1999 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2098

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2098

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date January 12, 1999

Tape Number	Side A	Side B	Meter #
1		X	1245-3095
	0	/	
Committee Clerk Signa	ature SSC T	DANTA	
Minutes:	3		

SENATOR MUTCH opened the hearing on SB 2098. Committee members present were: Sens.

D. Mutch, H. Sand, J. Klein, K. Krebsbach, J. Heitkamp, and V. Thompson. Senator Deb Mathern was absent.

CLAUSE LEMBKE, ND ASSOCIATION OF REALTORS testified in support of SB 2098 (see testimony).

LONA ANDERSON, ND ASSOCIATION OF REALTORS testified in support of SB 2098 (see testimony).

SENATOR KREBSBACH I understand that you're reducing it to twenty-four hours every two years, is that correct? Would it not be better to say twelve hours annually if the intent is to fill twelve hours each year?

LONA ANDERSON Yes.

SENATOR SAND Do they get this continuing education at your state convention?

LONA ANDERSON They can get nine hours of education at the state convention but there are classes in every town in order to get the hours of education in and the classes all have to be approved. It cannot be construed to be a hardship to get these classes.

SENATOR KLEIN So what we're doing is increasing the amount of education a Realtor is receiving.

LONA ANDERSON Yes, we're asking for twelve hours every year instead of eight hours of education.

FAY CONNELL, ND ASSOCIATION OF REALTORS testified in support of SB 2098 (see testimony).

LINDA HEXIAR, ND ASSOCIATION OF REALTORS testified in support of SB 2098 (see testimony).

SENATOR MUTCH Is there any other testimony? We'll close the hearing on SB 2098.

SENATOR HEITKAMP moved for a DO PASS on SB 2098.

SENATOR KREBSBACH seconded that motion.

A roll call vote was taken on SB 2098 (6 Yeas, 0 Nays, and 1 Absent and Not Voting). Senator Heitkamp will carry SB 2098.

Date: 1/12/99
Roll Call Vote #: 2098

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES **BILL/RESOLUTION NO.**

Senate INDUSTRY, BUSINESS A	ND LA	BOR C	OMMITTEE	Comn	nittee
Subcommittee on					
or					
Conference Committee					
Legislative Council Amendment Num	iber _				
Action Taken Do Pass		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
Motion Made By HEITKAMP		Sec By	conded KRESSBACH		× .
Senators	Yes	No	Senators	Yes	No
Senator Mutch	χ				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp	X				
Senator Mathern					
Senator Thompson	X				
Total (Yes)	•	No	0		
Absent					
Floor Assignment HETKAMP					
If the vote is on an amendment, briefl	y indica	ate inter	nt:		

REPORT OF STANDING COMMITTEE (410) January 12, 1999 12:53 p.m.

Module No: SR-06-0499 Carrier: Heitkamp Insert LC: Title:

REPORT OF STANDING COMMITTEE

SB 2098: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2098 was placed on the Eleventh order on the calendar.

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2098

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2098

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date February 10, 1999

Tape Number	Side A	Side B	Meter #
1	X		12.4-42.5
Committee Clerk Signa	iture Jsa V	puer	

Minutes:

Senate Bill 2098: A Bill for an Act to amend and reenact section 43-23-08.2 of the North Dakota Century Code, relating to continuing education requirements for real estate brokers.

1A: 12.4 Chairman Berg opened the hearing on Senate Bill 2098.

1A: 12.5 Claus Lembke, North Dakota Association of Realtors Testified in favor of bill to continue education seminar program for Realtors. Currently, the law requires Realtors to attend a seminar every 3 years. Seeking a change to a two year cycle which would increase hours per year. Feels three year cycle is too long. (See attached testimony)

1A: 16.2 Rep. Klein asked if the licensing would also be switched over to two years? Claus Lembke replied no, licensing is on an annual basis.

1A: 16.8 Donald Kilander, Coldwell Banking Testified in favor of bill. Informed committee that virtually every state has a continuing education law and on average there is 11 ½ hours per year. (See attached testimony)

1A: 20.3 Rep. Thorpe page 2 line 6-7, apparently in 1984 agents with 15 years experience were included, should that still be in there? Don Kilander replied no because things are changing so rapidly. Feels no one should be excluded and would help with consumer education. Noted that he has been in the business for 25 years.

1A: 23.8 Ninetta Wandler Testified in favor of bill. Commented that a Realtor could actually go for six years without education/seminar. Out of 303 Licensees at a seminar this past December, thirty-three haven't done anything for three years. Shortening the time limit will help address the issue. (See attached testimony)

1A: 25.5 Chairman Berg asked if there were any surveys done? Replied that in her area the only opposition to the bill is by the part-time Realtors.

1A: 26.6 Linda Hixson Testified in favor of bill. Commented on dramatic changes in Real Estate business. (See attached testimony)

1A: 29.2 Chairman Berg asked if the bill will help prevent someone going out and doing the required 24 hour seminar in their first month and than not continuing education for several years until the next seminar requirement. Linda Hixson replied yes.

1A: 29.9 John Gardis Testified in opposition to the bill. Commented that he feels there isn't a problem with current education requirements and hasn't seen an example of any violations.

1A: 35.1 Chairman Berg asked if the amount of hours didn't change, but seeing merit in shortening time period? He replied that he doesn't see need for change and Realtors should do it in a timely manner.

1A: 37.0 Rep. Severson commented that North Dakota is the lowest in pre-licensing hours in comparison to surrounding states, asked if we would be doing a better service to consumers

Page 3
House Industry, Business and Labor Committee
Bill/Resolution Number 2098
Hearing Date February 10, 1999
considering that information? He replied that North Dakota has the lowest complaints among states. Doesn't see the need.

1A: 39.0 Rep. Froseth asked if there are any other methods of correspondence education?Replied there are other opportunities but very limited.Chairman Berg closed the hearing on Senate Bill 2098.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2098

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 3-3-99

Tape Number	Side A	Side B	Meter #						
2	X		2794 - 3514						
Committee Clerk Signature Sisa Some									

Minutes: SB 2098

<u>Chairman Berg</u> opened the discussion on SB 2098. He handed out and explained the amendments.

The current law requires you to have eight hours of training per year. The bill will require ten hours per year. The other thing the bill does is it states that in that two year cycle, your first year you need to have taken at least eight hours. What this will do is prevent someone from not having any education and in December of the last year trying to get all 20 hours of the education. By having requirements on an annual basis of at least eight hours per year, it will enable the association to plan for participation and continuing education on an ongoing annual basis.

Rep. Ekstrom made a motion to adopt the amendments.

Rep. Brekke second the motion.

The voice vote was 14 yea, 1 nay. The motion carried.

Page 2 House Industry, Business and Labor Committee Bill/Resolution Number Sb 2098 Hearing Date 3-3-99

Rep. Keiser made a motion for a Do Pass as Amended.

Rep. Koppang second the motion.

The roll call vote was 15 yea, 0 nay. The motion carries.

Rep. Martinson will carry the bill.

Date:	
Roll Call V	ote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 2098

House Industry, Business and Lal	oor			– Comr	nittee
Subcommittee on					
or			9		
Conference Committee					
Legislative Council Amendment Nu	mber _				
Action Taken do pas	<i>d</i>	RA G	mended		
Action Taken do pas Motion Made By Keiser		Se By	conded hoppang		
Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	1		Rep. Thorpe		
Vice Chair - Kempenich					
Rep. Brekke					
Rep. Eckstrom					
Rep. Froseth					
Rep. Glassheim					
Rep. Johnson					
Rep. Keiser					
Rep. Klein					
Rep. Koppang					
Rep. Lemieux					
Rep. Martinson					
Rep. Severson			w * * * * * * * * * * * * * * * * * * *	1	
Rep. Stefonowicz					
Total (Yes)		No			
Floor Assignment Martinson f the vote is on an amendment, brief	<u> </u>		· .		

REPORT OF STANDING COMMITTEE (410) March 4, 1999 1:37 p.m.

Module No: HR-39-4036 Carrier: Martinson

Insert LC: 98140.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2098: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2098 was placed on the Sixth order on the calendar.

Page 1, line 9, overstrike "twenty-four" and insert immediately thereafter "twenty"

Page 1, line 10, replace "twelve" with "eight"

Renumber accordingly

1999 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2098

CONFERENCE COMMITTEE

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2098

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date April 1, 1999

Tape Number	Side A	Side B	Meter #
1	X		
Committee Clerk Signa	ature	DOWN	
Minutes:	(7-3-6		

Senator Sand opened the conference committee for SB2098. Senator Mutch was absent.

Rep. Keiser moved that the committee change the hours to 16 total hours in two years, with six of the hours taking place in the first year.

Senator Heitkamp seconded the motion.

Rep. Keiser said that he believes this to be a reasonable compromise. They were in 24 over 3. He thinks that this will help keep the education distributed, which should lead to better programming and participation. He also thinks that the consumers will benefit because of the better knowledge level.

Senator Heitkamp said that he thinks that the committee has worked really hard to accommodate to those who are not members of the North Dakota Board of Relators, but it is also not the committees fault that they are not members of a group like that. He thinks that being a member

Page 2 Senate Industry, Business and Labor Committee Bill/Resolution Number SB2098c Hearing Date April 1, 1999

of a group like that, assures you that you will receive the proper literature so that the continuing education isn't such a big need. He thinks that the people that are not members are the ones that require the education the most. He said that he is glad that they made the compromise.

The motion carried with a 5-0-1 vote.

Date: 17 Mer 98 Roll Call Vote #: 💗 /

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. SB 2048

Senate INDUSTRY, BUSINESS A	AND LA	ABOR C	COMMITTEE	Com	mittee
Subcommittee on	House	e Aei	realment to SB	2098	D
or Conference Committee					
Legislative Council Amendment Nun	_				
Action Taken Do Nat (Voueu	V			
Motion Made By An Lubeb	aek	Sec By	Sen Monga	uni	,
Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern		-			
Senator Heitkamp					
Senator Thompson	X				
	,				
					4
Total (Yes)		No	0		
Absent 2 Hithaug,			un.	,	
Floor Assignment Aca Heit	thany	p)			
Den Mutch will; Conference commits	Lake	to 7.	he floor and arrig	eu a	
Conference committe	tee.		U		

REPORT OF CONFERENCE COMMITTEE (420)

April 2, 1999 9:16 a.m.

Module No: SR-60-6352

Insert LC: 98140.0102

REPORT OF CONFERENCE COMMITTEE

SB 2098: Your conference committee (Sens. Sand, Mutch, Heitkamp and Reps. Keiser, Martinson, Stefonowicz) recommends that the HOUSE RECEDE from the House amendments on SJ page 671, adopt amendments as follows, and place SB 2098 on the Seventh order:

That the House recede from its amendments as printed on page 671 of the Senate Journal and page 723 of the House Journal and that Senate Bill No. 2098 be amended as follows:

Page 1, line 9, overstrike "twenty-four" and insert immediately thereafter "sixteen"

Page 1, line 10, replace "twelve" with "six"

Renumber accordingly

SB 2098 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY SB 2098



Testimony SB2098 Senate IBL January 12, 1999

Dear Mr. Chairman and Members of the Senate Industry Business and Labor Committee:

My name is Lona Anderson and I appreciate the opportunity to explain to you my reason of support for this legislation.

Our State Association expounds a great deal of effort to provide an ample opportunity to attend education seminars. Attached to my testimony you will find (on page 2-4) a chart that describes all seminars that we have provided in the last 3 years. The chart reveals the course topic, number of hours and location. (By the way the abbreviation of the town Bois refers to the BoisdeSioux Board of REALTORS® in Wahpeton/Breckenridge).

We also did a comparison analysis among other states and found this:

- *Virtually every state has a continuing education law
- *The average hours among the states are 11.5 hours each year
- *Neighboring states:

Minnesota: 90 hours pre-licensing and 30 hours every two years thereafter South Dakota: 60 hours pre-licensing and 24 hours every two years

thereafter

Montana: 60 hours pre-licensing and 12 hours every year thereafter North Dakota: 30 hours pre-licensing and 24 hours every three years thereafter

We feel that this SB 2098 brings our profession up to the same standard of our neighbors and up to what appears to be a nationwide standard of 12 hours per year.

Thank you for the opportunity to testify before your committee and I would like to entertain any questions you or your committee may have of me.





· ·		Dix.		Bis		Во	is	Fç	go	G	FK	•	Jmst	M	inot	Will	
Course Description	Date	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#
Licence Law	1/96	3	15	3	40	3	19	3	21	3	45	3	19	3	36	3	17
Fair Housing	3/96							2	30								
*Tax Deferred Exchanges	3/96						,			3	42						
*Fair Housing	5/96									3	15					-	
*Minnesota Agency Law	5/96									3	10						-
Pro. Stds/Code	5/96											3	30			-	
ND/SD Convention	9/96							9									
*Pro Stds/Code	10/96			3													
*RS 202	10/96			14	38						-						
GRI II	10/96			30	30			30	36							-	
Mandatory Buyer Agency	12/96	3	46	3	89	3	16	3	74	3	51	3	34	3	90	3	27
GRI III	2/97			30	35										-		
RS 200	3/97									14	59				-		
Mandatory Buyer Agency	4/97							3	50								
Mandatory Contract Law	4/97	3	55	3	102									3	118	3	29
Fair Housing	5/97							2	38								
Mandatory Contract Law	5/97					3	17	3	100			3	55				
Mandatory Buyer Agency	6/97			3	46			3	27							-	
Mandatory Buyer Agency	7/97										-			3	20		
ND/SD Convention (9 hr. CE)	9/97							-								-	
Mandatory Contract Law	10/97			3	67		-										
RS 203	11/97							3	48								
Mandatory Contract Law	11/97							3	83	3	98						
																1	

		Dix		Bis		Bois		30	A. C. S. STORY OF LANSING	GFK		Jmst		Minot			
Course Description	DATE	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#	CE	#
New Tax Law	1/98			3	123			3	101	3	69	3	47	3	122		
Mandatory Buyer Agency	2/98							3	57								
GRI Crs. III	3/98			30	22			30	29								-
*Serving Connected Consumers	4/98			3	92												
Mandatory Contract Law	4/98			3	39												
Mandatory Buyer Agency	4/98									3	46						
*Forms Update Class	4/98							2	100								
*Realtor.com Class	4/98							3	94								
*Financial Round Table	4/98							3	119						-		+
*Fair Housing	5/98							2	67								
*Code of Ethics	5/98							3	3				-				
Mandatory Contract Law	5/98							3	107		J						
Mandatory Buyer Agency	5/98			3	40												
Mandatory Buyer Agency	5/98							3	60								_
Mandatory Contract Law	5/98													3	28		
*How to Write RE Ads That Work	6/98			3	96												
Understanding the Internet	6/98					,	,					4	32				
Mandatory Contract Law	6/98									3	55						
Professional Standards	6/98															3	13
*Accredited Buyer Agency	8/98			12	35												
ND/SD Convention	9/98	9															
*Glenn Dorfman Seminar A.M. Session	10/98							3	111								
*Glenn Dorfman Seminar P.M. Session	10/98							3	83								
RS 204	10/98													13.5	45		
*Hearing Process Made Sim.	11/98							4	29								

December Sen	12/98																
Technology I				4	160												
Technology II				4	158												
Mandatory Buyer Agency				3	125												
Mandatory Contract Law				3	84												
Fair Housing				2	140												
Negotiations				3	144												
Prof. Stds/Code				3	144												
Environmental Aspects				2	123												
Mandatory Buyer Agency	1/99			3	13												
Mandatory Contract law	1/99			3	6				·								
TOTALS:		18	116	182	2042	9	52	127	1475	38	490	19	217	31.5	459	12	86
TOTALS.	1	1												Name of Street, or other Designation of the Owner, where the Parket of the Owner, where the Owner, which the Owner, where the Owner, where the Owner, which the	COLUMN TO THE PARTY OF THE PART		

436.5

Total CE:
Total Attendance:

4937



Mr. Chairman and Members of the Senate Industry, Business and Labor Committee:

My name is Linda Hixson and I appreciate the opportunity to testify before you and explain the reasons for my support of this legislation.

I think of real estate as my profession and in that profession hope to be considered professional. The word profession means a learned vocation. To me you become learned not only by experience, but also by education.

Since I entered the real estate business 61/2 years ago I am finding many changes happening in my profession. In the beginning there was subagency which is giving way to buyer agency, cooperating broker, and appointed agency. We have gone from one standard page purchase agreement to a 3 page legal size agreement. We have experienced dramatic changes with lending practices, appraisals, closing procedures, Federal Housing Authority, Federal Rural Development Financing, Veterans Administration, manufactured housing law changes, title insurance, property inspections, disclosure statements, warranty programs, and other environmental concerns. Federal law now has requirements regarding sex predators and Megan's Law and lead base paint disclosures.

These only address items with major changes. There are many more issues we as REALTORS, need to know and understand.

Technology is changing yearly. When I first entered the business, there were maybe 2 or 3 people in my office using computers. Now more than half of the people are using email, interstate relocation networks, webpages, digital cameras, and scanners. Those of us in the education leadership of our industry expect the way we serve our clients and customers will change even more frequently.

Seeking to better my knowledge I obtained more than 60 hours the first cycle and approximately 80 the second cycle. Some of these classes included buyer representation, agency law, fair housing, how to handle agency, new construction, disclosure, license law update, serving consumers, tax law update, professional career management, contract law, code of ethics, business using technology, insights into websites and financing. These are just a few of the many classes offered.

The office I belong to is one of the largest in the state. We are fortunate to have 2 brokers who have meetings twice a week where training and education are offered weekly. Even with this, there is not an agent in our office who has voiced opposition to this bill. In fact they overwhelmingly support our efforts. They understand the true value of education in our profession.

Hopefully by securing more education we will be servicing you the consumer in the best way possible in finding the home of your dreams.



North Dakota ASSOCIATION of REALTORS®

1120 COLLEGE DR., SUITE 112 • BISMARCK, NORTH DAKOTA 58501
PHONE: (701) 258-2361 or 1-800-279-2361 • FAX: 701-223-8746 or 701-258-7211
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1998-99

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EXECUTIVE VICE PRESIDENT Claus H. Lembke, CAE

> ADMINISTRATIVE ASSISTANT Jill Beck

Testimony SB2098 Senate IBL January 12, 1999

Dear Mr. Chairman and Members of the Senate Industry Business and Labor Committee:

My name is Fay Connell and I appreciate the opportunity to explain to you why our Education Committee and I support this legislation.

The very principal of continuing education is to continually seek and gain information to keep up with any changes that matter in real estate transactions. Our current law of 24 hours every 3 years is too infrequent and does not keep up with the fast paced changes of our industry.

An example: A licensee may take 24 hours the first or second month of the cycle, which satisfies their requirement for the 1999-2000-2001 cycle. If, in the next cycle (2002-2003-2004) they choose to wait until the last month of the cycle (December 2004) to get their hours, in reality they could be practicing without any education requirements for more than 5 years.

	1999	2000`	2001	2002	2003	2004
January						
February	24 hours					
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						24 hours

Our real estate business practices change far to often and we need a much more frequent continuing education requirement.





Many licensees procrastinate on their education hours we have assembled a few statistics from our recent continuing education event. This seminar took place here in Bismarck in December of 1998 and offered continuing seminars for all 24 hours or as few as a block of 2 hours:

*A total of 303 licensees attended 1070 different seminars

We hope that you will support our efforts to shorten this cycle. Senate Bill 2098 will not only shorten this cycle from 3 to 2 years, it will also (the new language on page 1, line 10) increase the frequency by requiring at least 12 hours of the total 24 within the first year. In this way a licensee could attend an 18-hour (3 days, each 6 hours) course the first year and therefore would need only 6 the second year.

I think this bill will raise the professionalism of our industry and to the benefit of our customers. I ask for your support of this bill and I am ready to answer any questions that you might have.

Thank you.

ND CONTINUING EDUCATION COMPARISON

PROFESSION	REQUIREMENTS
Real Estate Licensees	24 Hours Every 3 Years
Insurance Agents	30 Hours Every 2 Years
Appraisers	42 Hours Every 3 Years
Attorneys	45 Hours Every 3 Years
Optometrist	50 Hours Every 3 Years
Dentist	80 Hours Every 5 Years
Social Workers	20 Hours Every 2 Years
Abstractors	18 Hours Every 3 Years
Chiropractors	12 Hours Annually
Dental Assistant	8 Hours Annually
Hygienist	40 Hours Every 5 Years
Electricians	6 Hours Annually
Plumbers	4 Hours Every 2 Years

^{*33} of those licensees needed to take all 24 hours



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> EXECUTIVE VICE PRESIDENT aus H. Lembke, CAE

ADMINISTRATIVE ASSISTANT Jill Beck Testimony SB2098 Senate IBL January 12, 1999

Dear Mr. Chairman and Members of the Senate Industry Business and Labor Committee:

My name is Claus Lembke, I represent the North Dakota Association of REALTORS®, which is a statewide trade association with approximately 1,100 members.

Our Association has studied and experienced the continuing education laws for many years. We are very pleased with the general principle of continuation and the benefit that it brings both to the public and our membership. It has elevated the professionalism of our industry.

However, we feel that the laws that govern the continuing education need some improvements and we approached the Real Estate Commission (REC) to introduce this bill before you on our behalf. We appreciate the cooperation and support that the REC has given us on this issue.

Currently our law requires everyone to attend 24 hours of education every 3 years.

I would like to explain the effective changes that are proposed in SB 2098. On line 7, of page one it changes the cycle from three to two years. The effective date of 1-1-2000 is designed to provide a smooth transition from the 3-year to the 2-year cycle. The old 3 year cycle would have ended by the year 2001 and by selecting this starting date the new 2 year cycle will end up on the same date on December 31, 2001.

The new language on line 10 increases the frequency by requiring at least half the hours to be completed in the first year.

There are many members of our Education Committee here on hand today and 3 of them would like the opportunity to explain why we are asking you to consider these changes proposed in SB 2098. They are Lona Anderson, Director in Charge of the Education Committee. Lona is a REALTOR®/Partner at Signal Realty in Minot and also President Elect of our NDAR. The second person is Fay Connell, Political Affairs Chair and a REALTOR® with Country West Realty here in Bismarck. Our final expert is Linda Hixson, Chairman of the Bismarck-Mandan Board Education Committee and a REALTOR® with Century 21 Morrison Realty in Bismarck. With your permission, Mr. Chairman, I would like to introduce Lona Anderson to your Committee.







North Dakota

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1998-99

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Fargo/Moorhead: Barb Grande Jim Deibert, GRI Don Kilander, GRI Neil Larson, GRI

Grand Forks: Janelle Kerr, CRS, GRI Don Dietrich

Jamestown: Jim Vagneur, CRS, GRI

Minot: Aisha Vadell, GRI Don Kauffman, CRS, GRI

Williston: Burnetta Fagerland, GRI

EXECUTIVE VICE PRESIDENT Claus H. Lembke, CAE

ADMINISTRATIVE ASSISTANT Jill Beck



Testimony SB2098 House IBL February 10, 1999

Dear Mr. Chairman and Members of the House Industry Business and Labor Committee:

My name is Claus Lembke, I represent the North Dakota Association of REALTORS®, which is a statewide trade association with approximately 1,100 members.

Our Association has studied and experienced the continuing education laws for many years. We are very pleased with the general principle of continuation and the benefit that it brings both to the public and our membership. It has elevated the professionalism of our industry.

However, we feel that the laws that govern the continuing education need some improvements and we approached the Real Estate Commission (REC) to introduce this bill before you on our behalf. We appreciate the cooperation and support that the REC has given us on this issue.

Currently our law requires everyone to attend 24 hours of education every 3 years.

I would like to explain the effective changes that are proposed in SB 2098. On line 7, of page one it changes the cycle from three to two years. The effective date of 1-1-2000 is designed to provide a smooth transition from the 3-year to the 2-year cycle. The old 3 year cycle would have ended by the year 2001 and by selecting this starting date the new 2 year cycle will end up on the same date on December 31, 2001.

The new language on line 10 increases the frequency by requiring at least half the hours to be completed in the first year.

There are many members of our Education Committee here on hand today and 3 of them would like the opportunity to explain why we are asking you to consider these changes proposed in SB 2098. They are Don Kilander, Political Affairs Chair for the Fargo-Moorhead Area Association of REALTORS® and a REALTOR® with Coldwell Banker First Realty Encore in Fargo. The second person is Ninetta Wandler, NDAR Education Vice-Chair and a REALTOR® with Everett Real Estate in Dickinson. Our final expert is Linda Hixson, Chairman of the Bismarck-Mandan Board Education Committee and a REALTOR® with Century 21 Morrison Realty in Bismarck. With your permission, Mr. Chairman, I would like to introduce Don Kilander to your Committee.



P.O. BOX 9379 2731 12TH AVENUE SW FARGO, ND 58106 BUS. (701) 293-3423 FAX (701) 293-4001

Testimony SB2098 House Industry, Business, and Labor Committee February, 10, 1999

Dear Mr. Chairman and Members of the House Industry Business and Labor Committee:

My name is Don Kilander and I appreciate the opportunity to explain to you my reason for supporting this legislation.

Our State Association expends a great deal of effort to provide ample opportunity for licensees to attend education seminars. Attached to my testimony you will find (on page 2-4) a chart that describes all seminars that we have provided in the last 3 years. The chart reveals the course topic, number of hours, and location. (By the way, the abbreviation of the town Bois refers to the Bois de Sioux Board of REALTORS® in Wahpeton/Breckenridge.)

We also did a comparison analysis among other states and found the following:

- ★ Virtually every state has a continuing education law
- * The average hours among the states are 11.5 hours each year
- * Neighboring states:

Minnesota: 90 hours pre-licensing and 30 hours every two years thereafter South Dakota: 60 hours pre-licensing and 24 hours every two years thereafter Montana: 60 hours pre-licensing and 12 hours every year thereafter North Dakota: 30 hours pre-licensing and 24 hours every three years thereafter

We feel that this Senate Bill 2098 will help to bring our competency up to the same level as that of our neighbors and up to what appears to be a nationwide standard of 12 hours per year.

Mr. Chairman...speaking solely for myself...it would be easier if I could control my own education needs without state regulation, but I understand that I have a tendency to procrastinate and that does not make me unique. I also understand that real estate is a fast-changing business and that the responsibilities of real estate agents are changing at breakneck speeds. Customers and clients expect a great deal from us and in most cases on the residential side we are working with the largest amount of money that homeowners have ever been obligated for.



With these three points:

- * Real estate is fast-changing
- * The dollar amount is very large for clients and customers alike
- * It is very easy to procrastinate

I think as a real estate professional that continuing education regulation is warranted and as Senate Bill 2098 requires, that we, the real estate industry, need to address that on an annual basis and that twelve hours each year on a two-year cycle is not excessive.

Thank you for the opportunity to testify before your committee and I would like to entertain any questions that you or your committee may have of me.

Thank you,

Don Kilander, GRI Coldwell Banker First Realty-Encore Joe J. Frenzel, C.C.I.M.

Certified Commercial
Investment Broker

Sandi Frenzel, G.R.I., C.R.S.

Duane Schwab, G.R.I., C.R.S.

Vinetta Wandler, G.R.I., C.R.S.

Piey Dukart, G.R.I.

e Duchscher, G.R.I.

n Radspinner

rnyllis Sackman, G.R.I.

Jackie Miller, G.R.I

Lee Ann Galster
Ryan Scallon

Patrick Hedger



Everett Real Estate, Inc.

P.O. Box 1036, 669 12th Street West Dickinson, ND 58601

Telephone: (701) 225-8183

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Testimony SB2098 House IBL February 10, 1999

Dear Mr. Chairman and Members of the House Industry Business and Labor Committee:

My name is Ninetta Wandler and I appreciate the opportunity to explain to you why our Education Committee and I support this legislation.

The very principal of continuing education is to continually seek and gain information to keep up with any changes that matter in real estate transactions. Our current law of 24 hours every 3 years is too infrequent and does not keep up with the fast paced changes of our industry.

An example: A licensee may take 24 hours the first or second month of the cycle, which satisfies their requirement for the 1999-2000-2001 cycle. If, in the next cycle (2002-2003-2004) they choose to wait until the last month of the cycle (December 2004) to get their hours, in reality they could be practicing without any education requirements for more than 5 years.

	1999	2000`	2001	2002	2003	2004
January						
February	24 hours					
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						24 hours

Our real estate business practices change far to often and we need a much more frequent continuing education requirement.

Many licensees procrastinate on their education hours and we have assembled a few statistics from our recent continuing education event. This seminar took place here in Bismarck in December of 1998 and offered continuing seminars for all 24 hours or as few as a block of 2 hours:

- *A total of 303 licensees attended 1070 different seminars
- *33 of those licensees needed to take all 24 hours

We hope that you will support our efforts to shorten this cycle. Senate Bill 2098 will not only shorten this cycle from 3 to 2 years, it will also (the new language on page 1, line 10) increase the frequency by requiring at least 12 hours of the total 24 within the first year. In this way a licensee could attend an 18-hour (3 days, each 6 hours) course the first year and therefore would need only 6 the second year.

I think this bill will raise the professionalism of our industry and to the benefit of our customers. I ask for your support of this bill and I am ready to answer any questions that you might have.

Thank you.

ND CONTINUING EDUCATION COMPARISON

PROFESSION	REQUIREMENTS
Real Estate Licensees	24 Hours Every 3 Years
Insurance Agents	30 Hours Every 2 Years
Appraisers	42 Hours Every 3 Years
Attorneys	45 Hours Every 3 Years
Optometrist	50 Hours Every 3 Years
Dentist	80 Hours Every 5 Years
Social Workers	20 Hours Every 2 Years
Abstractors	18 Hours Every 3 Years
Chiropractors	12 Hours Annually
Dental Assistant	8 Hours Annually
Hygienist	40 Hours Every 5 Years
Electricians	6 Hours Annually
Plumbers	4 Hours Every 2 Years