

## ***Part I – Agency Profile***

### **Agency Overview**

The Idaho Real Estate Commission is a self-governing 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). The Act requires sellers of timeshares and out-of-state subdivision lots to register their projects with the Commission as a prerequisite to marketing them in Idaho.

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 13 additional full-time employees are divided into three departments: Administration, Education & Licensing, and Enforcement. 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.

In addition, the Real Estate Education Council is established by Idaho Code 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 licensees. 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**

**Education & Licensing 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; audits licensee compliance with Continuing Education requirements; oversees license examination content and administration; provides staff support for the Education Council; issues and renews licenses for Idaho real estate brokers salespersons and companies, including verification of eligibility for licensure; oversees fingerprinting for background checks; oversees licensee Errors & Omissions insurance program and monitors licensee compliance with E&O requirement; processes records changes and requests for certified license and education histories.

**Enforcement Department** – Inspects real estate brokerage trust accounts and office operations; investigates complaints of alleged license law violations; recommends discipline for licensees and others for violations of the license law and monitors compliance; provides training and assistance to licensees, brokerages, and trade associations; oversees the timeshare and land registrations required under the Idaho Subdivided Lands Disposition Act.

**Administration Department** – Maintains the Commission website and online services and internal licensing database application; 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 and legal counsel.

**Revenue and Expenditures**

<b>Revenue</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Special Real Estate Fund	\$985,264	\$969,619	\$836,901	\$953,380
Civil Penalty Fine Monies**	\$195,273	\$183,218	\$125,450	\$121,828
<b>Total</b>	<b>\$1,180,537</b>	<b>\$1,152,837</b>	<b>\$962,151</b>	<b>\$1,075,208</b>
<b>Expenditure</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Personnel Costs	\$796,774	\$776,346	\$699,540	\$773,622
Operating Expenditures	\$380,944	\$345,289	\$389,452	\$371,463
Civil Penalty Fine Expend.	\$81,487	\$83,477	\$126,854	\$103,895
Capital Outlay	\$13,427	\$52,298	\$0	\$0
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,272,632</b>	<b>\$1,257,410</b>	<b>\$1,215,845</b>	<b>\$1,248,981</b>

**Performance Highlights**

There were 9,240 salespersons and brokers licensed in Idaho as of August 1, 2013, a slight increase from the previous year. This is the first year since 2007 that license numbers have increased rather than declined, and at this writing the Commission averages about 100 new licensees per month. 100% of license renewals are now completed online, and education providers submit course completion data directly to the IREC database. Greater use of the online services has allowed the Commission to work more efficiently and provides 24/7 access to the licensees for most Commission licensing functions. The Commission continues to maintain all licensee files and other agency documents in electronic format.

In 2004, legislation was passed requiring all civil penalty fine monies to be expended exclusively for developing and delivering real estate education to benefit Idaho licensees. (Idaho Code 54-2059(4).) Again last year, the Commission contracted with Idaho real estate course providers to offer free Commission Core and reduced cost broker prelicense courses to licensees throughout the State of Idaho. The Commission also utilized fine money to take two Commission meetings "on the road" to other parts of the state (licensees may obtain free CE credit for attending a regularly-scheduled Commission meeting). These out-of-town Commission meetings are always well received by the licensees. Also funded were Education Council and staff travel for education and risk reduction purposes, development and filing of a training video on advertising issues, and printing and mailing of the Commission's educational newsletter and license law booklet. Approximately 930 licensees benefited from free or reduced cost CE credit through use of the fine money in FY 2013.

The Commission formed a work group last year to address numerous complaints related to property management, an activity which is presently unregulated in the state of Idaho. The work group, comprised of real estate licensees, unlicensed property managers, and other interested stakeholders, continues to meet to discuss a possible licensing requirement.

Additionally, the Commission participated in an education work group, along with educators and industry members, to develop proposed changes to licensing education requirements. A new Training Specialist position was created and hired to facilitate curriculum review and provider training.

The Commission continues to investigate a significant number of complaints of unlicensed practice, as well as allegations of serious license law violations, such as embezzlement and fraud. The Commission has been able to retain the same employee in the Inspector position for the past four years, which has enabled the Commission to maintain its goal of auditing each brokerage at least once every two years.

Finally, the Commission participated in the Governor's Zero Based Budgeting initiative during FY 2013.

## Profile of Key Services Provided

Key Services Provided	FY 2010	FY 2011	FY 2012	FY 2013
<b>LICENSING DEPARTMENT</b>				
New Licenses Issued	837/+0.5%	618/-26.2%	539/-12.8%	918/+70.3%
Total License Count	10,663/-7.9%	9,738/-8.7%	9,241/-5.1%	9,263/+0.2%
(% Change from Previous Year)				
<b>ENFORCEMENT DEPARTMENT</b>				
Total Office Audits Completed	191	207	210	206
Total New Complaints Opened	833	569	405	320
Total Complaints Dismissed	59	29	44	35
<b>Total Disciplinary Actions Taken</b>	726	481	402	299
CE Disciplinary Actions	117	67	56	58
E&O Disciplinary Actions	325	316	233	172
Other Disciplinary Actions	284	98	113	69
<b>EDUCATION DEPARTMENT</b>				
<b>Certification of New</b>				
Courses	69	90	52	63
Instructors	3	7	3	6
Providers	12	12	11	12
<b>Curriculum Evaluation</b>				
Sales Pre-License	--	11/2010	11/2010	11/2010
Broker Pre-License	BCOO	Ongoing	Ongoing	Ongoing
<b>Education Council Course Audits</b>	16	12	12	22
<b>License Exam Statistics</b>				
Idaho exams administered	1415	1111	859	1538

**Part II – Performance Measures**

Performance Measure	2010	2011	2012	2013	Benchmark
Maintain bi-annual audit schedule for Idaho brokerages	X	X	X	X	50% of offices each year
Number of investigations completed within 6 months from opening of case	90%	90%	90%	90%	100%
Number of completed license applications and notice of change forms processed and approved within ten (10) business days from receipt	X	X	X	X	100%
Number of license renewals and license changes processed through the online system	X	X	X	X	95%
Number of sales associate and broker prelicense courses reviewed and updated each year for relevance and current laws	X	X	No	No	25%
Number of callers or e-mail inquiries who are able to make contact with a staff member within one business day of contacting the commission office	X	X	X	X	100%

**For More Information, Contact:**

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