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Kentucky Real Estate Commission
Kentucky Real Estate Appraisers Board
Kentucky Board of Auctioneers
Kentucky Board of Home Inspectors

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Kentucky Real Estate Authority

SPECIAL MEETING

**Kentucky Real Estate Commission
COMMITTEE MEETING**

Meeting Minutes
November 5, 2018

This meeting occurred via teleconference.

Committee Members

Tom Waldrop

KREA Staff

Heather L. Becker, General Counsel

Guests Present

None present.

Commissioner Tom Waldrop called the special committee meeting of the Kentucky Real Estate Commission to order, at 11:02 AM on Monday, November 5, 2018. This meeting occurred via teleconference. The primary location of the teleconference was the Real Estate Commission's Conference Room, located at 656 Chamberlin Avenue, Suite B in Frankfort, Kentucky 40601

Regulatory Review Discussion

Commissioner Waldrop and Counsel Becker held discussion regarding the repeal of or amendment to 201 KAR 11:245, Property Management. The following items were covered:

Pros and cons of incorporating Kentucky's landlord tenant laws (KRS Chapter 383) into the standards of conduct/property management rules. Ultimately, they felt it best to limit reference to KRS 383.580, which deals with the handling of security deposits, so that they do not become the arbiter of all landlord tenant disputes.



It was noted that KRS 383.580(1) requires the inclusion of the principal broker's escrow or management account number in the lease, so they opted to leave the requirement in Section 1(2)(h) for the management agreement as well. A clause was added in that section so that if KRS 383.580 is ever amended, it has an automatic non-enforcement mechanism in case it is not caught right away.

They discussed the concept of agency relationships in this scenario and opted against requiring a disclosure to the tenant. Counsel Becker advised that she would like to bring that matter to the full Commission.

It was discussed that it would be a good idea to incorporate KRS Chapter 383's definition of security deposit into the definitions regulation. See KRS 383.545(13).

They discussed eliminating the use of "without unreasonable delay" and replacing it with what was intended, within three business days.

They discussed the difference between tenant ledgers and unit ledgers and opted for requiring an owner and unit ledger, with the option for the unit ledger to be subdivided by tenant on written request of the owner.

They streamlined Section 1 with KRS 383.580 as much as possible.

They discussed avoiding duplication in broker retention by moving current Section 3 to the general broker record retention section of the standards of conduct regulation.

They went over any further requirements that may be unique to commercial property management, but felt overall that the revisions made adequately addressed commercial and residential.

Counsel Becker advised that ultimately, they would like to see the two (2) revised sections moved into the standards of conduct regulation so that all licensing rules are in one place. Commissioner Waldrop had a good analogy to the football playbook on this point.

Next Meeting

The next meeting of the Kentucky Real Estate Commission will be a special held committee meeting on Wednesday, November 7, 2018 at 2:00 PM at the Kentucky Real Estate Authority, 656 Chamberlin Avenue, Suite B, Frankfort, KY 40601.

The next regular meeting of the Kentucky Real Estate Commission is November 15, 2018 at 9:00 AM.

Meeting Adjournment

Commissioner Waldrop adjourned the meeting at 12:28 PM.