerome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Good morning Madam Chair and members of the Government and Veterans Affairs Committee. My name is Scott Breidenbach. I was appointed to the North Dakota Real Estate Commission on July 1, 2016 and am the newest member of the Commission. I am not only a Commissioner I am a member as well as a past president of the North Dakota Association of REALTORS®, and an active real estate agent.

The Commission first saw this bill in draft form when it was emailed to us on Friday afternoon, December 30th – a holiday weekend. The Commission's next meeting was January 10, 2017 and the Commission specifically invited representatives from the North Dakota Association of REALTORS® to be present and discuss the proposed bill. Lyn Dwyer, President of NDAR, Jill Beck, CEO and Government Affairs Chair Tricia Schlosser attended the meeting and participated in the discussion. Based on the conversation at that meeting the Commission voted to not support NDAR's proposed legislation as we thought it was a poorly written bill. Statements made at our meeting by those representing the North Dakota Association of REALTORS® were that there was no problem that needed to be fixed which would require immediate action.

Breidenbach Testimony page 2

Since there was no immediate problem noted the Commission recommended to the association that more time be given to developing this legislation.

Personally I feel that 2 terms is not enough time to be able to fully participate in professional organizations that provide the Commission members an avenue to learn how other states deal with licensing issues. For example, ARELLO®, the Association of License Law Officials, meets twice a year. Term limits stifle participation because of the time constraint. We come from a small state and have a fulltime two person staff – the information, contacts and experience derived from participating in a professional association such as ARELLO® is so beneficial not only to us as Commissioners and our staff but to the State of North Dakota. North Dakota Commissioners have participated on a national scale through ARELLO®, participation that strengthens the North Dakota Real Estate Commission and helps further its purpose of consumer protection.

The terms of Commissioners are staggered so the Governor appoints a Commissioner each year. The system is in place for new people to apply for a position as a Commissioner on an annual basis, but very few have. Brokers can use the system that already exists if they want to serve on the Commission. There is no problem that needs to be fixed. This bill should be defeated and the ND Real Estate Commission and the ND Association of REALTORS® work together to prepare a better, cleaner bill to be brought to the next Legislative session.

The North Dakota Real Estate Commission urges a DO NOT PASS vote on HB 1306.



North Dakota Real Estate Commission

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Phone 701-328-9749 • Fax 701-328-9750

ndrealestatecom@midconetwork.com

www.realestatend.org

Madam Chair and members of the Government and Veterans Affairs Committee:

Members

Chair

Jerry Schlosser
Bismarck

Vice Chair

Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Jerome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

I am requesting that you vote "No" on HB 1306, Real Estate Commission Term Limits for the following reasons:

- It is another unneeded law as each commissioner is appointed for a term of 5 years. After that if they want to be considered for reappointment they need to reapply along with anybody else that is interested in serving.
- It is an unnecessary restriction on the governor's options.
- Currently the governor has the option of 3 Real Estate brokers or broker associates and the other 2 members are at the governor's discretion.
- It limits value of experience of those willing to commit their time to public service.
- It is a bill that appears to have been promoted by a few very active members and approved by a razor thin majority of the board of directors of the trade association for no other reason than wanting a change.
- This is similar to desiring a limit on terms for legislators and thereby restricting the choices that the voters in your district would have for not being able to vote for you.

Defeating this bill would also provide the opportunity for the Real Estate Commission and the trade association to discuss and arrive at a bill that continues to provide protection for the public and address the concerns of the trade association during the interim and return next session.

Thank you for your service in the legislature and your consideration of my communication.

Current ND Real Estate Commissioner
Current member ND Association of Realtors
Past President ND Association of Realtors
Active real estate licensee since 1984
Active associate broker since 1994

Jerome Youngberg
3514 10th Ave N
Grand Forks, ND 58203



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North Dakota Real Estate Commission

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Dear Members of the Senate Government and Veterans Affairs Committee,

Members

Chair
Jerry Schlosser
Bismarck

Vice Chair
Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Rome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Re: House Bill 1306

Thank you for allowing me to address your committee regarding this bill as a Member of the Real Estate Commission.

If the supporters of this bill feel the Commission does an inadequate job and wish to remove or replace a Commissioner they should consider contacting their legislator or let the Governor's office know their concerns either of whom will then take the initiative to have that Commissioner replaced.

I have had the privilege of being appointed by 3 Governors and am serving in the term of a 4th, I am confident if I or the others would not be doing our job in the best interests of the Public and the State of North Dakota, we would be replaced and wouldn't be on this board.

In my opinion the process that is currently in place works and should be left in the hands of the Governor.

Thank you,
Roger Cymbaluk
Real Estate Commissioner
Real Estate Broker

Williston, ND 58802-0456
701-572-5560
roger@basinbrokers.com

TESTIMONY AGAINST HOUSE BILL 1306

My name is Diane R. Louser and I am a practicing attorney in Minot, ND. I currently am serving on the North Dakota Real Estate Commission, having been last reappointed by Governor Dalrymple in 2014 as a public member of the Commission. I am not licensed to sell real estate in North Dakota, nor am I a member of the North Dakota Association of Realtors. The other four members of the Commission are active real estate brokers in North Dakota. The purpose of the North Dakota Real Estate Commission is to protect the public in real estate matters.

Section 43-23-02 of the North Dakota Century Code provides, in part, as follows:

“The governor shall appoint each member of the commission for a term of five years. Terms must be staggered so the term of one member expires each year. At the expiration of the term of any member of the commission, the governor shall appoint a successor for a term of five years. In the event of a vacancy on the commission for any reason the governor shall appoint a member for the unexpired term of that member....”

Like the majority of the boards and commissions in North Dakota, there are no term limits provided for those serving on the North Dakota Real Estate Commission at the present time. The North Dakota Association of Realtors is the sponsor of the bill before the Senate that provides that a real estate commissioner may not serve more than two consecutive five year terms. The North Dakota Association of Realtors consists of real estate practitioners (although not all licensees in the state are members of the Association). The Association basically advocates for the practitioners, while the North Dakota Real Estate Commission is to protect the public in real estate matters and is the regulator of the practitioners.

The Commission had not been made aware of any problems on the part of the real estate practitioners in North Dakota with the Commission. When the Commission was advised of the proposal for term limits by the Association, it was stated that the Governor was in favor of term limits. However, no other information has been provided to the Commission in that regard and it

is not clear if the Governor's position on term limits related to elected officials or to individuals in North Dakota who are appointed to serve on state boards and commissions. If term limits were wanted for all the boards and commissions in North Dakota, I am not aware that other such bills have been introduced. It is submitted that the Commission already has term limits as it is in the discretion of the Governor to reappoint a commissioner or to appoint a new commissioner every year.

A second argument of the Association as to why the Real Estate Commission should have term limits is that 1/3 of the boards and commission in North Dakota have term limits, which suggests that the majority of the boards and commission do not have term limits. Further, those boards and commissions that have term limits are not consistent in the length of the terms or who can be reappointed. Some boards and commissions have short terms, some have long terms. The justification for two five-year terms was that the Association feels that is sufficient time for a person to be engaged in public service and carry out the duties of the Commission. An example of one board that is different from the present proposal is the Real Estate Appraisers who have term limits but also provide that two years must pass before the Governor may reappoint a former member to the board. The Bill before the Senate does not have such a provision.

The third argument for term limits is that someone who may be interested in serving on the Commission cannot obtain information concerning openings on the Commission. Information as to such openings is available through the North Dakota Real Estate Commission, the Governor's office, and should be able to be obtained from the office of the North Dakota Association of Realtors and local real estate boards. For a number of years, no applications had been received from practitioners who had not been appointed previously to the Commission. In a

2015 vacancy that occurred, the commissioner was called by the Governor's Office and asked to reapply as no one else had made application for that appointment.

As set forth previously, the North Dakota Real Estate Commission was established for the protection of the public in real estate matters. No evidence has been provided as to how the addition of term limits proposed by the Association would benefit the public in any way. To my knowledge the public has not come forward in support of the Association's proposal in this regard. It is my position that the Governor should continue to be allowed to use his discretion in appointments to the North Dakota Real Estate Commission. I respectfully request a do not pass on this bill.

Testimony AGAINST HB 1306

Madam Chairperson and members of the
Government and Veterans Affairs Committee.

My name is Jerry Schlosser. I currently serve as the Chairman of the North Dakota Real Estate Commission (NDREC). Thank you for this opportunity to appear before your committee. The Commission stands opposed to HB 1306 – We are opposed to mandating term limits for members of the North Dakota Real Estate Commission.

Besides serving on the Commission, I am a real estate broker and have been a member of the North Dakota Association of Realtors (NDAR) for the past 40 years. I am past president of the NDAR's and as such I value the positive relationship that has historically existed between the Realtors and the Commission. Both organizations are concerned about the protection of the public. The Realtors advocate for its members and service to the public, while the Commission is focused on the protection of the public in real estate related matters and is responsible for regulating real estate licenses in North Dakota. I don't believe that mandated term limits will benefit the public, nor will it further the protection of the public, but term limits will only serve to put restrictions on the Governor's ability to choose the next Real Estate Commissioner.

On January 10, 2017 the Commission had its first opportunity to review and discuss this bill. The Commission voted to oppose HB 1306. And again at the Commission's meeting on February 22nd the Commission reaffirmed its opposition to this bill. Among the reasons to oppose this bill are the following:

- 1- The Commission is not aware of any problem(s) or issue(s) that exist today, or have existed, to which HB 1306 would serve to correct. The Commission certainly encourages and expects all problems or issues, if any, would be brought before the Commission. As a Commissioner and as past Government Affairs Chairman for the NDARs I believe it's better to solve problems at the Commission level than to seek the legislative process.
- 2- The Governor currently has the authority to appoint a new commissioner each year. The Governor has the authority to replace a commissioner every year. We believe that brokers who wish to serve on the Commission should submit their applications to the Governor's office. The system and the process are available to everybody...but it does require Brokers taking the action-step and make formal application.
- 3- The primary responsibility of the Commission is the protection of the public...it's not clear how HB 1306 will help to protect the public. And it is not clear what professional, legal, economic or ethical issues, if any, HB 1306 addresses.

The North Dakota Real Estate Commission urges a Do Not Pass vote on HB 1306.

Thank you.

NDLA, S GVA - Winings, Cari

From: Pat Jergenson <pat.ndrecom@midconetwork.com>
Sent: Friday, March 03, 2017 5:14 PM
To: NDLA, S GVA - Winings, Cari
Subject: ND Real Estate Commission minutes as requested
Attachments: 20170303_175740.pdf

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Members of the Senate Government & Veterans Affairs Committee:

Attached are 3 sets of minutes for the meetings beginning December 15, 2016 where the Commission first heard of the possibility of a term limits bill and 2 other meetings we had discussing and voting to oppose the bill as it was written.

The ND Real Estate Commission also met on February 22, 2017 and discussed the bill as it came out of the House (Re-engrossed House Bill No. 1306). The Commission voted to oppose re-engrossed House Bill 1306. Those minutes are not prepared or approved at this time.

During today’s hearing I believe Senator Davison asked if the Commissioners were volunteers and if they got paid and the person testifying at the time did not know the answer. As a follow-up on that question: as you know the Commissioners are appointed by the Governor (yes they are volunteers) and they are paid \$50 per diem and travel expenses within the state at the state rate.

Please defeat this bill. Both the Commission and the trade association should sit down together and work this out which is what the Commission asked the trade association to do when we were first notified of the possibility of term limits legislation on December 15th.

If there is anything else I can provide please let me know.

Thank you for your time.

Sincerely,

Pat Jergenson
Executive Director
North Dakota Real Estate Commission
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Bismarck, ND 58501-1207
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Have a^{*)}
(,.,,*) Wonderful day!



North Dakota Real Estate Commission

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www.realestatend.org

January 31, 2017
9:00 A.M.
North Dakota Real Estate Commission
1110 College Dr, Ste 209
Bismarck, ND 58501

Members

Chair
Jerry Schlosser
Bismarck

Vice Chair
Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Rome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Present: Jerry Schlosser/Chair, Diane Louser/Vice Chair, Roger Cymbaluk/Member, Scott Breidenbach/Member, Jerry Youngberg/Member, Patricia M. Jergenson/Executive Director, Constance Hofland/Special Assistant Attorney General

1. CALL MEETING TO ORDER. Chair Schlosser called the meeting to order. Roll call was taken. Commissioners Schlosser, Louser, Cymbaluk, Breidenbach, and Youngberg were present by conference call.
2. DISCUSS HB 1306. Commissioners met to discuss HB1306 and the proposed amendment that will be submitted by the North Dakota Association of REALTORS®. Executive Director Jergenson stated that HB 1306 will be heard before the House Government and Veteran Affairs Committee at 8 am on February 2, 2017. Mary Shelkey-Miller and Amy Hullet, members of the North Dakota Association of REALTORS® were present at the meeting and participated in the discussion. The consensus of the Commission is to not change the Commission's position and still oppose HB 1306 as it is presented.

There being no further business Chair Schlosser adjourned the meeting.

Respectfully submitted,

Amanda Renner
Administrative Assistant

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PS 3

North Dakota Real Estate Commission
January 10, 2017
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6. REVIEW OTHER BUSINESS.

- a. Chair Schlosser thanked all the guests for participating in the conversation regarding the proposed legislation by NDAR.

There being no further business Chair Schlosser adjourned the meeting.

Respectfully submitted,



Amanda Renner
Administrative Assistant



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North Dakota Real Estate Commission

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January 10, 2017
9:00 A.M.
North Dakota Real Estate Commission
1110 College Dr, Ste 209
Bismarck, ND 58501

Members

Chair
Jerry Schlosser
Bismarck

Vice Chair
Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Tom C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

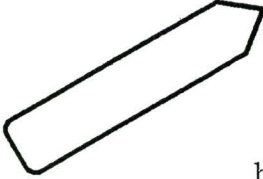
Present: Jerry Schlosser/Chair, Diane Louser/Vice Chair, Roger Cymbaluk/Member, Scott Breidenbach/Member, Jerry Youngberg/Member, Patricia M. Jergenson/Executive Director, Constance Hofland/Special Assistant Attorney General

- CALL MEETING TO ORDER. Chair Schlosser called the meeting to order. Roll call was taken. Commissioners Schlosser was present in person. Commissioners Louser, Cymbaluk, Breidenbach, and Youngberg were present by conference call.
- REVIEW MINUTES OF DECEMBER 15, 2016 MEETING. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to approve the December 15, 2016 minutes as presented. M/C
- DISCUSS NORTH DAKOTA ASSOCIATION OF REALTORS PROPOSED LEGISLATION. Present at this meeting at the invitation of the Commission and representing the North Dakota Association of Realtors (NDAR) in person were: Jill Beck, NDAR CEO, Nancy Willis, and Tricia Schlosser, NDAR Government Affairs Committee Chair. Lyn Dwyer, NDAR President, joined the meeting by conference call. There was discussion on NDAR's draft legislation which proposes to change the composition of the Commission and set term limits. Commissioners expressed their sentiments regarding the exclusion of input from the Commission in preparing this bill draft. Commissioner Youngberg left the meeting at 9:57am. Commission Cymbaluk moved, seconded by Commission Breidenbach to not support the proposed legislation by the North Dakota Association of REALTORS® as presented. M/C
- REVIEW LICENSE APPLICATION CRITERIA. Special Assistant Attorney General Connie Hofland presented her memo on license application criteria. Ms. Hofland stated that an applicant can't be barred from getting a license based solely on a conviction as NDCC 12.1-33-02.1 provides a definition of rehabilitation. However Ms. Hofland is confident that the Commission's consistent past practice of denying an applicant who is on probation is within the purpose of the Commission to protect the public.
- REVIEW APPROVED TRUST ACCOUNT WAIVERS. Commissioners received a report of trust account waivers granted since the November 2, 2016 meeting. A list of the approved waivers is attached to these minutes.

the meeting by conference call to appeal the denial of his application. Commissioner Youngberg moved, seconded by Commissioner Cymbaluk to approve Mr. Nesemeir to sit for the salesperson license examination. Commission Youngberg and Commissioner Cymbaluk agreed to withdraw the motion. Commissioner Youngberg moved, seconded by Commissioner Cymbaluk to approve Mr. Nesemeier to sit for the salesperson license examination pending receipt of \$8 for a current credit report and proof of payment for the \$544 item in collection and if everything is in order upon review of staff he will be allowed to sit for the salesperson license examination. M/C

6. OTHER BUSINESS

- a. Executive Director Jergenson informed the Commission that Jill Beck, NDAR CEO had told her that the association's governmental affairs committee was considering legislation on term limits. Ms. Beck was present at the meeting and was asked if there was a problem that warrants this change. No problem was or has been brought forward to the Commission. Chair Schlosser volunteered to participate in the Committee's discussions on term limits.
- b. Executive Director Patricia Jergenson informed the Commission that staff has started moving forward with the development of the new database.



There being no further business Chair Schlosser adjourned the meeting.

Respectfully submitted,

Amanda Renner
Administrative Assistant

North Dakota Real Estate Commission

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Phone 701-328-9749 • Fax 701-328-9750

ndrealestatecom@midconetwork.com

www.realestatend.org



December 15, 2016
8:30 A.M.
North Dakota Real Estate Commission
1110 College Dr, Ste 209
Bismarck, ND 58501

Members

Chair

Jerry Schlosser
Bismarck

Vice Chair

Diane R. Louser
Minot

Roger M. Cymbaluk
Williston

Scott A. Breidenbach
West Fargo

Thome C. Youngberg
Grand Forks

Patricia M. Jergenson
Executive Director

Present: Jerry Schlosser/Chair, Diane Louser/Vice Chair, Roger Cymbaluk/Member, Scott Breidenbach/Member, Jerry Youngberg/Member, Patricia M. Jergenson/Executive Director

1. CALL MEETING TO ORDER. Chair Schlosser called the meeting to order. Roll call was taken, All Commissioners were present by conference call.
2. REVIEW MINUTES OF NOVEMBER 2, 2016 MEETING. Commissioner Youngberg moved, seconded by Commissioner Louser to approve the November 2, 2016 minutes as presented. M/C
3. REVIEW LICENSE APPLICATIONS:
 - a. Commissioners reviewed the application of Scott P. Beadle for a reciprocal salesperson license. Mr. Beadle joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Youngberg moved, seconded by Commissioner Breidenbach to approve issuing Mr. Beadle's reciprocal salesperson license. M/C
 - b. Commissioners reviewed the application of Amanda N. Beske for a salesperson license. Commissioner Youngberg moved, seconded by Commissioner Louser to table Ms. Beske's application until she can attend the next scheduled Commission meeting to explain the issues on her credit report. M/C
 - c. Commissioners reviewed the application of Ismar Fazlovic for a salesperson license. Mr. Fazlovic joined the meeting in person to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Louser to approve Mr. Fazlovic to sit for the salesperson license examination subject to him providing documentation to staff that he has completed RESTORE and an anger management course and that the charge on the background report has been dismissed. M/C
 - d. Commissioners reviewed the application of Therese N. Goe for a salesperson license. Ms. Goe joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Breidenbach moved, seconded by Commissioner Youngberg to table Ms. Goe's application pending receipt of documentation showing that the issues on

- the credit report have been satisfied which will be reviewed by the Commission at their next scheduled meeting. M/C
- e. Commissioners reviewed the application of Victoria E. Griffith for a salesperson license. Commissioner Louser moved, seconded by Commissioner Cymbaluk to approve Ms. Griffith to sit for the salesperson license examination. M/C
 - f. Commissioners reviewed the application of John M. Lillestol for a salesperson license. Mr. Lillestol joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to approve Mr. Lillestol to sit for the salesperson license examination. M/C
 - g. Commissioners reviewed the application of Barry T. Mingo for a reciprocal broker license. Commissioner Louser moved, seconded by Commissioner Youngberg to approve issuing Mr. Mingo's reciprocal broker license. M/C
 - h. Commissioners reviewed the application of Tara Morris for a salesperson license. Ms. Morris joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Youngberg moved, seconded by Commissioner Louser to approve Ms. Morris to sit for the salesperson license examination. M/C
 - i. Commissioners reviewed the application of Salone M. Scallon for a salesperson license. Ms. Scallon joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Youngberg moved, seconded by Commissioner Louser to approve Ms. Scallon to sit for the salesperson license examination. M/C
 - j. Commissioners reviewed the application of Brett R. Spangler for a salesperson license. Mr. Spangler joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Louser to table Mr. Spangler's application pending clarification on what state the incident on his background report occurred and if it is a typographical error on his background report he is approved to take the salesperson examination. M/C
4. REVIEW TABLED APPLICATION OF JASON R. ZIEGLER. Mr. Ziegler's application for a reciprocal broker license was tabled at the November 2, 2016 Commission meeting until Mr. Ziegler provided three letters of reference which would be reviewed and his application discussed. Mr. Ziegler provided the requested documentation to the Commission. Commissioner Youngberg moved, seconded by Commissioner Cymbaluk to keep Mr. Ziegler's application tabled until the Commission's attorney can review license criteria. M/C
5. REVIEW APPEAL OF DENIED APPLICATIONS.
- a. Wesley S. Libner's application for a salesperson license was reviewed at the November 2, 2016 Commission meeting. The Commission moved to deny Mr. Libner's application due to issues on his background report. Mr. Libner joined the meeting by conference call to appeal the denial of his application. Commissioner Youngberg moved, seconded by Commissioner Cymbaluk to table the appeal of the denial of Mr. Libner's application until the Commission's attorney can review license criteria. M/C
 - b. Cory D. Nesemeier's application for a salesperson license was reviewed at the November 2, 2016 Commission meeting. The Commission moved to deny Mr. Nesemeier's application due to issues on his credit report. Mr. Nesemeier joined