

MINUTES OF PUBLIC HEARING
Real Estate Commission
Microsoft Teams Meeting

The Real Estate Commission opened the public administrative rules hearing at 8:30 a.m., and a quorum was established at 8:41 a.m. on October 7, 2021, via Microsoft Teams. A quorum was participating.

The purpose of the meeting was to conduct a public hearing on the proposed rules of Real Estate Commission numbered §§ 20:69:03:21, 20:69:03:22, chapter 20:69:05, 20:69:11:01.06, 20:69:11:04, 20:69:11:04.01, and 20:69:11:07, adopted under the authority of SDCL 36-21A-89 (11).

Hearing officer: Dave Bonde

Members of the Commission in attendance: Chairman Dave Bonde, Ryan Wordeman and Mark Wahlstrom.

Others in attendance: Melissa Miller, REC Executive Director, Graham Oey, DLR Attorney, Michelle Kleven, South Dakota Association of Realtors and Marty Wilcox, Coldwell Banker black Hills Legacy Real Estate.

Wahlstrom made a motion to approve the agenda. Wordeman seconded the motion. Bonde called for a vote. **Motioned Passed.**

Written testimony: No written testimony received.

Oral testimony:

Graham Oey, Department of Labor Attorney, from Sioux Falls briefed the commission on the rule changes and LRC style and form revisions.

Wordeman made a motion to approve the proposed rule changes. Wahlstrom seconded the motion. Bonde called for a vote. **Motion Passed.**

Adjournment: 8:53 a.m.

Respectfully Submitted,

Melissa Miller
Executive Director
SD Real Estate Commission

Meeting Minutes
SOUTH DAKOTA REAL ESTATE COMMISSION
123 West Missouri Ave., Pierre, SD 57501
Thursday, September 16, 2021 at 9:30 a.m. CDT

Chairman Dave Bonde called the meeting to order at 9:30 a.m. A quorum was participating.

Members Present: Dave Bonde
Carol Lawhun
Mark Wahlstrom
Ryan Wordeman

Member Absent: Ken Cotton

Others Present: Melissa Miller, Executive Director, SDREC
Graham Oey, Staff Attorney, SD Department of Labor and Regulation,
Michelle Metzinger, Compliance Officer, SDREC,
Matthew Krogman, Century 21 Krogman & Company
Bud Hannah, RE/MAX In The Hills
Brandon Martens, Hegg REALTORS Inc.
Andrew Miller, Hegg REALTORS Inc.
Logan Penfield, Realtor Association of The Sioux Empire, Inc.
Marty Wilcox, Coldwell Banker Black Hill Legacy Real Estate

Wahlstrom made a motion to approve the agenda. Lawhun seconded the motion. Bonde called for a vote. **MOTION PASSED.**

Public Comment – No comments were made from the public.

Wordeman motion to approve the July 14, 2021 meeting minutes. Wahlstrom seconded the motion. Bonde called for a vote. **MOTION PASSED.**

Summary of the financials for July and August was presented by Director Miller. Wahlstrom made a motion to acknowledge receipt of the July and August financials and to file. Wordeman seconded the motion. Bonde called for a vote. **MOTION PASSED.**

The Commission discussed The FSBOHomes.com platform and website. The decision was made that they do not need to be licensed. Melissa Miller, Executive Director and Graham Oey, Staff Attorney will monitor the website to see if they make changes that sounds like they are representing a consumer. Miller will send FSBOHomes.com a letter with the Commission's decision.

Matthew Krogman addressed the Commission about a work group that the Association of Realtors put together to work on in regard to Responsible Broker licensing requirements. Krogman handed out a survey that was completed on education topics. They plan to submit a bill during the 2022 legislative session. They will have an update for the Commission at the November 10th meeting.

Next meetings are October 7, 2021 and November 10, 2021.

Meeting adjourned at 10:12 a.m.

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1037 REAL ESTATE COMMISSION - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	1037000699BA	1140000	8,086.20	CR	REAL ESTATE/COSMO/BARBER
6503	103700069901	1140000	358,907.26	DR	REAL ESTATE COMMISSION
6503	103700069902	1140000	101,582.39	DR	REAL ESTATE COMM RECOVERY FUND
COMPANY/SOURCE TOTAL 6503 699			452,403.45	DR *	
COMP/BUDG UNIT TOTAL 6503 1037			452,403.45	DR **	
BUDGET UNIT TOTAL 1037			452,403.45	DR ***	

CENTER NAME REAL ESTATE COMMISSION - INFO

COMP	ORIGINAL APPROPRIATION	APPROPRIATION TRANSFERS	YEAR-TO-DATE COMMITMENTS	YEAR-TO-DATE ENCUMBRANCES	YEAR-TO-DATE EXPENDITURES	AVAILABLE APPROPRIATIONS	CASH BALANCE
6503-I	638,289.00	0.00	0.00	30,497.36	107,584.96	500,206.68	460,489.65

BUDGETED TOT	638,289.00	0.00	0.00	30,497.36	107,584.96	500,206.68	
ALL COMP TOT	638,289.00	0.00	0.00	30,497.36	107,584.96	500,206.68	

TOTAL BUDGETED:

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	BUDGET AVAILABLE	PCT AVL
5101 EMPLOYEE SALARIES	307,911.00	0.00	0.00	20,141.68	62,793.64	245,117.36	79.6
5102 EMPLOYEE BENEFITS	93,557.00	0.00	0.00	6,456.24	20,469.18	73,087.82	78.1
5203 TRAVEL	40,407.00	0.00	0.00	482.27	785.39	39,621.61	98.1
5204 CONTRACTUAL SVCS	162,799.00	0.00	30,497.36	7,736.05	20,598.34	111,703.30	68.6
5205 SUPPLIES & MATRLS	31,300.00	0.00	0.00	797.59	2,938.41	28,361.59	90.6
5207 CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	0.00	2,315.00	100.0
TOTALS	638,289.00	0.00	30,497.36	35,613.83	107,584.96	500,206.68	78.4

BREAKOUT BY COMPANY:

COMPANY 6503-I PROFESSIONAL & LICENSING BOARDS

5101000 EMPLOYEE SALARIES	307,911.00	0.00	0.00	20,141.68	62,793.64	245,117.36	79.6
5102000 EMPLOYEE BENEFITS	93,557.00	0.00	0.00	6,456.24	20,469.18	73,087.82	78.1
5203000 TRAVEL	40,407.00	0.00	0.00	482.27	785.39	39,621.61	98.1
5204000 CONTRACTUAL SVCS	162,799.00	0.00	30,497.36	7,736.05	20,598.34	111,703.30	68.6
5205000 SUPPLIES & MATRLS	31,300.00	0.00	0.00	797.59	2,938.41	28,361.59	90.6
5207000 CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	0.00	2,315.00	100.0
PS SUBTOTALS	401,468.00	0.00	0.00	26,597.92	83,262.82	318,205.18	79.3
OE SUBTOTALS	236,821.00	0.00	30,497.36	9,015.91	24,322.14	182,001.50	76.9
COMPANY 6503-I TOT	638,289.00	0.00	30,497.36	35,613.83	107,584.96	500,206.68	78.4

AGENCY CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE	
			LABOR & REGULATION			
			REAL ESTATE COMMISSION - INFO			
AGENCY BUDGET UNIT 1037	10					
COMPANY NO	6503					
COMPANY NAME	PROFESSIONAL & LICENSING BOARDS					
103700069901	6503	4293700	RESIDENT RENTAL AGENTS	60.00	600.00	
103700069901	6503	4293702	BROKER	900.00	12,825.00	
103700069901	6503	4293703	HOME INSPECTORS	600.00	800.00	
103700069901	6503	4293704	PROPERTY MANAGER	225.00	1,350.00	
103700069901	6503	4293705	SALES AGENTS	450.00	1,575.00	
103700069901	6503	4293707	FIRMS	400.00	3,000.00	
103700069901	6503	4293708	CONDOMINIUMS	.00	4,798.33	
103700069901	6503	4293710	TIMESHARE PROJECTS	1,000.00	2,000.00	
103700069901	6503	4293711	EDUCATIONAL COURSES	925.00	3,430.00	
103700069901	6503	4293712	ADDITIONAL LICENSES	30.00	300.00	
103700069901	6503	4293713	CHANGE OF ADDRESS	180.00	1,035.00	
103700069901	6503	4293714	CERTIFICATES OF LICENSURE	15.00	630.00	
103700069901	6503	4293715	LATE RENEWAL FEES	.00	280.00	
103700069901	6503	4293719	RENEWAL BROKER	.00	125.00	
103700069901	6503	4293722	RENEWAL SALES AGENTS	.00	250.00	
103700069901	6503	4293724	RENEWAL FIRMS	.00	125.00-	
ACCT:	4293		BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL)	4,785.00	32,873.33	*
ACCT:	42		LICENSES, PERMITS & FEES	4,785.00	32,873.33	**
103700069901	6503	4393003	MISC FINES & PENALTIES	21.78	21.78	
ACCT:	4393		PENALTIES (NON-GOVERNMENTAL)	21.78	21.78	*
ACCT:	43		FINES, FORFEITS & PENALTIES	21.78	21.78	**
103700069901	6503	4596002	LICENSE LAW BOOKS SOLD	20.00	40.00	
103700069901	6503	4596003	DIRECTORIES/HOME BUYER GU	250.00	2,612.00	
ACCT:	4596			270.00	2,652.00	*

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 09/30/2021

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1037 REAL ESTATE COMMISSION - INFO

CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE	
ACCT: 45		CHARGES FOR SALES & SERVICES		270.00	2,652.00	**
103700069901	6503	4920045	NONOPERATING REVENUES	.00	5,832.50	
ACCT: 4920		NONOPERATING REVENUE		.00	5,832.50	*
ACCT: 49		OTHER REVENUE		.00	5,832.50	**
CNTR: 103700069901				5,076.78	41,379.61	***
103700069902	6503	4920045	NONOPERATING REVENUES	.00	1,582.39	
ACCT: 4920		NONOPERATING REVENUE		.00	1,582.39	*
ACCT: 49		OTHER REVENUE		.00	1,582.39	**
CNTR: 103700069902				.00	1,582.39	***
COMP: 6503				5,076.78	42,962.00	****
B UNIT: 1037				5,076.78	42,962.00	*****

Revenue Report Ending 9/30/21

(Additional Report) Description	Budgeted	Current	Rev. to be Rec	YTD	PCT Rec.
Residential Rental Agents	3,500	60	2,900	600	17
Broker	58,000	900	45,175	12,825	22
Home Inspectors	5,000	600	4,200	800	16
Property Manager	7,000	225	5,650	1,350	19
Sales Agents	4,000	450	2,425	1,575	39
Firms	10,000	400	7,000	3,000	30
Condominiums	14,000	0	9,201.67	4,798.33	34
Timeshare Projects	3,000	1,000	1,000	2,000	66
Educational Courses	15,000	925	11,570	3,430	22
Additional Licenses	3,000	30	2,700	300	10
Change of Address	8,000	180	6,965	1,035	12
Certificate of Licensure	3,000	15	2,370	630	21
Late Renewal Fees	20,000	0	19,720	280	1
Renewal Res Rental Agents	4,000	0	4,000	0	
Renewal Auctioneer	3,000	0	3,000	0	
Renewal Broker	175,000	0	174,875	125	
Home Inspection Renewal	6,500	0	6,500	0	
Renewal Property Manager	12,000	0	12,000	0	
Renewal Sales Agents	14,000	0	13,750	250	1
Renewal Timeshare Agents	1,000	0	1,000	0	
Renewal Firms	35,000	0	35,125	-125	
Renewal Timeshare Project	6,500	0	6,500	0	
Renewal Additional Licenses	3,000	0	3,000	0	
Misc. Fines, Penalties and NO Rev	20,000	21.78	12,563.33	7,436.67	37
Interest Earned					
License Law Books Sold	2,000	20	1,960	40	2
Directories/Lists Sold	10,000	250	7,388	2,612	26
	445,500	5,076.78	402,538	42,962.00	9

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1037 REAL ESTATE COMMISSION - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	10370006998A	1140000	13,676.30	CR	REAL ESTATE/COSMO/BARBER
6503	103700069901	1140000	408,051.30	DR	REAL ESTATE COMMISSION
6503	103700069902	1140000	101,582.39	DR	REAL ESTATE COMM RECOVERY FUND
COMPANY/SOURCE TOTAL 6503 699			495,957.39	DR *	
COMP/BUDG UNIT TOTAL 6503 1037			495,957.39	DR **	
BUDGET UNIT TOTAL 1037			495,957.39	DR ***	

AVAILABLE FUNDS
AS OF: 10/31/2021
FY YEAR REMAINING: 66.6%
PAY DAYS REMAINING: 0

BUDGET UNIT 1037

DATE 10/30/2021

CENTER NAME REAL ESTATE COMMISSION - INFO

COMP	ORIGINAL APPROPRIATION	APPROPRIATION TRANSFERS	YEAR-TO-DATE COMMITMENTS	YEAR-TO-DATE ENCUMBRANCES	YEAR-TO-DATE EXPENDITURES	AVAILABLE APPROPRIATIONS	CASH BALANCE
6503-I	638,289.00	0.00	0.00	27,719.32	141,026.67	469,543.01	509,633.69

BUDGETED TOT 638,289.00
 ALL COMP TOT 638,289.00

TOTAL BUDGETED:

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	BUDGET AVAILABLE	PCT AVL
5101 EMPLOYEE SALARIES	307,911.00	0.00	0.00	20,220.37	83,014.01	224,896.99	73.0
5102 EMPLOYEE BENEFITS	93,557.00	0.00	0.00	6,321.19	26,790.37	66,766.63	71.4
5203 TRAVEL	40,407.00	0.00	0.00	1,154.81	1,940.20	38,466.80	95.2
5204 CONTRACTUAL SVCS	162,799.00	0.00	27,719.32	2,116.95	22,715.29	112,364.39	69.0
5205 SUPPLIES & MATRLS	31,300.00	0.00	0.00	3,628.39	6,566.80	24,733.20	79.0
5207 CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	0.00	2,315.00	100.0
TOTALS	638,289.00	0.00	27,719.32	33,441.71	141,026.67	469,543.01	73.6

BREAKOUT BY COMPANY:

COMPANY 6503-I PROFESSIONAL & LICENSING BOARDS

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE EXPENDITURES	BUDGET AVAILABLE	PCT AVL
5101000 EMPLOYEE SALARIES	307,911.00	0.00	0.00	20,220.37	83,014.01	224,896.99	73.0
5102000 EMPLOYEE BENEFITS	93,557.00	0.00	0.00	6,321.19	26,790.37	66,766.63	71.4
5203000 TRAVEL	40,407.00	0.00	0.00	1,154.81	1,940.20	38,466.80	95.2
5204000 CONTRACTUAL SVCS	162,799.00	0.00	27,719.32	2,116.95	22,715.29	112,364.39	69.0
5205000 SUPPLIES & MATRLS	31,300.00	0.00	0.00	3,628.39	6,566.80	24,733.20	79.0
5207000 CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	0.00	2,315.00	100.0
PS SUBTOTALS	401,468.00	0.00	0.00	26,541.56	109,804.38	291,663.62	72.6
OE SUBTOTALS	236,821.00	0.00	27,719.32	6,900.15	31,222.29	177,879.39	75.1
COMPANY 6503-I TOT	638,289.00	0.00	27,719.32	33,441.71	141,026.67	469,543.01	73.6

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1037 REAL ESTATE COMMISSION - INFO

CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE
COMPANY NO	6503	4293700			
COMPANY NAME	PROFESSIONAL & LICENSING BOARDS				
103700069901	6503	4293700	RESIDENT RENTAL AGENTS	360.00	960.00
103700069901	6503	4293702	BROKER	3,150.00	15,975.00
103700069901	6503	4293703	HOME INSPECTORS	400.00	1,200.00
103700069901	6503	4293704	PROPERTY MANAGER	1,350.00	2,700.00
103700069901	6503	4293705	SALES AGENTS	1,125.00	2,700.00
103700069901	6503	4293707	FIRMS	1,000.00	4,000.00
103700069901	6503	4293708	CONDOMINIUMS	25.75	4,824.08
103700069901	6503	4293710	TIMESHARE PROJECTS	.00	2,000.00
103700069901	6503	4293711	EDUCATIONAL COURSES	355.00	3,785.00
103700069901	6503	4293712	ADDITIONAL LICENSES	30.00	330.00
103700069901	6503	4293713	CHANGE OF ADDRESS	600.00	1,635.00
103700069901	6503	4293714	CERTIFICATES OF LICENSURE	510.00	1,140.00
103700069901	6503	4293715	LATE RENEWAL FEES	.00	280.00
103700069901	6503	4293717	RENEWAL RES RENTAL AGENTS	650.00	650.00
103700069901	6503	4293718	RENEWAL AUCTIONEER	1,000.00	1,000.00
103700069901	6503	4293719	RENEWAL BROKER	42,875.00	43,000.00
103700069901	6503	4293720	HOME INSPECTION RENEWAL	1,600.00	1,600.00
103700069901	6503	4293721	RENEWAL PROPERTY MANAGER	2,000.00	2,000.00
103700069901	6503	4293722	RENEWAL SALES AGENTS	2,875.00	3,125.00
103700069901	6503	4293723	RENEWAL TIMESHARE AGENTS	125.00	125.00
103700069901	6503	4293724	RENEWAL FIRMS	17,345.00	17,220.00
103700069901	6503	4293726	RENEWAL ADDITIONAL LICENS	930.00	930.00
ACCT: 4293		BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL)		78,305.75	111,179.08 *
ACCT: 42		LICENSES, PERMITS & FEES		78,305.75	111,179.08 **

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 10/31/2021

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1037 REAL ESTATE COMMISSION - INFO

CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE	
103700069901	6503	4393003	MISC FINES & PENALTIES	.00	21.78	
ACCT:	4393		PENALTIES (NON-GOVERNMENTAL)	.00	21.78	*
ACCT:	43		FINES, FORFEITS & PENALTIES	.00	21.78	**
103700069901	6503	4596002	LICENSE LAW BOOKS SOLD	220.00	260.00	
103700069901	6503	4596003	DIRECTORIES/HOME BUYER GU	440.00	3,052.00	
ACCT:	4596			660.00	3,312.00	*
ACCT:	45		CHARGES FOR SALES & SERVICES	660.00	3,312.00	**
103700069901	6503	4920045	NONOPERATING REVENUES	.00	5,832.50	
ACCT:	4920		NONOPERATING REVENUE	.00	5,832.50	*
ACCT:	49		OTHER REVENUE	.00	5,832.50	**
CNTR:	103700069901			78,965.75	120,345.36	***
103700069902	6503	4920045	NONOPERATING REVENUES	.00	1,582.39	
ACCT:	4920		NONOPERATING REVENUE	.00	1,582.39	*
ACCT:	49		OTHER REVENUE	.00	1,582.39	**
CNTR:	103700069902			.00	1,582.39	***
COMP:	6503			78,965.75	121,927.75	****
B UNIT:	1037			78,965.75	121,927.75	*****

Revenue Report Ending 10/31/21

(Additional Report) Description	Budgeted	Current	Rev. to be Rec	YTD	PCT Rec.
Residential Rental Agents	3,500	360	2,540	960	17
Broker	58,000	3,150	42,025	15,975	27
Home Inspectors	5,000	400	3,800	1,200	24
Property Manager	7,000	1,350	4,300	2,700	38
Sales Agents	4,000	1,125	1,300	2,700	67
Firms	10,000	1,000	6,000	4,000	40
Condominiums	14,000	25.75	9,175.92	4,824.08	34
Timeshare Projects	3,000	0	1,000	2,000	66
Educational Courses	15,000	355	11,215	3,785	25
Additional Licenses	3,000	30	2,670	330	11
Change of Address	8,000	600	6,365	1,635	15
Certificate of Licensure	3,000	510	1,860	1,140	54
Late Renewal Fees	20,000	0	19,720	280	1
Renewal Res Rental Agents	4,000	650	3,350	650	16
Renewal Auctioneer	3,000	1,000	2,000	1,000	33
Renewal Broker	175,000	42,875	132,000	43,000	24
Home Inspection Renewal	6,500	1,600	4,900	1,600	24
Renewal Property Manager	12,000	2,000	10,000	2,000	16
Renewal Sales Agents	14,000	2,875	10,875	3,125	22
Renewal Timeshare Agents	1,000	125	875	125	12
Renewal Firms	35,000	17,345	17,780	17,220	49
Renewal Timeshare Project	6,500	0	6,500	0	
Renewal Additional Licenses	3,000	930	2,070	930	31
Misc. Fines, Penalties and NO Rev	20,000	21.78	12,563.33	7,436.67	37
Interest Earned					
License Law Books Sold	2,000	220	1,740	260	13
Directories/Lists Sold	10,000	440	6,948	3,052	30
	445,500	78,965.75	323,572.25	121,927.75	27