

**South Carolina Real Estate Commission**  
**Finance Taskforce Meeting Minutes**  
Thursday, January 5, 2023 at 10 a.m., Room 108

Public notice of this meeting was properly posted at the S.C. Real Estate Commission Office, Synergy Business Park, Kingstree Building, Commission website, and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. The telephone number and access code were provided on the posted agenda for members of the public wishing to join.

**Taskforce Members Present:**

Gary A. Pickren, Esq.– Commissioner, Taskforce Chair  
David Burnett – Commissioner  
John Rinehart - Commissioner  
Carol Pyfrom  
Cindy Creamer  
Nick Kremydas, SCR

**SCLLR STAFF PRESENT:**

Kyle Tennis, Esq., Office of Advice Counsel  
Meredith Buttler, Administrator  
Ashlynn Kirk, Administrative Coordinator

**PRESENT:**

Cathy Boone, Court Reporter

**CALLED TO ORDER:** Mr. Pickren, Chair, called the meeting to order at 10:04 a.m.

**INTRODUCTION OF TASKFORCE MEMBERS AND STAFF**

Taskforce members and staff introduced themselves.

**APPROVAL OF AGENDA**

**Motion:** To approve the agenda.

Moved by Mr. Burnett and seconded by Ms. Pyfrom, the motion carried by unanimous vote.

**FUND ALLOTMENT DISCUSSIONS**

Mr. Pickren recapped that the Taskforce had agreed to spend funds on education classes determined by the Education Taskforce. Mrs. Buttler will send an updated breakdown of the Taskforce’s proposal following the meeting. The purpose and intent of today’s Taskforce meeting to discuss funding for research topics and an endowed chair position at a college or university within South Carolina.

a. **Research**  
**Wholesaling**

Mr. Pickren invited Mr. Rinehart, Chair of Wholesaling Taskforce, to provide an overview of the request for researching as identified by the Wholesaling Taskforce. Mr. Rinehart stated research is being requested to identify the effect of wholesaling on the South Carolina public. This research is to be conducted by a university and will examine what is occurring in the current marketplace. Mr. Rinehart requested the Taskforce agree to request funding for this research. At this time the amount needed to fund such research is unknown.

The Taskforce discussed the Commission's current method of addressing with individuals who engage in the practice of wholesaling. Ms. Buttler shared that at the last Commission meeting, the Wholesaling Taskforce was approved to craft a position statement on the practice for consideration of the Commission. Mr. Tennis explained a position statement will provide clarification on the practice of wholesaling and how it fits into existing framework of current statutes and regulations for licensed and unlicensed individuals.

Mr. Kremydas agreed there is a need to research the practice of wholesaling and inquired as to the Commissions ability to reactivate the allocation of renewal money to the Education and Research fund to provide easier access to fund by the Commission for this and other research initiatives.

Mr. Tennis stated that per statute, the department may allocate up to \$10.00 of each license renewal fee to the Education and Research fund. Mr. Burnett requested clarification as to the interpretation of S.C. Code Ann. § 40-57-70(C)(1)(a), (b), and (c), inquiring whether a project must meet one of the three requirements or all three. Mr. Pickren suggested requesting the Commission reinstitute this for the upcoming renewals and to retroactive for the past five (5) years as well.

**Motion:** To propose the Commission the reinstatement of the allocation of \$10.00 from the license renewal fee, from both future renewals and applying retroactively to the past five (5) years, to the Education and Research fund for future endeavors.  
Moved by Mr. Kremydas and seconded by Ms. Creamer, the motion carried by unanimous vote.

In keeping with past meeting structure, Mrs. Buttler recommended the Taskforce first identify the projects they would like to fund and once all items have been identified then the Taskforce can look at money allocations for each item. For future meeting reference, Mr. Kremydas provided examples from SCR research endeavors, stating that it cost SCR \$45,000 to research short term rentals while a study on property tax totaled \$120,000. Mr. Kremydas recommended the Taskforce consider a range from \$50,000-\$100,000 for each research project.

### **BIC Supervision**

Mr. Burnett stated he would like to see research of how Broker-In-Charge (BIC) supervision is handled in other licensing jurisdictions, specifically if there is a limit on the number of agents a BIC is allowed to supervise, if there is a distance restriction between BIC and agents, and if there is any other unique requirements in those jurisdictions. Mrs. Buttler stated that this research can easily be done in house by staff and would not warrant third party research.

Once the research is completed, Mr. Tennis stated the Commission has the statutory authority to recommend changes in legislation. Mr. Rinehart stated that ARELLO is addressing this issue as well and recommended reaching out to their office to see what research and information they have compiled. Mr. Kremydas stated his staff could also do this research in-house and is willing to work with Commission staff.

### **Short Term Rentals**

Mr. Kremydas stated SCR has engaged with USC's Darla Moore School of Business to study the economic impact of short term rentals on the state and community levels in order to identify if there is a need to recommend legislative framework. This study comes as a result of many communities, particularly along the coastline, trying to ban the use of short-term rentals. Mr. Pickren questioned as to whether or not this falls within the Commission's jurisdiction. Mr. Pickren stated that the research would need to be geared towards what licensing, if any, is needed for short-term property rentals and whether short term rentals violate any statutes. Mr. Tennis advised the Commission's jurisdiction covers the licensing of individuals and not companies or corporations. At present, no other state has required that companies such as Airbnb and VRBO themselves to be licensed.

Mr. Kremydas explained another issue is that property managers with exclusive rights are dealing with owners who are going around the property management agreements and advertising the property via the short term rental companies. Taskforce members stated and Mr. Tennis agreed that this appears to be a contractual issues and not within the Commission's jurisdiction to address.

Following discussion the Taskforce agreed the SCR research is sufficient and no further action needed.

### **Examination Shortfall**

Mr. Pickren stated that due to low exam score reports, the Commission would like to see research to identify the factors contributing to this. Mrs. Buttler stated the Commission staff is currently working to clean up PSI reporting data in order to provide accurate school pass rate reports. Additionally, Ms. Buttler will be presenting to the Education Taskforce a breakdown of the various examination categories and the corresponding pass rates for each section. In addition to reviewing the PSI reports, Mr. Tennis recommended the Commission consider that a higher number of applicants may be applying in recent years due to economic changes, which could potentially contribute to pass rate decline. Mrs. Buttler can pull the data regarding initial applicants for further review by the Taskforce and Commission.

Mr. Burnett suggested it may come down to looking at the pass/fail rate of specific schools and recommend action to be taken on schools with low pass rates. The Taskforce also discussed a review of course content to determine whether it is adequately preparing students for practice. Mr. Pickren identified that the Education Taskforce will be reviewing the issue of course content and noted that schools cannot regulate who walks in the door. As such, the Commission runs the risk of schools fearing penalization due to low exam pass rates and therefore restrict course offerings.

Mr. Kremydas brought to the Taskforce the issue of what the process would be for starting a whole new examination process if funding was allocated to this topic. Following discussion, the Taskforce agreed to recommend this research topic for funding.

### **Converting Forms to Spanish**

Mr. Kremydas stated SCR has begun the process of translating their real estate forms to Spanish. The Taskforce discussed the Commission's various forms and the legalities as to whether or not the Commission could utilize SCR's third-party vendor.

**Motion:** To propose to the Commission the funding of translating the Agency Relationships form to multiple languages.  
Moved by Mr. Burnett and seconded by Ms. Creamer, the motion carried by a vote of 5 in favor to 1 opposed.

**Motion:** To propose to the Commission funding for the recommended research topics: Wholesaling, Broker-In-Charge Supervision, and the South Carolina Examination process.  
Moved by Mr. Rinehart and seconded by Mr. Burnett, the motion carried by unanimous vote.

### **b. Endowed Chair**

Mr. Kremydas stated that many colleges and universities such as USC's Darla Moore School of Business have endowed chair positions, however there is currently no endowed chair positions at any of the historically black colleges for real estate programs. Mr. Kremydas suggested the Commission's surplus funds could be used to create an endowed chair position to establish a lasting legacy in this State for professionalism and education. Mr. Tennis suggested looking further at the statutes to determine if the Education and Research Fund could be used in this manner. With an endowed chair position gift averaging at \$1.5 million, the Taskforce decided against recommending an endowed chair position at this time.

Mrs. Buttler reminded the committee that the next Taskforce meeting is scheduled for February 9, 2023, and that the I.T. Department will be in attendance as well.

### **PUBLIC COMMENTS**

No public comments.

**ADJOURNMENT**

**Motion:** To adjourn.

Moved by Mr. Pickren and seconded by Mr. Burnett, the motion carried by unanimous vote.

The meeting adjourned at 11:31 a.m.