



North Dakota Real Estate Commission Meeting Minutes -- FINAL
9:00 a.m., Thursday, March 16, 2023 – virtual only
1120 College Dr Ste 204, Bismarck, ND

www.realestatend.org

Present by Teams: Steven Link, chair; Tate Cymbaluk, vice chair; members: Scott Breidenbach, Sandra Meyer, Steven Bitz; David Phillips, special assistant attorney general; staff: Jeanne Prom, executive director; Rob Yost, CPA/auditor; Cieana Schneider, licensing specialist. Members of the public also present by Teams.

1. Call to order, roll call and determination of quorum. Chair Mr. Steven Link called the meeting to order at 9:00 a.m. Ms. Jeanne Prom, executive director, called the roll, with a quorum of all 5 members present.
2. Review and approval of agenda. Mr. Tate Cymbaluk moved to approve the agenda as presented. Mr. Steven Bitz seconded. Motion carried by unanimous voice vote.
3. Review of applicants. Mr. Link stated there were no license applicants to review. The commission discussed that this may be due to application numbers and staff working with applicants to resolve issues, so the application does not need commission review.
4. Update on complaints.
 - A. 2022-11 – Aaron Puuri v. Stephanie Andersen. Mr. David Phillips, special assistant attorney general, reviewed the case and his recommendation to dismiss due to insufficient evidence of a possible violation of license laws. Mr. Cymbaluk moved to dismiss 2022-11 – Aaron Puuri v. Stephanie Andersen. Mr. Bitz seconded. Roll call vote: ayes – Mr. Bitz, Ms. Meyer, Mr. Breidenbach, Mr. Cymbaluk, Mr. Link; nays – none. Motion carried unanimously.
 - B. 2023-03 – NDREC v. Flint Forsberg. Mr. Phillips reviewed the complaint, which was initiated by the commission at the October 14, 2021 meeting. The commission discussed the complaint. Mr. Scott Breidenbach moved that the commission continue with complaint 2023-03 – NDREC v. Mr. Flint Forsberg. Mr. Cymbaluk seconded. Roll call vote: ayes – Mr. Bitz, Ms. Meyer, Mr. Breidenbach, Mr. Cymbaluk, Mr. Link; nays – none. Motion carried unanimously.
5. Update from management.
 - A. 2022-2023 priorities. Ms. Prom provided an update on priorities.
 - B. Legislation. Ms. Prom updated the commission on HB 1188 – 40-year contracts -- passed, HB 1190 – wholesaling -- passed, HB 1106 – appraiser bill – failed, and HB 1107 – appraisal license law – still in Senate committee. Ms. Prom reported on SB 2249 and 2184 which provide for studies of occupational licensing boards. These 2 Senate bills are being considered in the House. Ms. Prom was not aware of any fair housing-related legislation. The commission agreed by consensus that Ms. Prom should continue to monitor the bills.
 - C. Policies review -- fees. The commission reviewed fees. As part of drafting the 2023-2024 budget, the chair, vice chair and staff will determine if the commission needs to consider fee increases at the June 8, 2023 meeting.
 - D. Procurement/online services. Ms. Prom conferred with the state Office of Management and Budget (OMB) on procurement. OMB determined that neither investing in certificates of deposit nor securing a quote for errors and omissions insurance for licensees was a procurement of a good or service. Therefore, state procurement rules do not apply.

The commission discussed the current online services provided by the vendor Big Picture, and reviewed options for providing online services after the current contract with Big Picture ends in September 2023. A licensee commented positively about the services and suggested adding the ability to upload corrected documents after renewing. The commission agreed by consensus that Ms. Prom will negotiate a new contract with Big Picture to provide services after September 2023.

Ms. Prom reported that the state procurement office is offering a new, no-cost basic service for tracking continuing education. Since the commission just added CE uploading/certification functions within the online renewal service, the commission agreed by consensus not to use the state procurement system's service.

- E. Errors and omissions insurance. The commission agreed by consensus that Ms. Prom will secure a quote from Rice Insurance for individual errors and omissions insurance for 2024. Rice Insurance requested the commission's approval to modify the current contract to reflect the transfer of Rice Insurance to a new entity within their parent company. Mr. Cymbaluk moved to have the executive director sign the assignment letter to approve the modification of the current contract with Rice Insurance to reflect the transfer of Rice Insurance to Accretive, a newly affiliated entity of the parent company, AssuredPartners Capital, Inc. Mr. Breidenbach seconded. Roll call vote: ayes – Mr. Bitz, Ms. Meyer, Mr. Breidenbach, Mr. Cymbaluk, Mr. Link; nays – none. Motion carried unanimously.
 - F. Trust account waivers. The commission received a list of recent trust account waivers.
 - G. Trust account audits. Mr. Rob Yost reviewed recent trust account audits. Mr. Yost continues to work with brokers to forward interest money from trust accounts to unclaimed property. Mr. Cymbaluk will provide Mr. Yost with contact information for staff in the state's unclaimed property division, so they can discuss these transfers.
 - H. License numbers. The commission reviewed and discussed current license application and licensee numbers, compared to previous years.
 - I. Pass rates. The commission reviewed and discussed first-time pass rates in 2022 and 2021 for state and national broker and salesperson exams. First-time pass rates for the broker exams remain at more than 80%. First-time pass rates for the salesperson exams remain in the 30% range, increasing from 30.8% in 2021 to 36.4% in 2022.
6. Financial reports – December 2022 through January 2023, office audit – final report. Mr. Yost highlighted the December 2022 through January 2023 financial reports and the final report from the office audit, completed by Brady, Martz & Associates, P.C. In the audited financial statements, both 2022 and 2021 financial statements presented fairly in all material respects the financial position of NDREC. The only deficiencies reported are due to the limited number of staff available for internal control, preparing financial statements/material misstatements. Mr. Cymbaluk moved to approve the December 2022 and January 2023 financial statements and accept the final office audit report. Mr. Bitz seconded. Roll call vote: ayes – Mr. Bitz, Ms. Meyer, Mr. Breidenbach, Mr. Cymbaluk, Mr. Link; nays – none. Motion carried unanimously.
7. Minutes – January 26, 2023. Mr. Cymbaluk moved to approve the January 26, 2023 minutes as presented. Mr. Breidenbach seconded. Motion carried by unanimous voice vote.
8. Other – next meeting – June 8, 2023. The commission agreed by consensus to meet as scheduled June 8, 2023, but may change due to Mr. Breidenbach's schedule. The commission will monitor its meeting workload to determine if the meeting will be virtual only.

Adjourn. Mr. Cymbaluk moved to adjourn. Chair Link adjourned the meeting at 10:20 a.m.