

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

Monday, October 29, 2012; 10:00 a.m.

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|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| ✓ Andy Enrico, Chair<br>Marc Banner                                                  | Idaho Real Estate Commission<br>575 E. Parkcenter Blvd., Suite 180<br>Boise, Idaho 83706 |
| ✓ Craig Boyack, IREC<br>Pam Bullock, Idaho Affordable Housing Assn.                  | Call-in Number: 888-706-6468<br>Participant Code: 1844479                                |
| ✓ Trish Callies<br>Jake Durtschi, Eastern Idaho Property Assn.                       |                                                                                          |
| ✓ John Eaton, IAR®                                                                   |                                                                                          |
| ✓ Matt Engel<br>Steve Fender, IREM<br>Senator Russ Fulcher<br>Brad Golphenee         |                                                                                          |
| ✓ James Holtzclaw                                                                    |                                                                                          |
| ✓ Jeanne Jackson-Heim, IREC                                                          |                                                                                          |
| ✓ Mike Larsen, Dept. of Finance                                                      |                                                                                          |
| ✓ Miguel Legaretta, IAR®<br>Paul Lorenzen<br>Jim Reimer, NARPM<br>Tayson Rockefeller |                                                                                          |
| ✓ Brian Shaffer, NARPM<br>Geoff Wardle, BOMA<br>Amy Wernsing, Governor's Office      |                                                                                          |

I. Call to Order – Introductions

The meeting was called to order at 10:00 a.m. (Attendees are noted with a check mark above, plus guests on the attached list.)

II. Possible License Framework

- A. Real Estate License – covers brokerage, leasing, and property management
  - 1. No separate property management license needed if running transactions through designated broker and brokerage
  - 2. Additional property management license required to operate property management business outside of brokerage
- B. Property Management License – covers leasing and property management only

There was a lengthy discussion about the above licensing framework and the advisability of requiring anyone who does any property management transactions at all to hold a separate property manager license, without allowing property management to be conducted under a real estate license. Mike Larsen stated that some property management activities could be viewed as

requiring a “collection agency” license from Department of Finance; he provided an overview of those licensing requirements.

In terms of potential legislation, the following interests have been expressed:

- ◆ Protect the public interest
- ◆ Leasing needs to be part of the discussion
- ◆ Department of Finance oversight (Debt Collection Act)
- ◆ Appropriate implementation period
- ◆ Input into any new regulations
- ◆ Prevent unlicensed activity
- ◆ “Grandfather” existing property managers
- ◆ Minimize disruption to current business practices
- ◆ Minimize costs to businesses
- ◆ One size must fit all – commercial and residential
- ◆ Keep government out of business
- ◆ Increased competition from new licensees
- ◆ Effect on IREC work load and staffing
- ◆ Elevate the quality and education level of practitioners
- ◆ Acceptable to legislature and Governor
- ◆ Limit barriers to entry into the profession

III. Property Management License Requirements – the following possible license requirements were discussed:

1. Fingerprinting and background check – same as real estate licensees – yes
2. Prelicense exam - yes
3. Prelicense education – yes; however, there was disagreement on the number of hours. Some felt there should be a significant quantity of prelicense education required on a broad array of topics to elevate the standards of the industry, while others wanted a minimal number of prelicense hours. At a minimum, trust accounting should be covered; other possible topics include contract law, fair housing, EPA requirements, agency.
4. Continuing education – should not be required
5. Errors and omissions insurance – there was discussion that insurance is advisable, but more information is needed on which type of insurance would be best suited for property managers.

IV. Property Management Accounting Requirements – review neighbor states’ laws

1. Accounting for security deposits, rental income, expenditures?
2. Owners and property managers signing on the same account?

*Due to the time, the above items were not discussed and will be held till a future meeting.*

Chair Enrico asked if there was agreement about moving forward with proposed legislation. Most agreed they could live with a minimal property management licensure requirement, although there was no consensus about what that should look like. Some

participants want to see the bar raised and substantial education requirements implemented for property management licensure, while some would prefer not to have any licensure. Trish Callies will provide a copy of the IREM property manager standards for review.

V. Adjournment – the meeting was adjourned at 12:00 noon.