



## North Dakota Real Estate Commission

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Executive Director

Administrative Rules Committee  
North Dakota Legislative Council  
State Capitol Building  
600 East Boulevard Ave  
Bismarck, ND 58505-0360

Dear Committee Members:

Our agency is solely responsible for the administration of the North Dakota Real Estate License Law and Administrative Code governing the conduct of real estate licensees. The commission does not receive any federal or state funding to maintain our agency.

Five of the rule changes adopted by the North Dakota Real Estate Commission are the result of statutory changes made by the 2009 Legislative Assembly.

43-23-08.2 of the North Dakota Century Code was amended to authorize the Real Estate Commission to establish the conditions for continuing education for real estate licenses by determining the required number of hours, the frequency and conditions of reporting requirements, and all other terms and conditions of continuing education compliance. Section 70-02-01-05(4) on page 234 and Sections 70-02-04-02, 70-02-04-13, 70-02-04-15 and 70-02-04-16 on pages 240 and 241 were adopted in accordance with this statute.

The North Dakota Real Estate Commission in exercising its rule making authority used the following procedure:

Advance notice of the rules hearing was published in the Winter 2009 issue of the **North Dakota Real Estate News and Views**, the official publication of the North Dakota Real Estate Commission which is mailed to each licensee in the state of North Dakota and to those licensees who hold a reciprocal license in our state.

Notice was served upon the public through publication of the hearing notice in each of the state's daily and weekly newspapers through the North Dakota Newspaper Association. All notices were published and mailed in advance of the date of hearing as required by statute.

A public hearing was held on January 26, 2010 at 8:30 AM, central time, in the Peace Garden Room here at the Capitol. Moni Krantz representing the North Dakota Association of REALTORS® and Nancy Deichert of the Bismarck-Mandan Board of REALTORS® were in attendance at the hearing. Ms. Krantz spoke to the written correspondence the Commission had received regarding carry-over of continuing education hours and the mandatory course topic (neither of which are affected by the proposed rule changes) stating that the North Dakota Association of REALTORS® intended to market and promote education and earning designations as important tools in giving better service to clients and customers.

The Commission received written comments from Barbara A. Grande, Clair Watne, F. Bruce Walker, and Dorothy Martwick. Commissioners noted that licensees have never been allowed to carry continuing education hours from one continuing education cycle to another. They addressed the concern over the 3 hour mandatory education course topic at their Commission meeting.

The approximate cost for legal fees involving research, preparation, and appearance at the public hearing was \$3120.00. The cost for printing and mailing the notice to all licensees was \$1356.00. The publication in the local newspapers was \$1573.00, for an approximate total of \$6049.00. The rules hearing was held on the same day as a scheduled meeting of the real estate commission, consequently the costs for meals, lodging, travel and per diem for the Commissioners were not charged to the rules hearing.

No regulatory analysis was required or issued as per NDCC Section 28-32-08.

No economic impact statement was required per NDCC Section 28-32-08.1.

No constitutional takings assessment was prepared as required by NDCC Section 28-32-09.

## **EXPLANATION OF RULES**

Section 70-02-01-05 is located on page 234 and pertains to the number of continuing education hours a licensee would need to reactivate an inactive license and the timeframe in which they must have been completed.

Section 70-02-01-15(2)(c) is located on page 236 and clarifies that provisions concerning earnest money must be in writing.

Section 70-02-01-21 is located on page 237. This rule was previously located under Chapter 70-02-03-17. Moving the "Responsibilities of Designated Broker" to a new section clarifies that the responsibilities refer to all brokers, not just those who practice appointed agency.

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Section 70-02-03-17 located on page 238 was moved to Section 70-02-01-21 as previously referenced.

Section 70-02-04-02-10 is located on page 240 and sets the number of continuing education hours required for licensees to complete prior to renewal of their license as 9 hours a year.


Section 70-02-04-13 located on page 240 reflects the change in the continuing education cycle for substantively identical course offerings.

Section 70-02-04-15 is located on pages 240 and 241. This rule is amended to reflect the change in the continuing education cycle.

Section 70-02-04-16 located on page 241 also reflects the change in the continuing education cycle.

Please let us know if we can be of any further assistance regarding any questions or concerns.

Thank you for your time and consideration,

A handwritten signature in black ink, appearing to read "Patricia M. Jergenson". The signature is fluid and cursive, with the first name "Patricia" being more prominent.

Patricia M. Jergenson  
Executive Director