

## Part 1 – Agency Profile

### Agency Overview

The Idaho Real Estate Commission is a self-governing regulatory agency authorized under Chapter 20, Title 54, Idaho Code to administer the Real Estate License Law regulating real estate brokerage in Idaho. The Commission is a dedicated fund agency, meaning the funding for all Commission operations comes primarily from license and application fees; the Real Estate Commission receives no general fund monies. The Commission issues licenses to real estate brokers and sales associates, develops and oversees education programs and licensing exams, and investigates complaints and takes disciplinary actions for violations of the license law. The Commission is also charged with administering the State's Subdivided Lands Disposition Act (Chapter 18, Title 55, Idaho Code), which requires registration of those wishing to market timeshares and out-of-state subdivisions to Idaho residents.

The Commission is composed of four Governor-appointed Commissioners from four geographic areas of the state. The Commissioners meet monthly to establish the policies by which the Commission operates and to hear and decide enforcement matters. Commissioners hire an Executive Director to oversee agency operations and implement Commission policies. The Commission's 15 additional full-time employees are divided into four departments, each with its own supervisor: Administration, Education, Enforcement, and Licensing. Staff carries out the day-to-day duties of the Commission with the guidance and assistance of a part-time contract attorney, who serves as the Commissioners' legal advisor. The Commission operates out of one main office in downtown Boise near the Capitol Mall.

In addition, the Real Estate Education Council is established by Idaho Code Section 54-2008 to serve as an advisory group to the Commission and to perform other duties related to planning, coordinating and directing education programs as authorized in the Council's bylaws. The Education Council consists of six members, four appointed by the Commission from the four geographic areas of the state, one Commissioner, and the Commission's Executive Director.

Approximately 90% of active Idaho licensees belong to the Idaho Association of REALTORS®, a prominent trade association for real estate brokers and sales associates. Although the interests of the agency and the association may sometimes differ, the Commission works with the Association to develop consensus on issues affecting licensees.

### Core Functions/Idaho Code

**Licensing Department** – Issues and renews licenses for Idaho real estate brokers and salespersons, including verification of eligibility for licensure; handles processing of fingerprint cards for background checks; oversees licensee Errors & Omissions insurance program and monitors licensee compliance with E&O requirement; processes records changes and certified license histories.

**Education Department** – Develops and reviews curriculum for pre-license education and the Commission's Business Conduct & Office Operations and annual Core courses; certifies courses, instructors and course providers and monitors their performance; evaluates education equivalency for sales and broker license requirements; audits licensee compliance with Continuing Education requirements; oversees license examination content and administration; support staff for the Education Council.

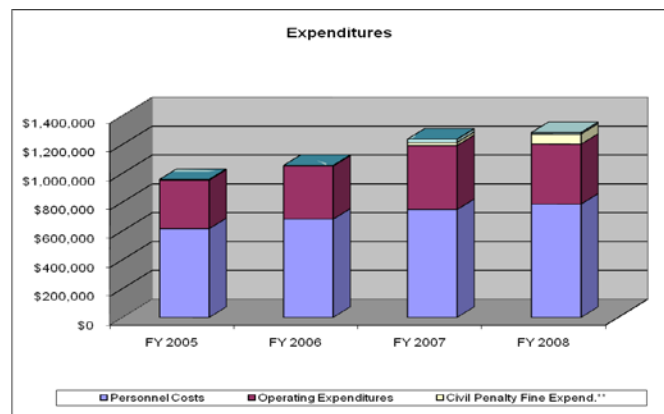
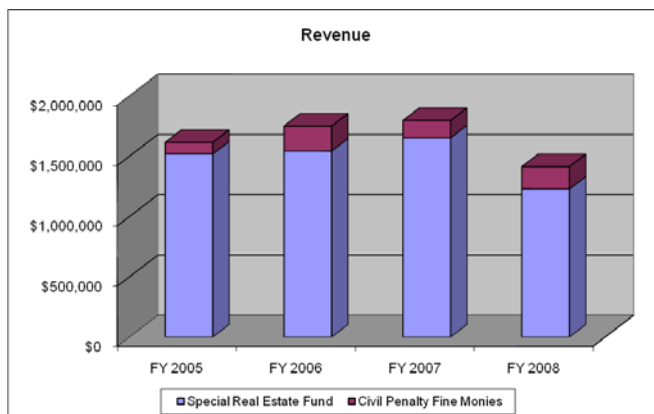
**Enforcement Department** – Audits real estate brokerage trust accounts and office operations; investigates complaints of alleged license law violations; recommends and monitors discipline for licensees and others for violations of the license law; oversees the registrations required under the Idaho Subdivided Lands Disposition Act.

**Administration Department** – Maintains the Commission website and licensee database; publishes and distributes the bi-annual licensee newsletter (the *Real Estatement*), annual license law book, and Commission-approved agency disclosure brochure; liaison with legislature and trade association (Idaho Association of REALTORS®); fiscal, human resources and purchasing functions; and support staff for the Commissioners.

## Revenue and Expenditures

Revenue	FY 2005	FY 2006	FY 2007	FY 2008
Special Real Estate Fund	\$1,518,088	\$1,543,056	\$1,652,440	\$1,227,981
Civil Penalty Fine Monies	<u>\$95,831</u>	<u>\$206,944</u>	<u>\$143,645</u>	<u>\$185,444</u>
<b>Total</b>	<b>\$1,613,919</b>	<b>\$1,750,000</b>	<b>\$1,763,084</b>	<b>\$1,413,425</b>
Expenditure	FY 2005	FY 2006	FY 2007	FY 2008
Personnel Costs	\$615,700	\$682,000	\$748,666	\$786,358
Operating Expenditures	\$336,900	\$368,200	\$443,765	\$415,272
Civil Penalty Fine Expend.**			\$22,112	\$70,287
Capital Outlay	\$4,500	\$3,700	\$21,527	\$9,934
Trustee/Benefit Payments	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total</b>	<b>\$957,100</b>	<b>\$1,053,900</b>	<b>\$1,236,070</b>	<b>\$1,281,851</b>

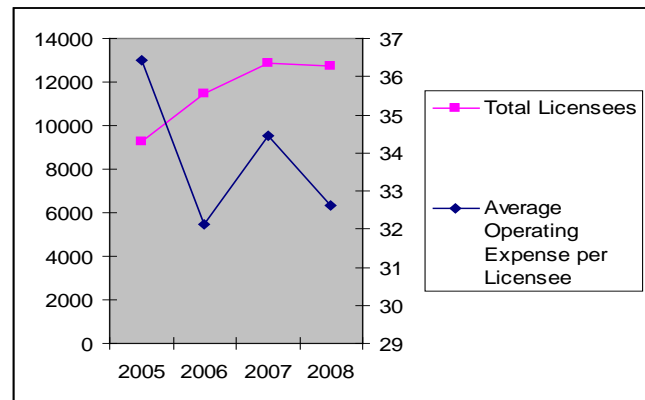
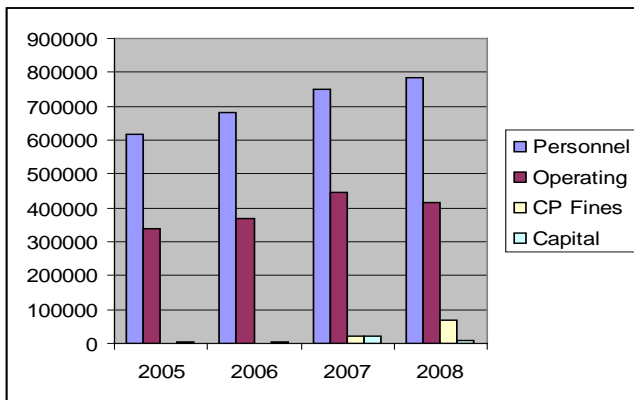
\*\*Per Idaho Code, civil penalty fine money can only be spent on development and delivery of education to benefit Idaho real estate licensees. Fine money is deposited into the special real estate fund and is appropriated by the Legislature as part of the Commission's operating budget, but revenue and expenditures of fine money are accounted for separately by the Commission.



## Performance Highlights

During the recent boom in the housing industry and real estate markets, the Commission experienced unprecedented growth in license numbers. Despite the recent softening in the real estate market throughout the nation, Idaho currently regulates a record number of real estate licensees, totaling 12,730 brokers and sales associates at the end of FY08. In addition to increased workload challenges for Commission staff, the higher licensing numbers resulted in increased revenue, allowing the Commission to reduce license fees three times in the years 2005-2006. As of July 1, 2007, licensees are no longer required to obtain or display paper license certificates, and the Commission no longer charges its \$15 incidental fee for records changes. The Commission is proud of the fact that it has demonstrated good stewardship of licensee funds and has been able to efficiently accommodate the growth in license numbers while maintaining acceptable customer service levels.

The increase in license numbers has been accompanied by a corresponding rise in the number of certified education providers and courses, and an increasing number of complaints of license law violations from members of the public and other licensees. The Commission has met this significantly higher demand for services through creativity, flexibility, and incorporating technology solutions whenever possible. The Commission has been fortunate that it has been able to resolve most disciplinary actions by stipulation, keeping expensive formal hearings to a minimum. During the past year, the Commission began maintaining its documents electronically, established a subscription e-mail newsletter, and revamped its website for ease of use. In April 2008, the Commission launched its own new online services application, including an enhanced licensee search, an updated license renewal function, and additional features for registered users.



In 2004, legislation was passed requiring that all civil penalty fine monies be deposited into a special fund and expended exclusively for developing and delivering real estate education to benefit Idaho licensees. (Idaho Code Section 54-2059(4)). Spending authority for a portion of these funds has enabled the Commission to focus additional resources on priorities identified with guidance from the Education Council, education providers and instructors, and the Idaho Association of REALTORS®.

Last year, a joint work group comprised of industry and regulatory representatives made recommendations to revise certain education requirements to better equip new licensees to serve the public in the midst of a changing real estate marketplace. A joint IAR®/IREC Education Bill incorporating some of these recommendations was presented to and passed by the legislature. A second work group reviewed and updated all sales associate prelicense courses. The Commission also received legislative approval of a rule establishing Minimum Teaching Standards for certified instructors and course providers.

### Profile of Key Services Provided

Key Services Provided	FY 2005	FY 2006	FY 2007	FY 2008
<b>LICENSING DEPARTMENT</b> (Increase in license numbers)				
New Licenses Issued	1,934/45.96%	2,727/41.00%	2,620/-3.02%	1,245/-52.5%
Total License Count	9,248/14.03%	11,458/23.90%	12,887/12.47%	12,730/-1.22%
<b>Total % Increase FY05-FY08 37.7%</b>				
<b>ENFORCEMENT DEPARTMENT</b>				
Total Office Audits Completed			164	150
Total New Complaints Opened	288	584	552	1081
Total Complaints Dismissed	73	110	106	64
<b>Total Disciplinary Actions</b>	215	474	446	1017
CE Disciplinary Actions	27	171	86	67
E&O Disciplinary Actions			202	742
Other Disciplinary Actions	188	303	158	208
<b>EDUCATION DEPARTMENT</b>				
Certification of New				
• Courses	49	136	157	204
• Instructors	37	12	11	7
• Providers	11	27	34	26
<b>Curriculum Evaluation</b>				
• Sales Pre-License	Start- 04/2005	Ongoing	Ongoing	06/2008
• Broker Pre-License		Ongoing	Ongoing	Ongoing
<b>Education Council Course Audits</b>	15	16	16	16
<b>License Exam statistics</b>				
• Idaho exams administered	3470	5381	4637	2272

**Part II – Performance Measures**

Performance Measure	2005	2006	2007	2008	Benchmark
Establish online searchable education database and online services for educators				NEW	December 31, 2008
Number of investigations completed within 6 months from opening of case	X	X	X	X	100%
100% of IREC files, including back files maintained electronically				NEW	June 30, 2010
Number of completed license applications and notice of change forms processed and approved within ten (10) business days from receipt			NEW	X	100%
Number of license renewals processed through the online system by June 30, 2010				NEW	80%
Number of sales associate and broker prelicense courses reviewed and updated each year for relevance and current laws				NEW	25%
100% of fingerprints for mandatory background checks submitted electronically				NEW	June 30, 2012

**Performance Measure Explanatory Note:**

The Commission has identified a number of new objectives to meet its goals and consequently there are a number of new performance measurements and benchmarks this year.

**For More Information Contact**

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