

BOUNDARY LINES

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THE LREC - A HISTORICAL PERSPECTIVE

By Commissioner Pat Caffery

As the Louisiana Real Estate Commission approaches its 90th birthday, we thought that it might be interesting to share a little about our history. The legislation that created the framework of our real estate industry in Louisiana, Act No. 236, was actually introduced as Senate Bill No. 43 by one “Mr. Johnness.”

Senator Allen Henry Johnness, Sr. served in the State Senate from 1920 to 1924, representing St. Charles, St. John, and Jefferson Parishes. He was “the dean of the real estate profession in Louisiana,” according to the Encyclopedia of American Biography.

Mr. Johnness entered the real estate field in 1908 and in 1910 founded the Johnness Realty and Securities Company. Under his guidance, the firm became one of the South’s most outstanding forces in land reclamation and development.

Some of his projects included developing what is now the city of Harahan along with Bridgedale, Pontchartrain Gardens, Pontchartrain Shores and Elmeer Place. He donated a majority of the right-of-way for the construction of the Jefferson Highway. In addition, he founded the Colonial Golf Club in Jefferson Parish and developed projects in Baton Rouge, Covington, Gulf Port, Bay St. Louis, and Mobile.

Mr. Johnness was elected to the Senate in 1920, and in his first year authored and was successful in passing the Louisiana Real Estate Licensing Act, which governs our industry today. He was, at the time of his death in 1966, still serving on the State Licensing Committee. When he wasn’t working, the “dean of the real estate profession in Louisiana” enjoyed hunting and fishing.

Senate Bill No. 43 defined, regulated, and licensed not only real estate brokers and real



estate salesmen but also included and regulated “business chance brokers and curb brokers.” The Louisiana Real estate Commission was referred to at that time as the “State Board of Real Estate” and listed among its powers and duties “to provide for the trial and punishment of violators of the provisions of this act.”

Research indicates that a “curb broker” was actually an operator in stocks who conducted business on the street or went from office to office to conduct business. A “business chance broker” either bought or sold or offered for sale businesses or business opportunities and or the good will of an existing business.

The first Board of Real Estate consisted of only five members (at present there are eleven) “who shall be styled Louisiana Real Estate Board and as such are hereby constituted and created a body politic with needful succession and corporate powers.” The Board was authorized to meet quarterly and more often if necessary. The Real Estate Commission meets monthly at this time.

OPEN HOUSE



Building Design by Remson-Haley-Herpin Architects

Photo by Allison Horton

In May, 2007, the LREC undertook a major capital improvement plan to develop a new, permanent office facility for the agency. In recognition of the completed project, the Commission will host an open house and building dedication on Wednesday, September 16, 2009, from 3:00 p.m. to 5:00 p.m., to celebrate its new 13,000 square ft. facility. Located at 9071 Interline Avenue, Baton Rouge, the facility has been named in honor of longtime director J.C. Willie by Act 557 of the 2008 Louisiana Legislature.

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Governor

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Gonzales

Judy Songy, Vice-Chairman
LaPlace

Mike Bono, Secretary
Lake Charles

Keitha Avant
Shreveport

Pat Caffery
New Iberia

Gretchen T. Ezernack
Monroe

Timothy J. Flavin
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Jennifer L. LaNasa
New Orleans

Frank Trapani
New Orleans

J.C. Willie
Executive Director

Arlene Edwards
Special Counsel

Stephanie Boudreaux
Editor

R.C. McCormick
Contributing Writer

LREC
9071 Interline Avenue
Post Office Box 14785
Baton Rouge, LA 70898

225/925-1923
1-800-821-4529 (LA only)
225/925-4501 (Fax)

info@lrec.state.la.us

THE LREC - A HISTORICAL PERSPECTIVE

(Continued from page 1)

Each application for a license was made in writing to the Board and “such applications shall also be accompanied by the recommendation of at least two citizens, real estate owners, who have owned real estate for a period of one year or more of an assessed value of \$1,000.00 or more in the parish or city in which the applicant resides.”

The first annual fee for a real estate broker license was ten dollars and the renewal fee was five dollars; the first annual fee for a salesperson license was five dollars, as was the renewal fee. Confederate veterans en-

gaged in the real estate business, at that time, were not required to pay an initial fee or renewal fee.

As our 90th birthday approaches, we can look back on our humble beginnings with pride and know that we have come a long way. We have accomplished much in our 90-year history, and we have much to accomplish. The present “Board of Real Estate” is working hard to improve the real estate industry in Louisiana, as did our dean of real estate, Allen Henry Johnness, Sr. We thank him for both his effort and his accomplishment for Louisiana.

“Confederate veterans engaged in the real estate business, at that time, were not required to pay an initial fee or renewal fee.”

DISCIPLINARY ACTION

Informal adjudicatory hearings conducted by the Louisiana Real Estate Commission in April, May, and June 2009 resulted in sanctions against the following licensees, who were censured, ordered to pay a fine of \$250.00 and the \$75.00 administrative cost of the proceedings for conducting real estate activities authorized by their 2008 real estate license after the expiration of the license and before the license was delinquently renewed for 2009, in violation of LSA-R.S. 37:1442.A. and LSA-R.S. 37:1455.A.(1). Consent Orders approved May 21 and June 18, 2009:



- | | | |
|------------------------------|--------------------------|------------------------|
| Crystal Chance Acreman | Gregory Samuel Jeanfreau | Tiffany Thom Mitchell |
| Gilbert Patrick Bennett, Jr. | Kayla Lockhart Johnson | Lynn Smallpage Morgan |
| Kevin Michael Billiot | Robin Ann Johnson | Natalie Richard-Sasich |
| Scott Gilchrist Brannon | Troy Daniel Jowers | Iva Kelley Rourke |
| Katherine H. Fruge | Lindsay B. Lemoine | Van Roy |
| Anthony John Grosch | Mary Margaret Lousteau | Carol Simmons White |
| Rebecca Lisa Hebert | Joell Lou McDonald | Wanda O. Williams |
| Darla D. Hebert | Amy M. Merriman | |
| Joan Heisser | Jean Garrett Michel | |

Read the law and rules at www.lrec.state.la.us



The Louisiana Real Estate Commission will accept comments and suggestions about the content and use of the Residential Agreement to Buy or Sell and the Residential Property Disclosure Form through September 1, 2009. The LREC Standardized Forms Committee will review all submissions and make recommendations to the Commission no later than the October regular business meeting. Licensees will be notified of any changes to the forms via the Commission website at www.lrec.state.la.us. Submit comments or suggestions to:

info@lrec.state.la.us

or

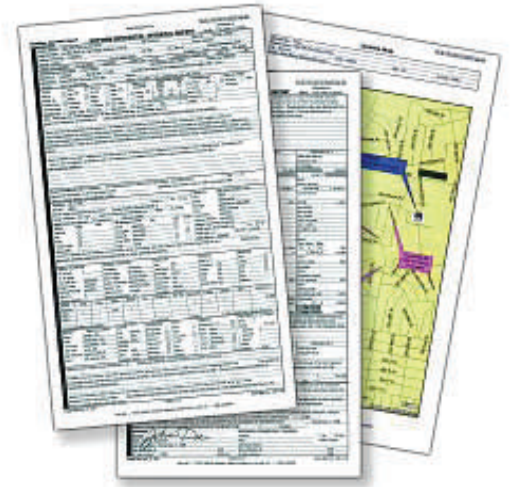
Louisiana Real Estate Commission
Post Office Box 14785
Baton Rouge, LA 70898-4785

APPRAISAL MANAGEMENT COMPANIES

Effective January 1, 2010, appraisal management companies will be regulated by the new Louisiana Appraisal Management Company Licensing and Regulation Act. This law, Act 502 of the 2009 Louisiana Legislature, requires all appraisal management companies to be licensed as such, if they are to conduct business in this state.

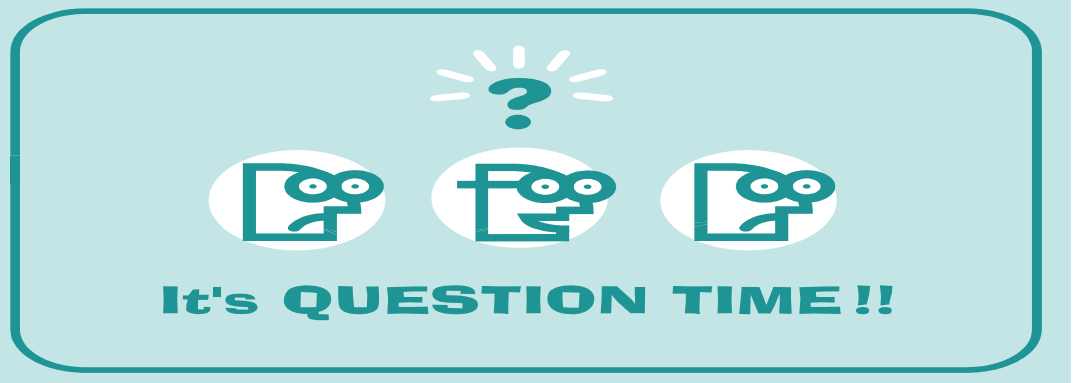
Regulation and enforcement of the licensing program will be administered by the Louisiana Real Estate Appraisers Board, which will undertake the task of drafting rules and regulations over the next few months. Any appraisal management company doing business in this state at the time Act 502 was enacted may continue to perform such services without a license, until such time that the rules and regulations have been approved, or until January 2011, whichever is earlier.

For additional information, or to read Act



502 in its entirety, visit www.reab.state.la.us. Any person or firm contracted by a state, parish, or municipal tax authority to perform mass appraisal assignments is exempt from the requirements of this law. (See related story p. 6)

“Any person or firm contracted by a state, parish, or municipal tax authority to perform mass appraisal assignments is exempt from the requirements of this law.”



PROPERTY MANAGEMENT — Did you know?

- A separate license is not required for conducting property management activities.
- Brokers who engage in property management activities are required to maintain two separate accounts — a rental trust account *and* a security deposit trust account.
- As in real estate sales transactions, written authorization must be received from all owners before offering property for lease.
- Property management records must be maintained for five years.
- The majority of property management complaints received by the LREC are related to failure to properly account for funds.

LEGISLATIVE ACTION 2009

Act No. 502 amends the Louisiana Real Estate Appraisers Law and creates the Appraisal Management Company Licensing and Regulation Act:

- Provides that any person or firm contracted by a state, parish, or municipal tax authority to perform mass appraisal assignment is exempt from real estate appraiser licensing requirements.
- Establishes the Louisiana Appraisal Management Company Licensing and Regulation Act.

Act No. 273 amends the Louisiana Timeshare Act:

- Retains present law but changes the number of completed or proposed units from 65 to 40.

Act No. 104 amends the Louisiana Real Estate License Law:

- Adds two at-large members to the Louisiana Real Estate Commission.

To view the amended laws in their entirety, visit www.legis.state.la.us.



DEADLINES AND “DON’T FORGETS”

With the onset of summer, it won’t be long before the end of the year descends upon us. In fact, the Commission is already preparing for the upcoming renewal season, which begins in October. With that in mind, and in light of the daily inquiries received by the Commission, the following list of license deadlines and “don’t forget” items bears repeating:

- The continuing education requirement has increased from 8 to 12 hours.
- The post-license education requirement has increased from 30 to 45 hours.
- Post-license education must be completed within 180 days of the initial license date.
- The 2009 mandatory topic is *Residential Agreement to Buy or Sell*.
- All licensees must complete the 4-hour

mandatory topic to be eligible for license renewal.

- September 1, 2009 is the deadline to submit comments and suggestions about the content and use of the Residential Agreement to Buy or Sell and the Residential Property Disclosure Form.
- December 31 remains the deadline for license renewal.



TERMINATION OF SPONSORSHIP

The Commission has amended the form by which a broker or sponsored licensee may initiate the termination of the broker-agent relationship. The updated form is located on the Forms page at www.lrec.state.la.us. As indicated on the form, the party requesting the termination is required to provide the other party with a copy of the completed form. The signature of the party requesting the termination is the only signature required on the original document submitted to the Commission. Although there are varying circumstances whereby sponsorship may be terminated, generally speaking, terminations initiated by a sponsoring broker are processed at no fee, while those initiated by a sponsored licensee require a \$35.00 fee. Contact the Licensing Division at (800) 821-4529 (LA only) or (225) 925-1923, if you have questions or need additional information about the termination of sponsorship process.



LOUISIANA REAL ESTATE COMMISSION
Post Office Box 14785
Baton Rouge, LA 70898-4785
(800) 821-4529 (LA only) or (225) 925-1923
Fax (225) 925-4501

TERMINATION OF SPONSORSHIP OF A SALESPERSON OR ASSOCIATE BROKER

IMPORTANT: This form must be returned to the LREC within five (5) working days following the date the form is signed.

Name of Sponsored Licensee: (Type or Print) _____

License Number of Sponsored Licensee: _____

Name of Sponsoring Broker: (Type or Print) _____

License Number of Sponsoring Broker: _____

- Sponsorship is being terminated at the request of the sponsored licensee.
- Sponsorship is being terminated at the request of the sponsoring broker.

Only the signature of the terminating party is required below:

I hereby certify that a copy of this document has been mailed, postage prepaid, to the sponsored licensee/sponsoring broker this ____ day of _____, 20____.

Signature of Sponsored Licensee: _____

Signature of Sponsoring Broker: _____

LOUISIANA REAL ESTATE COMMISSION QUARTERLY REPORT

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