



North Dakota Real Estate Commission Meeting Minutes -- FINAL
8:30 a.m., Thursday, March 27, 2025
1120 College Dr Ste 204, Bismarck, ND

www.realestatend.org

Present: Scott Breidenbach, chair; Sandra Meyer, vice chair; members: Steven Bitz, Steven Link, Tate Cymbaluk; 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.

1. Call to order, roll call and determination of quorum. Chair Mr. Scott Breidenbach called the meeting to order at 8:30 a.m. Ms. Jeanne Prom, executive director, called the roll, with a quorum of all members present.
2. Review and approval of agenda. Mr. Steven Link moved to approve the agenda as presented. Mr. Steven Bitz seconded. Motion carried by unanimous voice vote.
3. Review of resident salesperson applicant Mr. Joe McKenner. The commission reviewed the resident salesperson application with applicant Mr. Joe McKenner and Ms. Cieana Schneider, licensing specialist. Mr. Cymbaluk moved to approve Mr. Joe McKenner's salesperson application. Mr. Link seconded. Roll call vote: ayes – Mr. Cymbaluk, Mr. Link, Mr. Bitz, Ms. Meyer, Mr. Breidenbach; nays – none. Motion carried unanimously.
4. Ryan Schulz self-reported admission of error. Mr. David Phillips, special assistant attorney general, explained that licensee Mr. Ryan Schulz submitted an unsolicited report to the commission. This is not a verified complaint and Mr. Phillips can only investigate verified complaints or on motion of the commission. The report from Mr. Schulz documents an error he said he made that was discovered through current litigation. The commission's process has been to table action on complaints or potential complaints until litigation is resolved. After the commission discussed options, Mr. Cymbaluk moved to stay any action on this self-reported admission of error until after litigation is resolved. Mr. Bitz seconded. Discussion: The commission directed Mr. Phillips to monitor the litigation and report the outcome to the commission. The commission directed Ms. Prom to inform Mr. Schulz on the commission's decision to stay any action on this report until the litigation is concluded. Roll call vote: ayes – Mr. Cymbaluk, Mr. Link, Mr. Bitz, Ms. Meyer, Mr. Breidenbach; nays – none. Motion carried unanimously.
5. Update from management.
 - A. Legislation.

The commission discussed the reports on all the bills on the agenda and agreed by consensus to continue to actively support or monitor those bills as decided at the previous commission meeting, provided the bills have not failed or no longer affect the commission.

HB 1125 – license law – actively supporting. Ms. Prom reported that she expects the Senate to pass this bill this week. If so, it will become law August 1, 2025 and then broker applicants will be able to take the exam before completing the pre-licensure course, and licensees will be required to disclose when wholesaling any real property,

not just residential real property. Additionally, language will be in statute to clarify referrals and compensation by in- and out- of state licensees. Specific renewal dates will be removed from statute. The commission can begin discussing any administrative rules changes at the next meeting.

SB 2204 – radon health message on property condition disclosure – monitoring. Ms. Prom reported that the House will hear this bill likely next week. If the bill passes, Ms. Prom will update the property condition disclosure form as required. The commission agreed by consensus to continue to monitor this bill.

HB 1270 (withdrawn by sponsor) and SB 2180 (amended to apply to political subdivisions) – will be removed from list of bills being monitored.

SB 2308 – Labor Commissioner study of all boards and commissions, including licensing boards – monitoring. Ms. Prom reported that this bill has been amended so the Governor’s office, not the Labor Commissioner, is conducting the study. Ms. Prom expects the bill to pass the House this week and be signed by the Governor.

SB 2395 – universal license standards for all licensing boards, report to Labor Commissioner -- monitoring. Ms. Prom expects this bill to pass the House soon and be signed by the Governor. The bill lists 7 license portability standards for out-of-state licensees who apply here, and 11 operations standards for licensing boards. The commission currently meets operations standards but would need to inquire annually about other states’ interest in reciprocity.

HB 1442 – Legislative and executive branch task force to study efficiency in executive branch agencies, boards and commissions – new. Ms. Prom reported that this bill was introduced since the commission last met, but she has been monitoring it. Licensing boards are requesting to be removed from this bill’s study, as the licensing boards are already being studied by the task force created by SB 2308. The commission agreed by consensus to monitor HB 1442.

3 bills on administrative rules committee and process

HB 1368 – Administrative Rules Committee can void a rule if they find it unnecessary or unreasonable – monitoring. This passed the House without any opposing testimony. SB 2182 and HB 1434 – will be removed from the list as both failed. SB 2182 was considered by the Office of Attorney General likely to be constitutionally problematic. HB 1434 would have required administrative rules to expire 10 years after enactment.

B. 2024-2025 priorities.

Online services. The commission agreed by consensus to discuss at its next meeting adding \$40 to license application fees to cover the cost of criminal history background checks. Chair Breidenbach directed staff to research how many applicants do not submit fingerprints after they have applied.

Staff brainstormed updates for all online services (applications, renewals, continuing education, payment process, other services), the database and its administration, and website. Chair Breidenbach encouraged commissioners to share with staff any ideas on how to improve online and other services. Later in the meeting, Mr. Cymbaluk noted a meeting date update for the website.

Internal office/commission policies/procedures, cross training. Staff also brainstormed ideas for procedures related to online services, the database and its administration, and website. Ms. Prom and Mr. Rob Yost, CPA/auditor, are reviewing the North Carolina Real Estate Commission's 4-hour broker trust account course. Mr. Cymbaluk suggested they review a similar course required for Montana-licensed brokers.

PSI services monitoring. Ms. Prom changed the monthly meetings with PSI to quarterly meetings, as only 1 issue, a noisy testing site location, was reported over the past several months. After discussion, Mr. Cymbaluk moved to extend the current testing contract with PSI for 2 additional years. Mr. Bitz seconded. Roll call vote: ayes – Mr. Cymbaluk, Mr. Link, Mr. Bitz, Ms. Meyer, Mr. Breidenbach; nays – none. Motion carried unanimously.

Visit BOR. Chair Breidenbach stated that visiting local boards of realtors is good for the commissioners and staff to do. Ms. Prom will ask local boards for dates of their upcoming meetings.

- C. Policies/procedures. The commission agreed by consensus to have the Chair and Vice Chair present a policy on staff bonuses to the commission for discussion at its next meeting.
- D. Trust account waiver. Ms. Cieana Schneider provided a written report of a trust account waiver issued since the last meeting.
- E. Trust account audits. Mr. Yost reviewed recent trust account audits.
- F. License numbers. Ms. Prom reported that salesperson applicant numbers are lower than the previous 6-year average, and license numbers are the same as this time last year.
- G. Meeting schedule. The next meeting includes the 2025-2026 budget and will be at 8:30 a.m., Thursday, May 8, 2025 in the conference room.

- H. Office audit. Mr. Yost explained the audits by auditors Brady Martz & Associates of fiscal year 2023 and fiscal year 2024. Both the 2023 and 2024 audits reported financial statements that present fairly in all material respects the financial position of the Real Estate Commission. As in the past, there were material weaknesses in internal controls due to lack of staff and budgetary restrictions. Previously, the commission decided to have audits conducted every 2 years, not annually, and has a contract for audits with Brady Martz through 2026. Mr. Bitz moved to accept the audit reports from Brady Martz of fiscal year 2023 and fiscal year 2024. Mr. Cymbaluk seconded. Roll call vote: ayes – Mr. Cymbaluk, Mr. Link, Mr. Bitz, Ms. Meyer, Mr. Breidenbach; nays – none. Motion carried unanimously. Ms. Prom reported that Brady Martz forwards the audit reports to the state auditor's office who will report this at a quarterly meeting of the Legislative Audit and Fiscal Review Committee.

6. Fiscal reports – January 2025. Mr. Link moved to approve the fiscal reports from January 2025 as presented. Mr. Cymbaluk seconded. Motion carried by unanimous voice vote.
7. Minutes – January 30, 2025.
Mr. Link moved to approve minutes from January 30, 2025 meeting as presented. Mr. Bitz seconded. Motion carried by unanimous voice vote.
8. Other.
Chair Breidenbach noted that George Gaukler, Valley City, a former commissioner and commission chair, died recently. The commission and staff will send a card and flowers for his memorial service April 10, 2025.

Adjourn. Chair Breidenbach adjourned the meeting at 9:27 a.m.