



To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

### **Government Affairs Committee Minutes**

Thursday, October 27, 2022

9:30am CDT – Virtual via Zoom Conference Call

Chair Jamie McLean called the meeting the order at 9:31am. He welcomed everyone and introductions of new members were made.

A motion was made to approve the minutes from June 8, 2022. **M/S/C**

The topic of wholesaling was discussed, and the committee was reminded that a Wholesaling Task Force was created at the last committee meeting. The Task Force is chaired by Greg Larson, and includes Mike Swartz, Bill Dean, Gloria Palm Connor, Neal Messer, and Phil Vanyo. The group has not met yet, but intends to.

Mary Splichal joined at 9:37am.

Shawn Ostlie shared that they are aware of wholesaling happening in the Fargo market. Bill Dean shared that he formally practiced and taught wholesaling and would be open to answering questions about the topic. He stated that those practicing wholesaling typically find off market homes so that agents are not involved in the transaction. Additionally, wholesalers are not required to be upfront with the seller about their intentions which could negatively impact customers.

Phil Vanyo shared that the new statewide purchase agreement states that the PA cannot be assigned without agreements from the buyer and seller. Shawn pointed out that this would only prevent REALTORS® who have access to these forms from practicing wholesaling without the seller's knowledge.

The group reviewed sample legislation from Oklahoma and Nebraska. Greg Larson shared that it would be easier to amend an existing law than pass a new one, and Jeanne Prom suggested amending license law (which is what was done in OK and NE).

Bill Dean shared that he believes it is not possible to conduct wholesaling as REALTOR®, since the practice breaks NAR's Code of Ethics.

The Wholesaling Task Force was tasked with investigating the topic and making a recommendation to the Government Affairs Committee.

The committee then discussed 40-year listing contracts. Jamie explained that these listings are 40-year contracts tied to the property rather than the owner. Jill Beck shared that the Better Business Bureau has seen this occurring in 30 states and they currently have seen 50 complaints regarding this practice.

Jeanne Prom shared that other states have looked at contract law and inducement laws to stop this practice; North Dakota currently allows inducements and a possible approach to this would be to no longer allow inducements. DeAnn Bjornson then suggested legislation that restricts contracts from extending beyond property.

A motion was made to establish a 40-Year Contract Task Force, which will be tasked with investigating 40-year contracts and coming back to the committee with a recommendation. **M/S/C**

The 40-Year Contract Task Force will be chaired by Kevin Fisher, and will include Shane Cullen, DeAnn Bjornson, Desri Neether, and Phil Vanyo. It will also include Casey Chapman, Lisa Feldner, and Jeanne Prom. Jill Beck will contact local land title organizations about possible involvement from their government affairs representatives in the task force.

The committee then discussed possible Teams legislation. Jill Beck shared that there was a task force 5 years ago concerning Teams, but they could not move forward with any legislation until Teams were addressed in NDREC's administrative rules. She shared the updates to the administrative rules that were adopted this year and the committee agreed that the administrative rules changes done by the commission were sufficient in addressing the topic.

Jill Beck then gave an update on Measure 1. She shared that this measure on the ballot would alter North Dakota's constitution to create term limits for the governor and for legislators. NDAR's Board of Directors has taken a position of opposition to this measure and the Issues Mobilization Committee has moved to contribute \$25,000 towards marketing in opposition to it. Jill explained that the Issues Mobilization Committee has the independent ability to make that decision, and NDAR is now working to educate voters on the potential negative impact of this measure.

Lobbyist Lisa Feldner gave an update on the general election, sharing that there has not been any new or different news concerning the election. She shared that attack ads have been prevalent in this election. Most recently, Kelly Armstrong has pulled ahead in his race but it is difficult to tell how the election will go based on polls. She also shared that John Hoeven holds a comfortable lead in the polls. Jill Beck added that postcards supporting Armstrong and Hoeven were sent out by NAR with the approval of the RPAC Trustees. Lisa shared that there were no updates regarding the lawsuit in District 9.

Jamie shared that NDAR'S Legislative Impact Day is to be held on February 15, 2022, and asked everyone to mark the date on their calendars so they can attend. He also reminded committee members that there will be weekly calls with legislative updates every Friday at noon once the 68<sup>th</sup> Session begins.

Jamie then reminded everyone that 2023 committee sign ups would be coming out soon, and asked those present to be involved and encourage other members to get involved.

Being no further business, the meeting adjourned at 10:41am.

Respectfully submitted: Sarah Caldwell, Communications Director