

**IREC/IAR®**  
**Property Management Work Group**

Wednesday, October 10, 2012  
Meeting Notes

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| ✓ Andy Enrico, Chair<br>Marc Banner<br>Craig Boyack, IREC<br>Pam Bullock, Idaho Affordable Housing Assn.<br>✓ Trish Callies<br>Jake Durtschi, Eastern Idaho Property Assn.<br>✓ John Eaton, IAR®<br>Matt Engel<br>✓ Steve Fender, IREM<br>✓ Senator Russ Fulcher<br>Brad Golphenee<br>✓ James Holtzclaw<br>✓ Jeanne Jackson-Heim, IREC<br>Miguel Legaretta, IAR®<br>✓ Paul Lorenzen<br>✓ Jim Reimer, NARPM<br>✓ Tayson Rockefeller<br>Brian Shaffer, NARPM<br>✓ Amy Wernsing, Governor's Office | Idaho Real Estate Commission<br>575 E. Parkcenter Blvd., Suite 180<br>Boise, Idaho 83706<br><br>Call-in Number: 866-706-6468<br>Participant Code: 1844479 |
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I. *Call to Order – Introductions:* The meeting was called to order at 9:03 a.m. by Chair Andy Enrico. (Attendees are noted with a check mark above, plus guests on the attached list.)

II. *Landlord/Tenant Law and Security Deposits:* Deputy Attorney General Stephanie Guyon gave an overview of how the AG handles landlord/tenant complaints. Her office often attempts to mediate disputes between landlords and tenants but they have no enforcement authority. Stephanie stated there are no accounting requirements for security deposits in the landlord/tenant law; they can only recommend “best practices”, but commingling is never a good idea. A law change is needed if there is to be any oversight over tenant or owner funds.

III. *Debt Collection:* Mike Larsen from the Department of Finance reviewed the Idaho Collection Agency Act and discussed the licensing requirements of Idaho Code 26-2223(2). The law is interpreted to include property managers collecting rent on behalf of owners and third party managers of homeowners associations. Mike also reviewed the Davis case from the 1985 Supreme Court, which established some possible factors for determining whether a company is subject to the Act's licensing requirements. There has been confusion over who is required to be licensed, and licensing property managers would create an opportunity to exempt them from the Collection Agency Act.

IV. *Discussion Topics re Draft Property Management Legislation*

1. *Accounting requirements?*

Real estate and property management funds should be held separately, and accounts should be subject to audit. There is software available that should satisfy accounting requirements, or managers could use a manual system. Requiring licensure of property managers would act as a deterrent to taking liberties with security deposits and owner funds.

2. *Prelicense education and exam requirements for a separate property management license?*

There are number of professional associations that offer excellent education specific to property management. The Commission presently accepts CCIM courses for broker prelicense electives, and property management courses could be handled in the same way. This topic will be discussed further at a subsequent meeting.

3. *Referral fees?*

The group consensus was that referral fees are essentially a non-issue for property managers; existing real estate license law appropriately addresses referral fees.

Sen. Russ Fulcher and Amy Wernsing from the Governor's office both mentioned the difficulty of getting new regulatory legislation passed. Sen. Fulcher stated he would like to see a focus on non-legislative solutions to the problems, although it appears oversight may be necessary in some cases.

V. *Adjournment:* Chair Enrico adjourned the meeting at 10:55 a.m. An e-mail will be sent to obtain available dates for the next meeting.

