



# Legislative Background Brief

for the  
Economic Affairs Interim Committee

June 2013

## Board of Realty Regulation

*Prepared by Pat Murdo, Legislative Research Analyst, with help from the Business Standards Division*

**Board = 7 members** (term expiration in parentheses)

<p><b>Licensed real estate brokers, salespeople or property managers = 5</b>          C.E. Abramson, Missoula (5/9/2015)          Pat Goodover II, Great Falls (5/9/2016)          Larry Milless, Stevensville (5/9/2015)          Connie Wardell, Billings (5/9/2015)          Lucinda Willis, Polson (5/9/2013)</p>	<p><b>Public members = 2</b>          Stephen Hess, Butte (5/9/2014)          Shirley McDermott, Laurel (5/9/2015)</p>
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<b>Number of Licensees</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY2012</b>
- Total	6,460	5,939	5,672	5,183

**Licensing Fees (since 2012)** *excludes costs related to continuing education courses*

*Original annual license fee for:*

Broker..... \$100	Property manager ..... \$60	Salesperson ..... \$87.50
Sale of a timeshare .. \$500	Timeshare salesperson .....\$35	
<i>Renewal fee for:</i>		
Broker..... \$100	Property manager..... \$75	
Salesperson ..... \$87.50	Timeshare salesperson..\$35	

### Revenues FY2009-FY2012 and Expenditures for FY 2009-2012

	Revenues		Expenditures	
	Licensing	Other	Personal Services	Operating
FY 2009	\$801,350		\$775,187	
FY 2010	\$706,339		\$802,388	
FY 2011	\$738,518		\$846,896	
FY 2012	\$715,673		\$1,031,844	
FY 2015 biennium*	--		\$2,012,766	

\*Appropriation Authority In House Bill 2

Expenditures, FY 2012	Direct	Indirect
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		Admin	Div. IT/Bureau	Compliance	Bureau
Personal Services, incl. per diem	\$295,274	\$41,450	\$21,413	\$84,213	\$17,595
Operating Expenses					
Consulting, Printing, IT, Other	\$134,292			\$35,443	
Supplies, incl. Computer	\$21,965			\$11,237	
Postage, mailing, IT network, voice services	\$14,975			\$6,875	
Travel/Per Diem for Board Members	\$40,413				
Rent and other expenses*	\$60,821			\$59,174	
Legal and hearings	\$186,704				
Total (may be affected by rounding)	\$754,444			\$279,972	

\*Includes sq. footage rent of \$19,571, computer/ office equipment repair and meeting rooms of \$4,395, dues, education & training, and fee collection expenses of \$27,853, and educational grants of \$8,582 for direct expenses and pro-rated computer/office equipment repair of \$59, DLI OIT expense of \$23,677, IT education, conference costs, etc. of \$427, and indirect agency of \$35011 for indirect expenses.

### Number of Complaints

FY 09	.....	155
FY 10	.....	111
FY 11	.....	231
FY 12	.....	175

### Disciplinary Action (may be from other years)

Revoked 1, Dismissed 94, Other Sanctions 35, Investigations 17  
 Revoked 17, Dismissed 116, Other Sanctions 19, Investigations 26  
 Revoked 2, Dismissed 160, Other Sanctions 58, Investigations 33  
 Dismissed 77, Other Sanctions 58, Investigations 6, Tabled 1, Closed 32, Pending 1

### Scope of Practice

The definitions of brokers, dual agents, property managers, salespersons, and seller or buyer agents are in 37-51-102, along with seller subagents, statutory brokers, and supervising brokers. Timeshare salesperson is defined in 37-53-102. Critical to all these positions is the charging of a fee or a commission for services related to the offering for sale, purchase, or lease of real estate.

### 2013 Legislation Impacting Board or Profession

- **HB 133** - Under Section 3, this bill--had it been enacted--would have deleted reference to political parties as related to board members. The current statute says no more than 5 members, including the presiding officer, may be from the same political party. The bill also would have removed limits on the terms board members could serve.
- **HB 184** - Enacted, says a real estate broker is not liable for a salesperson who is doing a sale-by-owner transaction. Requires certain disclosures.
- **HB 363** - Originally would have created a Board of Realty Regulation attached in name only to the Department of Labor and Industry with budgetary, hiring, and control in the hands of the board. The department would have had a minimal relationship (website and some issues regarding all boards. As amended the bill allowed the board to hire its own employees. The governor vetoed the bill.

### Summary of Responses from Survey as made through June 11, 2013: 190