

Must Know Kentucky Real Estate Law Cram Review

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Kentucky Real Estate Commission

1. Definition KRS 010(2)

“Commission” means the Kentucky Real Estate Commission (KREC).

Web Address: <http://www.krec.us/krec.gov>

Physical Address: 10200 Linn Station Road - Suite 201 - Louisville, KY 40223

Phone: (502) 429-7250 - Toll Free: (888) 373-3300 - Fax: (502) 429-7246

2. KRS 324 means Kentucky Revised Statutes passed by state legislatures.

201 KAR 11 means the Kentucky Administrative Regulations which is the Commission’s interpretation of the laws.

3. About the Commissioners

There are 5 Commissioners, who are also known as members.

4 must be active licensees for the last 10 years and residents of Kentucky for 10 years.

1 member is a citizen at large (consumer member) and is not associated with the real estate industry.

No more than 3 Commissions can belong to any one political party.

The Chairperson of the Commission is selected by fellow Commissioners. (Annually)

4. Appointment of Commissioners

The Kentucky Association of Realtors shall supply a list of three names (broker or sales associate) to the Governor and the Govern selects from the list.

Vacancies arising mid-year may be filled by the Governor from those remaining on the list or a new list.

5. Term and Compensation

Commissioners are appointed for a 4-year term

Commissioners can serve no more than 2 consecutive terms.

Commissioners are paid \$15,000 per year plus actual and necessary expenses.

6. Automatic Removal of a Commissioner

If a member ceases to have a real estate license

If the consumer member acquires a license/interest in the real estate business

If a member pleads or is found guilty of a felony in which fraud is an essential element or any crime involving moral turpitude (If time for appeal is over or judgment affirmed on a appeal)

If a member ceases to be a bona fide resident of Kentucky

7. Duties and Powers of the KREC

Promulgate regulations – Promulgate means to announce

Hold disciplinary hearings - Conduct licensing examinations

Conduct continuing education classes - Develop a process to approve CE courses

Investigate violations of license law - Require continuing education of licensees

Set, charge and collect fees

Publish and maintain a registry of licensees (KREC database <http://web1.ky.gov/krec/>)

The KREC may NOT violate antitrust law by setting commission rates, fees or prices a real estate licensee charges.

8. Office and Employees

The Commission may employ those necessary to carry out the duties of the Commission and obtain office space, supplies and equipment necessary.

9. Commission Records

Records of the Commission are open to the public through a Public Records Request.

10. Sanctions and Penalties

Levy fines not to exceed \$1,000

Issue formal reprimands (public and found in the newsletter)

Issue informal reprimands (in the file of the licensee but not public)

Revoke a license

5 years will be the first time a person can ask to secure another real estate license

There is no guarantee that a person can secure another license after it has been revoked.

Suspension of a license

There is no time limit on a suspension

An agent cannot be active in the business while the license is suspended.

Send licensees back to school

Place a licensee on probation for up to 12 months