
Kentucky Real Estate Exam Prep

by
Joyce Bea Sterling
DREI, CDEI, e-Pro, SHS, GHS

Kentucky's Only Web Cam Prelicense and CE School
CDC.2MyClasses.com

Email: 2MyClasses@gmail.com Phone: 859-474-0448

Updated September 2011

Visit the
Kentucky Real Estate Commission's website
for additional contracts and forms.
www.krec.ky.gov

Kentucky State Law Content Outline For Sales and Broker Exams

The **state portion** of the Kentucky real estate examination consists of **40 questions** for both the salesperson and broker examinations **plus ten (10) pretest questions**. These pretest items are NOT identified on the examination and will NOT affect the score in any way.

The state laws are Kentucky Revised Statutes and they are identified as KRS Chapter 324. (i.e. KRS 324.160)

The Kentucky Administrative Regulations are the Kentucky Real Estate Commissions interpretation of the Statutes and are regulations which real estate licensees must obey. They are identified with the initials KAR. (i.e. 201 KAR 11.011)



**Please note. You do NOT have to know the law numbers for the state exam.
If a number is used in a question or answer, it will be the correct number.**

This sample may NOT be reproduced in any format, electronic or otherwise.

I. Real Estate Commission

A. Commission Membership B. General Powers C. Examination of Records D. Education, Research, and Recovery Fund

	<u>A. Commission Membership</u>
<p>1. Who appoints the Commissioners? Governor</p> <p>2. How many Commissioners are there? 5</p> <p>3. How many hold a real estate license? 4</p> <p>4. What type of license must he/she have? A real estate license. It does not have to be a broker's license.</p> <p>5. How long must he/she have been residents of the state immediately prior to their appointment? 10 years</p> <p>6. How many Commissioners at appointed as a "citizen- at-large? 1</p> <p>7. How long is the term of a Commissioner? 4</p> <p>8. How terms can a Commissioner have? 2 consecutive</p> <p>9. Where does the Governor get the list of people to appoint a Commissioner? Kentucky Association of REALTORS</p> <p>10. How many Commissioners can belong to the same political party? 3</p>	<p><u>324.281 Kentucky Real Estate Commission – Members – Terms – Vacancies – Duties – Mandatory continuing education</u></p> <p>(1) There is hereby created the Kentucky Real Estate Commission. The Governor shall appoint five (5) persons, at least four (4) of whom, immediately prior to the date of their appointment have been residents of the state for ten (10) years and whose vocation for a period of at least ten (10) years shall have been that of an active real estate licensee. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The term of the members of the Commission shall be for four (4) years and until their successors are appointed and qualify, except as provided in subsections (2) and (3) of this section.</p> <p>(2) All appointments shall be for the specified four-(4) year term. No person appointed after July 14, 2000 shall serve more than two (2) consecutive terms.</p> <p>(3) For each appointment or vacancy, the Kentucky Association of Realtors shall supply a list of not less than three (3) names of licensees to the Governor each year from which the broker or sales associate appointments shall be made. The Governor may fill vacancies arising in the middle of the year from those remaining on the list or from a new list supplied by the association.</p> <p>(4) There shall not be more than three (3) of any one (1) political party serving on the Commission at the same time. Appointees to fill vacancies shall be appointed for the unexpired term.</p>

	<u>B. General Powers</u>
<p><u>Commission Duties</u></p> <ol style="list-style-type: none"> 1. Promulgate (announce) administrative regulations 2. Hold disciplinary hearings 3. Conduct examinations or contract to conduct examinations 4. Conduct educational seminars and CE class 5. Investigate or cause to be investigated any irregularities of the law 6. To participate with other organizations for the improvement of the laws. 7. Any action taken by the Commission can be appealed. 	<p>(5) It shall be the duty of the Commission to promulgate administrative regulations; to hold disciplinary hearings concerning matters in controversy as provided by this chapter; to conduct examinations for applicants eligible under this chapter or alternatively to contract with an entity to conduct examinations; to conduct necessary educational seminars and courses directed toward continuing education within the real estate field; to investigate or cause to be investigated any irregularities in violation of this chapter or the promulgated and authorized administrative regulations of the Commission; to participate with any other agency of the Commonwealth or the authorized agency of another state for the betterment or improvement of the administration of the statutes or administrative regulations governing this Commission. <i>Any action</i> taken by the Commission under this subsection shall be appealable as are other actions of the Commission under this chapter.</p>
<p><u>Automatic Removal From the Commission</u></p> <ol style="list-style-type: none"> 8. A licensed Commissioner ceases to have his/her license. 9. Consumer member acquires a license or a financial interest in the practice of real estate. 10. Commissioner enters a plea of guilt or been found guilty of a felony in which fraud is an essential element or a crime of moral turpitude. 11. Member is no longer a bona fide resident of the Commonwealth. 	<p><u>324.2811 Automatic removal of member from Commission</u></p> <p>A member shall be automatically removed from the Commission and a vacancy shall be created if:</p> <ol style="list-style-type: none"> (1) A licensee of the Commission ceases to be a broker or sales associate; (2) A consumer member of the Commission acquires a license or financial interest in the practice of real estate; (3) A member enters a plea of guilty to, or has been found guilty of, a felony in which fraud is an essential element or to any crime involving moral turpitude and the time for appeal has lapsed or the judgment or conviction has been affirmed on appeal; or (4) A member ceases to be a bona fide resident of this Commonwealth.

<p>1. Who selects the chairperson of the Commission? The Commissioners select the chairperson.</p> <div style="border: 2px solid black; padding: 5px; margin: 10px 0;"> <p><i>promulgate.</i></p> <p>To make a law publically known after enactment.</p> </div> <p>2. Can the Commission fix prices; establish fees or sets rates at which real estate licensees are compensated?</p> <p>_____ Yes <input checked="" type="checkbox"/> No</p>	<p>324.282 Election of chairperson – Rules and regulations</p> <p>The Commission, immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a chairperson. The Commission shall promulgate administrative regulations in accordance with KRS Chapter 13A and this chapter to effectively carry out and enforce the provisions of this chapter, but the Commission shall NOT promulgate any administrative regulation which in any way fixes prices, establishes fees, or sets the rate at which licensees are compensated.</p>
<p>3. How much are the Commissioners paid annually? \$15,000 per annum and actual and necessary expenses</p>	<p>324.283 Compensation of Commission members</p> <p>Each member of the Commission shall receive as compensation fifteen thousand dollars (\$15,000) per annum and actual and necessary expenses incurred in the performance of duties pertaining to the office.</p>
	<p><u>C. Examination of Records</u></p>
<p>4. The Commission has a seal to authenticate its proceedings.</p> <p>ALL records are open to public inspection, as prescribed by the Commission.</p>	<p>324.285 Seal – Records</p> <p>The Commission shall adopt a seal with the design the Commission prescribes engraved thereon, by which it shall authenticate its proceedings.</p> <p>All records kept in the office of the Commission under the authority of this chapter shall be open to public inspection under the administrative regulations as shall be prescribed by the Commission.</p>