

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 19, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present.

SENATE BILL 496: Chairman Hazelbaker introduced Senator Turnage, sponsor of SB 496. Senator Turnage stated this bill is an act to allow any individual, partnership, corporation, or association to use an assumed business name and to provide regulations for the regulation of an assumed business name.

Senator Turnage introduced Mr. Kenneth Brown from the Secretary of State's Office, to further explain the bill to the Committee.

There was a question and answer period from the Committee, and the hearing on Senate Bill 496 was closed.

SENATE BILL 500: Chairman Hazelbaker introduced Senator Etchart, sponsor of SB 500. Senator Etchart stated this bill is an act to authorize the creation of health care facilities liability protection trusts.

Senator Etchart told the Committee that hospital costs are going up, and one of the main reasons for this increase in costs is because of malpractice insurance costs for the hospitals.

Senator Etchart also stated that this bill is patterned after Colorado's bill which has been very successful. Senator Etchart called on Mr. Chad Smith, representing the Montana Hospital Assoc., to further explain the bill to the Committee.

Mr. Smith stated that the purpose of this bill is to try to do something about cost containment for the hospitals. He also stated that excessive overhead expenses for malpractice insurance is another reason we are charging our patients more than is necessary. Another reason premiums are high is that they are not adjusted geographically for Montana. Many hospitals are dropping coverage. They would rather meet the cost of a claim without the insurance. Mr. Smith presented an exhibit which is attached. Mr. Smith stated this is a system whereby the hospitals take care of their own problem. Mr. Smith also distributed some proposed amendments which are attached.

Mr. Richard Grant, representing the Montana Hospital Association, with residence in Denver, Colorado, spoke in support of SB 500.

Mr. Grant explained the procedure necessary to establish a trust. He stated that the biggest advantage to the hospitals is that they are able to subcontract to firms for legal advice. They assist hospitals with their particular problems. They have been able to reduce the cost of premiums.

Mr. Grant told the Committee they maintain the books the same as an insurance company. They make reports to the Insurance Commissioner on the affairs of the trust.

Mr. Bill Leary, representing the Montana Hospital Association, spoke in support of SB 500. His testimony is attached plus two other exhibits which are attached.

OPPONENTS OF SENATE BILL 500: Mrs. Jo Driscoll, representing the Insurance Department, state of Montana, stated they are concerned about the protection of the consumer.

Mr. Glen Drake, representing the American Insurance Association, stated they have no objection to a self-insurance group, however, such an insurance group should be subject to the same controls as any other company.

Mr. Boyce Clarke, representing the Independent Insurance Agents of Montana, stated they are in opposition to SB 500.

There were questions from the Committee.

Senator Dover inquired about the cost of setting up such a procedure. Mr. Grant stated it was becoming more costly all the time.

Senator Kolstad asked if they were under the auspices of the Insurance Commissioner in Colorado. Mr. Grant stated they were not. Senator Kolstad inquired of Chad Smith if they had any objection to being under the control of the Insurance Commissioner. Mr. Smith told the Committee they had no objection.

Senator Blaylock inquired of Mr. Leary if he would guarantee that costs would be cut to the consumer if this bill should pass. Mr. Leary stated they would try to contain costs, but they could not guarantee that costs would be cut.

Mr. Smith stated they were trying to keep overhead down. They have no objection to being controlled.

The hearing on SB 500 was closed.

SENATE BILL 493: Senator Rasmussen, sponsor of Senate Bill 493, explained the bill to the Committee. This bill is an act to revise the law relating to licensure of real estate brokers or salesmen;

to require applicants for a real estate broker or salesman license to complete an approved course of instruction; to require licensed brokers and salesmen to complete continuing education requirements; to provide for revocation or suspension of a license for falsification of applications, certificates, or statements to the board.

PROPOSERS OF SENATE BILL 493: Senator Rasmussen stated this bill was designed to upgrade the profession. Senator Rasmussen called on Mr. Cliff Christian, representing the Montana Association of Realtors, to further explain the bill to the Committee.

Mr. Christian passed out an attachment entitled, "existing home sales." This exhibit is attached. He also distributed a summary by William D. Crowley which is attached. He also distributed a letter from the Department of Professional & Occupational Licensing which is attached.

Mr. Christian stated this bill is for the public, and opposition to the bill would be coming from the real estate industry. Mr. Christian stated there would be no hardship to continue education for those people in outlying areas. He left a map for the Committee. This attachment is filed with the Secretary of the Senate.

Mr. Marty Heller, a Helena realtor representing himself, spoke in support of SB 493. He stated that realtors deal with high-ticket items, and there is nothing in the current system to say that they must get more education.

Mr. Vernon Cougill, a Helena realtor representing himself, spoke in support of SB 493.

Mr. Tom Honzel, representing the Montana Association of Realtors, spoke in support of SB 493. He suggested that a statement of intent should possibly be attached to the bill.

OPPOSERS OF SENATE BILL 493: Mr. Robert Cummins, representing the Board of Realtors, spoke in opposition to SB 493. His testimony is attached. Mr. Cummins also distributed several exhibits to the Committee which are attached with his testimony.

Mr. Jim Burns, representing Proprietary School Bureau--Department of Business Regulation, commented that they wondered if this continuing education was basically a requirement to keep the job.

Senator Rasmussen stated that the realtors should be commended for trying to upgrade their profession, and it is important for the public to have confidence in this sector of the economy.

There was a question and answer period from the Committee.

The hearing on Senate Bill 493 was concluded.

DISPOSITION OF SENATE BILL 496: Senator Blaylock moved that amendments to SB 496 be adopted. The amendments were unanimously adopted by the Committee.

Senator Goodover moved that Senate Bill 496 Do Pass As Amended. Senator Blaylock seconded the motion. The Committee voted that SENATE BILL 496 DO PASS AS AMENDED. Senator Regan abstained from voting.

DISPOSITION OF SENATE BILL 500: Senator Kolstad presented an amendment to SB 500. Senator Goodover also presented an amendment. Senator Kolstad moved that the amendments be adopted. There was a second by Senator Hager. The amendments to SB 500 were adopted by the Committee.

Senator Kolstad moved that Senate Bill 500 Do Pass As Amended. The Committee voted that SENATE BILL 500 DO PASS AS AMENDED. The only "No" vote was Senator Regan.


DISPOSITION OF SENATE BILL 493: Senator Goodover proposed some amendments to Senate Bill 493.

Senator Goodover moved the amendments Do Pass. A Roll Call Vote was taken on the passing of Senator Goodover's proposed amendments. The vote tied 3-3.

Senator Blaylock moved that the bill Do Not Pass. A Roll Call Vote on the motion that SB 493 Do Not Pass was taken. The Committee voted 6-4 that Senate Bill 493 Do Not Pass.

ADJOURN: 12:20 p.m.

12:30 p.m. Call from Chairman Hazelbaker. The Committee later TABLED SENATE BILL 493.



Senator Frank Hazelbaker, Chairman

STANDING COMMITTEE REPORT

February 19, 1979

MR. President:

We, your committee on Business and Industry

having had under consideration Senate Bill No. 495

Respectfully report as follows: That Senate Bill No. 495
introduced bill, be amended as follows:

1. Title, line 7.
Following: "REPEALING"
Strike: "SECTION"
Insert: "SECTIONS"

2. Title, line 8.
Following: "30-13-111"
Strike: ", "
Insert: "AND 35-11-101 THROUGH 35-11-103"

3. Page 11, line 14.
Following: "Repealer."
Strike: "Section"
Insert: "Sections"
Following: "30-13-111"
Strike: ", "
Insert: "and 35-11-101 through 35-11-103"

And, as so amended,
DO PASS

gl

[Signature]

STANDING COMMITTEE REPORT

February 19,

1979

MR. President:

We, your committee on Business and Industry

having had under consideration Senate Bill No. 500

Respectfully report as follows: That Senate Bill No. 500
introduced bill, be amended as follows:

1. Page 2, line 10.

Following: "business of" on lines 9 and 10

Strike: "a public liability insurer"

Insert: "the trust"

2. Page 2, lines 10 through 12.

Following: "insurer." on line 10

Strike: the remainder of line 10 through "[section 1]" on line 12

Insert: "A trust created under [section 1] is subject to the provisions of Title 33, except that the requirements of 33-2-109 and 33-2-110 may be met by:

(a) submission of such documents outlining operations as are requested by the commissioner of insurance; and

(b) submission of evidence to the commissioner of such excess insurance coverage as may be required by the commissioner."

DEFEAS

(Continued)

February 19,

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3. Page 2, line 13.

Following: line 12

Insert: "(4) The trustee must be bonded for the full amount of the trust assets by a safety company authorized to do business in Montana."

And, as so amended,
DO PASS

SENATE COMMITTEE BUSINESS & INDUSTRY

Date Feb. 19 1979 Bill No. 493 Time 12:12

NAME	YES	NO
Pat M. Goodover, Vice Chairman	✓	
Chet Blaylock	✓	
Harold Dover		
Tom Hager		✓
Allen Kolstad		
Bill Lowe		
John Mehrens		
Bob Peterson	✓	
Pat Regan		✓
Frank Hazelbaker, Chairman		✓

Margie Nichols
Secretary

[Signature]
Chairman

Motion: Goodover amendment be adopted 3-3

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE BUSINESS & INDUSTRY

Date Feb. 19, 1979 Bill No. 493 Time 12:15

NAME	YES	NO
Pat M. Goodover, Vice Chairman		✓
Chet Blaylock	✓	
Harold Dover	✓	
Tom Hager		✓
Allen Kolstad	✓	
Bill Lowe		✓
John Mehrens	✓	
Bob Peterson		✓
Pat Regan	✓	
Frank Hazelbaker, Chairman	✓	

Margie Nichols
Secretary

[Signature]
Chairman

Motion: Do Not Pass 6-4

(include enough information on motion--put with yellow copy of committee report.)

Sharon Drake

SR 455-

FOUNT

yes

SR 493 - 421

No

496

yes

SR 500 as needed

for

- 1000000000

No

~~SR 500 as needed for 1000000000~~

1 Vote No

on S.B. 493

preference

is allowed

513 493 - Va -

four

496 -

two

four

500 -

two covered

four

NAME: K. W. Brown DATE: 2-19-79

ADDRESS: Sec. of State office

PHONE: 449-2034

REPRESENTING WHOM? _____

APPEARING ON WHICH PROPOSAL: Sen Bill 496

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: CHAD SMITH DATE: 2-19-79

ADDRESS: Box 604 HELENA

PHONE: 442-2980

REPRESENTING WHOM? _____

APPEARING ON WHICH PROPOSAL: SB 500

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Senate Bill No. 500

Amendments to amend S.B. No. 500 as follows:

1. on page 2, line 6, by adding the following sentence after the period "The trustee must be bonded for the full amount of the trust assets by a surety company authorized to do business in Montana."
2. on page 2, line 10, by deleting the words "a public liability insurer" and inserting in lieu thereof "the trust."

Submitted by Chad Smith

Presented by
Chad Smith

Montana Department of Insurance
Analysis of 1977 Hospital Medical Malpractice Insurance
Source: Montana Business, Reported on Form 108-77, Column 9.

Company Name	No. of Insureds	Earned Amount of Premium	No. of Claims Made	No. Paid	PAID Amount
Fireman's Fund Companies (5) ^(A)	1	\$ 5,367	-0-	-0-	-0-
Gleason General Assur. Co.	-0-	-0-	2	1	\$ 1,500
Guaranty National	5	182,725	1	1	3,000
St. Paul Companies (3) ^(B)	14	666,158	3	2	18,013
Standard Fire ^(*)	939 bed yrs.	292,426	12	5	75,250
Travelers Indemnity	4	1,866	-0-	-0-	-0-
Truck Insurance Exchange	19	339,627	20	11	67,633
United States Fire	? "Assume one"	1,163	1	-0-	-0-
Western Casualty & Surety	1	3,555	-0-	-0-	-0-
<hr/> 15 companies	<hr/> ?	<hr/> \$ 1,492,447	<hr/> 39 ✓	<hr/> 20	<hr/> \$ 161,396

45 hospitals ^(C)
+ 939 bed yrs
Average = \$ 8,072

How many hospitals are there in Mont.? 61

- (A) American Automobile Ins. Co.
- American Ins. Co.
- Associated Indemnity Corp.
- Fireman's Fund Ins. Co.
- National Surety Corp.

- (B) St. Paul Fire & Marine Ins. Co.
- St. Paul Guardian Ins. Co.
- St. Paul Mercury Ins. Co.

Do not compute loss ratio because loss adjustment expenses and loss incurred are not required to be reported.

NAME: Richard R. Grant DATE: 2-14-78

ADDRESS: 1111 S. Colville Blvd. #500 Memphis, Tenn

PHONE: (303) 744-5711

REPRESENTING WHOM? Western Hospital Association

APPEARING ON WHICH PROPOSAL: SB 500

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

NAME: W. J. ... DATE: 2/14/79

ADDRESS: Albany

PHONE: 443-1911

REPRESENTING WHOM? Montana Hospital Assoc.

APPEARING ON WHICH PROPOSAL: SB 500

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

Submitted Statement

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Montana Hospital Association

(406) 442-1911 · P. O. BOX 5119 · HELENA, MONTANA 59601

SENATE BILL 500

Mr. Chairman, Members of the Senate Business and Industry Committee, for the record I am Bill Leary, Executive Vice President of the Montana Hospital Association, appearing here today in support of the passage of Senate Bill 500.

During the 44th Legislative Session in 1977, the Montana Hospital Association worked diligently with the Montana Medical Association to secure passage of several legislative issues addressed to the professional liability insurance crisis facing our nation and our state in the years of 1975 through 1977.

We were successful in many of our endeavors which while still affording adequate protection for the patients of our physicians and the people of Montana, we created a better climate in Montana for the various insurance carriers to compete on the open market for the malpractice insurance dollar. We in the hospital industry had extremely high hopes that the insurance premiums would level off and perhaps even be decreased slightly based upon the excellent loss ratio experience of Montana hospitals, nursing homes and physicians.

While I understand the physicians insured through the Montana Medical Association group program with Aetna did receive a "good experience" rebate in the last year, such has not been the case with the hospitals and their carriers.

I have prepared a brief summary showing the historical increases of insurance premiums paid by Montana hospitals, the claims against hospitals, claims settled and the dollar pay out on claims for the years 1973 through 1978. I would like to request that you study this at your convenience. This is not being presented as any criticism of the insurance companies but merely shows the increasing premium dollars paid by Montana hospitals and conversely, the excellent loss ratio over this six year period.

In Montana, with the exception of four small rural hospitals that have elected not to be covered by professional malpractice insurance, the hospitals are covered in the following manner.

- 17 hospitals are insured with St. Paul Fire and Marine on the claims made program which was introduced into our state in 1976.
- 19 hospitals are with the Farmers Insurance Group based out of Los Angeles, an occurrence policy which recently announced a premium increase effective March 1, 1979 of an average premium increase of some 30%.
- The balance of Montana hospitals are insured with a number of companies, all on an occurrence program.

I would like to at this time illustrate what has been happening to small and large hospitals in our state and pulled at random 5 of the hospitals which reported on our survey. I will not identify the hospitals nor the insurance company but merely give some statistics to show how premiums have increased in spite of their excellent loss ratio over this three year period.

It does not seem to make any difference from company to company or whether it is a claims made or occurrence policy. It appears to be that the general policy of all the companies is to increase the premiums each year or every other year regardless of the excellent loss ratio experience of the hospitals in a particular group or of hospitals in Montana in general.

At least two-thirds of the hospitals reflecting about 2,000 total beds have indicated to the leadership of the Montana Hospital Association that they want to form a self-insuring trust similar to the one currently in operation in Colorado and in so doing, will still provide adequate protection for the people they serve. The trust, however, since it will be operated on a nonprofit corporate basis in Montana, will be able to assess a participation fee which will be based on Montana's experience and the hospitals involved in the self-insuring trust.

We have with us today Mr. Grant, an expert consultant in the establishment of self-insuring trusts, and he can describe to you how a self-insuring trust is established in a legal fashion and how it functions within a state.

The purpose of Senate Bill 500 is to give the hospital industry the legal right to establish the self-insuring trust, control it in Montana, and still assure all Montanans that we are striving to provide high quality care at the most economical rates possible. The fact that Montana hospitals still rank 48th or 50th in the nation in terms of increasing costs is a tribute to that goal.

I urge your support and passage of Senate Bill 500.

Thank you.

Submitted by Mr. Leary

AGGREGATE HOSPITAL EXPENDITURES 1967-1976

AVERAGE YEARLY INCREASE
1967-1976 (%)

CUMULATIVE INCREASE
1967-1976 (%)

1. Alaska	22.6%	1. Alaska	505%
2. Florida	20.0%	2. Florida	413%
3. Nevada	18.6%	3. Georgia	364%
3. Georgia	18.6%	4. Nevada	359%
5. Arizona	18.4%	5. Arizona	355%
6. New Mexico	17.2%	6. New Mexico	310%
7. Mississippi	17.1%	6. Mississippi	310%
8. Maine	16.9%	8. Virginia	306%
8. Virginia	16.9%	8. Maine	306%
8. Oklahoma	16.9%	10. Oklahoma	305%
11. Arkansas	16.8%	11. Arkansas	303%
12. Tennessee	16.6%	12. Maryland	298%
12. Maryland	16.6%	13. Tennessee	294%
14. Louisiana	16.5%	14. Michigan	291%
15. Texas	16.4%	14. Texas	291%
15. Michigan	16.4%	16. South Carolina	290%
15. South Carolina	16.4%	17. Indiana	289%
18. Indiana	16.3%	18. Louisiana	288%
19. Alabama	16.2%	19. Alabama	286%
19. Delaware	16.2%	20. New Jersey	285%
19. New Jersey	16.2%	21. Delaware	282%
22. Ohio	16.0%	22. Ohio	280%
23. North Carolina	15.9%	23. North Carolina	277%
24. Illinois	15.8%	24. Illinois	274%
* U.S. AVERAGE	15.8%	* U.S. AVERAGE	274%
24. Idaho	15.8%	25. Idaho	272%
26. Nebraska	15.7%	26. Missouri	271%
26. Missouri	15.7%	27. Nebraska	270%
26. Kentucky	15.7%	28. Oregon	269%
26. Oregon	15.7%	29. Colorado	268%
30. Colorado	15.6%	30. Kentucky	267%
31. California	15.5%	31. California	265%
31. Massachusetts	15.5%	32. Massachusetts	264%
33. Pennsylvania	15.4%	33. Pennsylvania	261%
34. Wisconsin	15.3%	34. Wisconsin	258%
34. Utah	15.3%	34. Utah	258%
36. West Virginia	15.2%	36. West Virginia	255%
37. Hawaii	15.1%	37. New York	247%
38. Rhode Island	15.0%	38. Iowa	246%
39. Iowa	14.9%	39. Connecticut	244%
39. New York	14.9%	39. Rhode Island	244%
41. Connecticut	14.8%	41. Kansas	239%
42. North Dakota	14.6%	42. Hawaii	238%
42. Kansas	14.6%	43. North Dakota	236%
44. Washington	14.4%	43. Washington	236%
45. South Dakota	14.2%	45. New Hampshire	230%
45. New Hampshire	14.2%	46. South Dakota	227%
47. Minnesota	14.0%	47. Minnesota	221%
48. D.C.	13.8%	48. D.C.	218%
49. Vermont	13.6%	49. Vermont	214%
50. Wyoming	13.4%	50. Wyoming	209%
*51. MONTANA	12.5%	**51. MONTANA	186%

HOSPITAL EXPENDITURES PER CAPITA ANNUAL 1967-1976

AVERAGE YEARLY INCREASE 1967-1976 (%)		CUMULATIVE INCREASE 1967-1976 (%)	
1. Alaska	18.0%	1. Alaska	340%
2. Georgia	17.0%	2. Georgia	310%
3. Mississippi	16.3%	3. Mississippi	289%
4. Florida	16.0%	4. Florida	284%
4. Maine	16.0%	5. Maine	282%
6. Ohio	15.7%	6. Ohio	273%
6. Michigan	15.7%	6. Indiana	273%
6. Indiana	15.7%	8. Michigan	269%
9. Oklahoma	15.5%	9. Alabama	266%
9. Illinois	15.5%	10. Illinois	265%
11. Arkansas	15.4%	11. Louisiana	263%
11. New Jersey	15.4%	11. New Jersey	263%
11. Louisiana	15.4%	13. Tennessee	262%
11. Alabama	15.4%	14. Oklahoma	261%
11. Virginia	15.4%	15. Arkansas	260%
16. Tennessee	15.3%	16. Virginia	259%
16. Maryland	15.3%	16. Maryland	259%
18. D.C.	15.2%	16. D.C.	259%
19. Pennsylvania	15.1%	19. Pennsylvania	256%
20. New Mexico	15.0%	20. Massachusetts	252%
21. Missouri	15.0%	21. South Carolina	250%
21. Massachusetts	15.0%	21. Nebraska	250%
23. Delaware	14.8%	21. Missouri	250%
23. South Carolina	14.8%	* U.S. AVERAGE	246%
23. Nebraska	14.8%	24. New Mexico	246%
26. New York	14.7%	25. West Virginia	245%
* U.S. AVERAGE	14.7%	25. Delaware	245%
26. West Virginia	14.7%	27. Kentucky	244%
28. North Carolina	14.6%	28. North Carolina	242%
28. Kentucky	14.6%	28. New York	242%
30. Nevada	14.5%	30. Rhode Island	239%
30. Iowa	14.5%	31. Nevada	238%
32. Wisconsin	14.4%	32. Texas	235%
32. Rhode Island	14.4%	32. Iowa	235%
34. Texas	14.3%	34. Wisconsin	234%
35. Arizona	14.2%	35. Arizona	227%
36. North Dakota	14.1%	35. North Dakota	227%
37. California	14.0%	37. California	225%
37. Connecticut	14.0%	37. Connecticut	225%
39. Kansas	13.9%	39. Kansas	224%
40. South Dakota	13.8%	40. South Dakota	217%
41. Oregon	13.5%	41. Oregon	216%
42. Idaho	13.3%	42. Idaho	207%
43. Utah	12.9%	43. Minnesota	197%
44. Minnesota	12.8%	44. Utah	196%
44. Washington	12.8%	45. Washington	193%
46. Colorado	12.7%	46. Colorado	191%
47. Vermont	12.1%	47. New Hampshire	180%
47. New Hampshire	12.1%	48. Vermont	178%
49. Hawaii	11.9%	49. Hawaii	176%
**50. MONTANA	11.6%	**50. MONTANA	169%
51. Wyoming	11.0%	51. Wyoming	155%

HOSPITAL EXPENDITURES PER CASE 1967-1976

AVERAGE YEARLY INCREASE
1967-1976 (%)

CUMULATIVE INCREASE
1967-1976 (%)

AVERAGE YEARLY INCREASE 1967-1976 (%)		CUMULATIVE INCREASE 1967-1976 (%)	
1. Alaska	15.1%	1. Alaska	255%
2. Georgia	14.4%	2. Georgia	235%
3. Massachusetts	14.2%	3. Massachusetts	231%
4. Maine	14.1%	4. Maine	227%
5. New Mexico	13.9%	5. New Mexico	222%
5. Wisconsin	13.9%	5. Wisconsin	222%
7. D.C.	13.6%	7. D.C.	216%
8. Nevada	13.4%	8. Maryland	211%
8. Michigan	13.4%	8. Nevada	211%
8. Maryland	13.4%	10. Michigan	210%
11. Virginia	13.3%	11. Virginia	208%
12. New York	13.2%	12. Indiana	206%
12. Arizona	13.2%	12. South Carolina	206%
12. Illinois	13.2%	12. Illinois	206%
12. Indiana	13.2%	15. New York	205%
12. South Carolina	13.2%	15. Oklahoma	205%
12. Florida	13.2%	17. Florida	204%
12. Oklahoma	13.2%	17. Louisiana	204%
19. Oregon	13.1%	17. Oregon	204%
19. California	13.1%	17. Pennsylvania	204%
19. Louisiana	13.1%	17. Arizona	204%
19. Delaware	13.1%	17. Delaware	204%
19. Pennsylvania	13.1%	23. California	203%
24. North Carolina	13.0%	24. North Carolina	201%
25. North Dakota	12.9%	25. Connecticut	199%
* U.S. AVERAGE	12.9%	25. North Dakota	199%
25. Connecticut	12.9%	* U.S. AVERAGE	197%
27. Idaho	12.8%	27. Idaho	195%
28. Rhode Island	12.7%	28. New Jersey	194%
28. Tennessee	12.7%	29. Tennessee	193%
28. New Jersey	12.7%	30. Nebraska	192%
31. Nebraska	12.6%	30. Rhode Island	192%
31. Ohio	12.6%	32. Ohio	191%
31. West Virginia	12.6%	32. West Virginia	191%
34. Colorado	12.5%	34. Kentucky	189%
34. Kentucky	12.5%	34. Colorado	189%
34. Hawaii	12.5%	36. Hawaii	188%
37. Utah	12.4%	37. Texas	187%
37. Texas	12.4%	37. Mississippi	187%
37. Washington	12.4%	39. Utah	186%
37. Mississippi	12.4%	39. Washington	186%
41. Iowa	12.2%	41. Arkansas	181%
42. Alabama	12.1%	41. Iowa	181%
42. Arkansas	12.1%	43. Missouri	180%
42. Missouri	12.1%	44. Minnesota	178%
45. Wyoming	12.0%	44. Alabama	178%
45. South Dakota	12.0%	46. Wyoming	177%
45. Minnesota	12.0%	46. South Dakota	177%
48. Kansas	11.8%	48. Kansas	174%
49. Vermont	11.7%	49. Vermont	171%
**50. MONTANA	11.4%	**50. MONTANA	164%
51. New Hampshire	11.3%	51. New Hampshire	161%

TRENDS IN HOSPITAL EXPENDITURES PER CAPITA

1967 (\$)		1976 (\$)		1967-1976 INCREASE (\$)	
D.C.	\$135.	1. D.C.	\$482.	1. D.C.	\$347
New York	88.	2. Massachusetts	306.	2. Massachusetts	219.
Massachusetts	87.	3. New York	301.	3. New York	213.
Minnesota	73.	4. Illinois	252.	4. Illinois	183.
California	71.	5. Michigan	240.	5. Michigan	175.
Rhode Island	70.	6. Rhode Island	237.	6. Rhode Island	167.
Illinois	69.	7. California	231.	7. Ohio	161.
Connecticut	67.	8. Missouri	224.	8. California	160.
Vermont	67.	9. Pennsylvania	221.	8. Missouri	160.
Colorado	65.	10. Ohio	220.	10. Pennsylvania	159.
Michigan	65.	11. Connecticut	218.	11. Florida	156.
Missouri	64.	12. Minnesota	217.	12. Connecticut	151.
Nevada	63.	13. Nevada	213.	13. Nevada	150.
North Dakota	62.	14. Florida	211.	* U.S. AVERAGE	150.
Pennsylvania	62.	* U.S. AVERAGE	211.	14. Minnesota	144.
Wisconsin	61.	15. Wisconsin	204.	15. Wisconsin	143.
U.S. AVERAGE	61.	16. North Dakota	203.	16. New Jersey	142.
Arizona	59.	17. West Virginia	200.	16. West Virginia	142.
Ohio	59.	18. New Jersey	196.	18. Maine	141.
Kansas	58.	18. Nebraska	196.	18. North Dakota	141.
West Virginia	58.	20. Maryland	194.	20. Maryland	140.
Iowa	57.	21. Arizona	193.	20. Nebraska	140.
Delaware	56.	21. Delaware	193.	22. Delaware	137.
Nebraska	56.	23. Maine	191.	23. Tennessee	137.
New Hampshire	56.	23. Iowa	191.	24. Arizona	134.
Oregon	56.	25. Colorado	189.	24. Indiana	134.
Florida	55.	26. Tennessee	188.	24. Iowa	134.
MONTANA	55.	26. Kansas	188.	27. Kansas	130.
Washington	55.	28. Vermont	186.	28. Georgia	127.
Maryland	54.	29. Indiana	183.	29. Louisiana	126.
New Jersey	54.	30. Oregon	177.	30. Alabama	125.
Tennessee	52.	31. Texas	174.	31. Colorado	124.
Texas	52.	31. Louisiana	174.	32. Texas	122.
Maine	50.	33. Alabama	172.	33. Oregon	121.
Hawaii	49.	34. Georgia	168.	34. Oklahoma	120.
Indiana	49.	35. Oklahoma	166.	35. Vermont	119.
Wyoming	49.	36. Washington	161.	36. Virginia	114.
Louisiana	48.	37. Virginia	158.	37. Kentucky	110.
Alabama	47.	38. New Hampshire	157.	38. Mississippi	107.
Utah	47.	39. Kentucky	155.	39. Washington	106.
Oklahoma	46.	**40. MONTANA	148.	40. Arkansas	104.
South Dakota	46.	41. North Carolina	147.	40. North Carolina	104.
Kentucky	45.	42. South Dakota	146.	42. Alaska	102.
Virginia	44.	43. Mississippi	144.	43. New Hampshire	101.
Idaho	43.	43. Arkansas	144.	44. South Dakota	100.
North Carolina	43.	45. Utah	139.	45. New Mexico	99.
Georgia	41.	45. New Mexico	139.	46. South Carolina	95.
Arkansas	40.	47. Hawaii	135.	**47. MONTANA	95.
New Mexico	40.	48. South Carolina	133.	48. Utah	95.
South Carolina	38.	49. Idaho	132.	49. Idaho	89.
Mississippi	37.	49. Alaska	132.	50. Hawaii	86.
Alaska	30.	51. Wyoming	125.	51. Wyoming	76.

TRENDS IN HOSPITAL EXPENDITURES PER CASE

1967 (\$)		1976 (\$)		1967-1976 INCREASE (\$)	
1. New York	\$671.	1. New York	\$2045.	1. Massachusetts	\$1404.
2. D.C.	610.	2. Massachusetts	2012.	2. New York	1374.
3. Massachusetts	608.	3. D.C.	1928.	3. D.C.	1318.
4. Rhode Island	593.	4. Rhode Island	1734.	4. Maryland	1160.
5. Maryland	551.	5. Maryland	1711.	5. Rhode Island	1141.
6. California	547.	6. California	1658.	6. California	1111.
7. Connecticut	546.	7. Connecticut	1633.	7. Connecticut	1087.
8. Delaware	509.	8. Michigan	1567.	8. Michigan	1061.
9. Michigan	506.	9. Delaware	1545.	9. Delaware	1036.
10. Illinois	488.	10. Illinois	1493.	10. Illinois	1005.
11. New Jersey	482.	11. Arizona	1448.	11. Alaska	999.
12. Arizona	476.	12. New Jersey	1419.	12. Arizona	972.
13. Pennsylvania	455.	13. Alaska	1391.	13. Nevada	941.
14. Ohio	453.	14. Nevada	1387.	14. New Jersey	937.
U.S. AVERAGE	448.	15. Pennsylvania	1382.	15. Pennsylvania	927.
15. Nevada	446.	* U.S. AVERAGE	1331.	* U.S. AVERAGE	883.
16. Hawaii	446.	16. Ohio	1317.	16. Wisconsin	867.
17. Vermont	442.	17. Hawaii	1285.	17. Ohio	864.
18. Missouri	438.	18. Florida	1273.	18. Florida	854.
19. Minnesota	437.	19. Wisconsin	1257.	19. Hawaii	839.
20. Florida	419.	20. Missouri	1227.	20. Maine	820.
21. Colorado	408.	21. Minnesota	1215.	21. Oregon	796.
22. New Hampshire	398.	22. Vermont	1197.	22. Missouri	789.
23. Alaska	392.	23. Oregon	1187.	23. Indiana	782.
24. Washington	391.	24. Maine	1181.	24. Minnesota	778.
25. Vermont	391.	25. Colorado	1178.	25. Virginia	771.
26. Wisconsin	390.	26. Indiana	1161.	26. Colorado	770.
27. Indiana	379.	27. Virginia	1142.	27. Vermont	755.
28. Virginia	371.	28. Washington	1119.	28. Washington	728.
29. Kansas	370.	29. Nebraska	1068.	29. New Mexico	726.
30. Nebraska	366.	30. New Mexico	1053.	30. Georgia	704.
31. Maine	361.	31. New Hampshire	1040.	31. Nebraska	702.
32. Iowa	354.	32. Texas	1016.	32. Oklahoma	682.
33. Texas	354.	33. Oklahoma	1014.	33. Texas	662.
34. Alabama	343.	34. Kansas	1012.	33. North Dakota	662.
35. Tennessee	334.	35. Georgia	1003.	33. Louisiana	662.
36. North Dakota	333.	36. Iowa	995.	36. North Carolina	656.
37. Utah	333.	36. North Dakota	995.	37. Tennessee	646.
38. Oklahoma	332.	38. Louisiana	987.	38. Kansas	642.
39. West Virginia	328.	39. North Carolina	982.	38. New Hampshire	642.
40. New Mexico	327.	40. Tennessee	980.	40. Ohio	641.
41. North Carolina	326.	41. Alabama	956.	41. South Carolina	629.
42. Louisiana	325.	42. West Virginia	955.	42. West Virginia	627.
MONTANA	317.	43. Utah	954.	43. Utah	621.
Kentucky	314.	44. South Carolina	934.	44. Alabama	613.
South Carolina	305.	45. Kentucky	907.	45. Kentucky	593.
Georgia	299.	46. Idaho	868.	46. Idaho	574.
Idaho	294.	**47. MONTANA	835.	47. Mississippi	528.
South Dakota	291.	48. Mississippi	811.	**48. MONTANA	518.
Wyoming	284.	49. South Dakota	806.	49. South Dakota	515.
Mississippi	283.	50. Wyoming	787.	50. Wyoming	503.
Arkansas	274.	51. Arkansas	769.	51. Arkansas	495.

MONTANA HOSPITAL ASSOCIATION PROFESSIONAL LIABILITY INSURANCE SURVEYS 1973-1978.

Summary

Method used: Mailed survey forms in 1976 and again in 1978 to all MHA members with request for completion and return to MHA for development of this report.

	1973	1974	1975	1976	1977	1978
Insurance premiums paid	385,500	427,400	710,600	1.2m	1.4m	1.5m (approx)
Claims filed against hospitals	22	18	29	24	39	NA
Claims settled or dropped	21	18	29	23	20	NA
Claims still contested	1	0	0	1	19	8*
Total amount of award granted either through settlements or court award.	57,371	68,863	62,699	15,000	162,000	20,000
Known reserve for contested cases.	100,000			100,000	150,000	75,000#

* Includes 8 cases filed against hospitals waiting review by Montana Medical Legal Panel.
 # Reserve made by occurrence company for one claim against hospital for cases waiting review before Montana Medical Legal Panel.

Note: Most of the claims filed against Montana hospitals for the period of time covered by this report have been either settled for small amounts or dropped as having no merit.

1978 Insurance premiums paid of 1.5M is approximate as several hospitals had not paid their premium as of the date of the survey..

Submitted by Bill Henry

NAME: Steve Fisher DATE: 2/19

ADDRESS: W. C. C. Co.

PHONE: 442-0230

REPRESENTING WHOM? American Iron Association

APPEARING ON WHICH PROPOSAL: 575 500

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: W. Boyce Clarke

DATE: 2-19-79

ADDRESS: Helena - 3124 Virginia Dr.

PHONE: 462 6778

REPRESENTING WHOM? Independent Ins. Agents of Mont.

APPEARING ON WHICH PROPOSAL: SB 500

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS:

Since this bill is truly insurance and does not ^{clearly} provide for regulation
by the Insurance Department or the handling of securities by Investment
Department and would not come under the Guarantee Fund. We
could not support the bill as written. Again, Non profit - no tax.

W. Boyce Clarke

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Presented by
Mr. Cliff Christian

SALES PRICE IN DECEMBER

Inflation in the housing market continues unabated. Existing home prices—which increased at a record pace through the first 11 months of 1978—advanced another notch in December to push the median price of a resale home to \$50,900. This represents a price rise of 15.2 percent over the 12 months of 1978.

No region of the nation escaped this double-digit inflation in home prices. The Southern region experienced the steepest hike with the median price up 16.7 percent to \$46,800. In the North Central region the median was up 16.5 percent to \$44,400, in the West 12.3 percent to \$67,500, and in the Northeast 11.5 percent to \$50,600.

SALES VOLUME IN DECEMBER

Existing home sales continue at an extremely strong pace. Sales in December were at a seasonally adjusted annual rate of 4,160,000 units. While this represents a slight drop from the record set in November, activity is still 3.2 percent ahead of the same month a year ago. It appears that homebuyers are still purchasing now rather than running the risk that mortgage money will not be available in the months ahead to finance their home purchase.

RECORD SALES FOR 1978

For full year 1978 a total of 3,905,000 resale transactions took place. This shatters the old record of 3,572,000 transactions set just a year earlier. New sales records were recorded in each of the four regions of the United States, as the unprecedented demand for single-family homes touched all sections of the country.

EXISTING HOME SALES FOR THE UNITED STATES

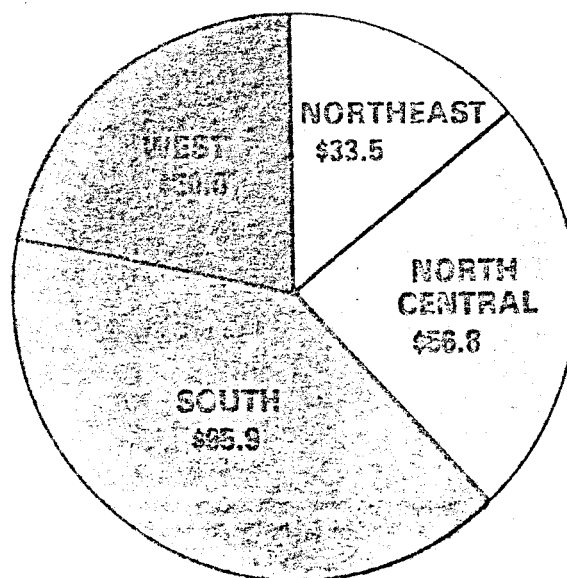
	Unit Volume	Percent Change
1973	2,334,000	—
1974	2,272,000	-2.7
1975	2,452,000	7.9
1976	3,002,000	22.4
1977	3,572,000	19.0
1978	3,905,000	9.3

**DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME
SALES FOR THE UNITED STATES AND EACH REGION**
(Billions of Dollars)

Year	United States	Northeast	North Central	South	West
1968	\$ 35.0	\$ 5.9	\$ 9.8	\$11.6	\$ 7.8
1969	37.8	6.4	10.7	12.6	8.2
1970	41.4	7.1	11.3	14.4	8.0
1971	56.5	9.5	14.2	20.4	11.6
1972	67.8	12.1	16.2	23.7	15.3
1973	76.8	13.5	18.9	28.1	15.8
1974	81.3	14.1	19.7	30.4	16.9
1975	95.6	16.4	22.7	34.9	21.7
1976	126.7	21.0	30.3	45.4	29.7
1977	171.1	27.0	41.6	61.7	38.9

Components may not agree with totals due to rounding.

**REGIONAL DOLLAR VOLUME
DECEMBER**
(BILLIONS OF DOLLARS)



UNITED STATES — \$241.7 BILLION

SOUTHERN REGION

**SALES OF EXISTING SINGLE-FAMILY HOMES
FOR THE SOUTHERN REGION BY PRICE CLASS
(Percentage Distribution)**

Price Class	Dec 1974	Dec 1975	Dec 1976	Dec 1977	Dec 1978
\$19,999 or under	19.8	15.9	13.1	8.2	5.1
\$20,000-\$29,999	25.7	23.6	23.3	19.9	14.1
\$30,000-\$39,999	21.1	22.2	21.2	21.6	18.7
\$40,000-\$49,999	14.7	15.3	15.0	16.9	17.7
\$50,000-\$59,999		9.8	11.6	11.8	13.9
\$60,000-\$69,999		5.5	4.9	8.4	9.5
\$70,000-\$79,999		2.9	5.0	4.7	6.3
\$80,000-\$89,999		1.7	1.6	3.2	4.5
\$90,000-\$99,999					2.8
\$100,000-\$119,999	18.7				2.8
\$120,000-\$159,999		3.1	4.3	5.3	10.2
\$160,000-\$199,999					2.9
\$200,000-\$249,999					1.0
\$250,000 and over					0.4
					0.3
Total	100.0	100.0	100.0	100.0	100.0
Median Price	\$32,100	\$34,700	\$36,400	\$40,100	\$46,800

WESTERN REGION

**SALES OF EXISTING SINGLE-FAMILY HOMES
FOR THE WESTERN REGION BY PRICE CLASS
(Percentage Distribution)**

Price Class	Dec 1974	Dec 1975	Dec 1976	Dec 1977	Dec 1978
\$19,999 or under	7.4	4.1	2.1	1.4	0.7
\$20,000-\$29,999	27.2	17.3	11.4	5.0	2.1
\$30,000-\$39,999	30.6	28.4	19.9	11.7	6.4
\$40,000-\$49,999	16.1	21.5	21.2	14.1	11.6
\$50,000-\$59,999		11.4	16.1	17.5	14.9
\$60,000-\$69,999		7.4	10.9	16.8	19.1
\$70,000-\$79,999		3.7	6.4	10.4	13.7
\$80,000-\$89,999		2.0	3.9	7.0	8.6
\$90,000-\$99,999					5.9
\$100,000-\$119,999	18.7				6.2
\$120,000-\$159,999		4.2	8.1	16.1	22.9
\$160,000-\$199,999					6.5
\$200,000-\$249,999					2.3
\$250,000 and over					1.1
					0.9
Total	100.0	100.0	100.0	100.0	100.0
Median Price	\$35,000	\$40,100	\$47,800	\$60,100	\$67,500

A PROFILE OF MONTANA REAL ESTATE LICENSEES IN 1977:
NUMBERS, ACTIVITIES, ATTITUDES, AND EDUCATIONAL EXPERIENCES.

BY

WILLIAM D. CROWLEY, Ph.D.

CONSULTANT

FOR

MONTANA BOARD OF REAL ESTATE
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING
HELENA, MONTANA
JANUARY, 1979

*Distributed by Mr. Cliff
Christie*

I. Summary

A. Number and profile of licensees

Approximately 3,300 Montana Real Estate licenses were issued in 1977 - 60 percent of salespersons and 40 percent to brokers.

Licensees working full time in real estate accounted for two-thirds of the total. Another one-fourth worked part time. Only 1 in 9 licensees were inactive. Full time salespersons accounted for nearly 40 percent of all licensees, while full time principal brokers accounted for another 17 percent. Seventy percent of full time salespersons have been licensed three or fewer years. This is indicative of both the large influx of new licensees and the high turnover rate of salespersons.

Three-fourths of the licensees were associated with sole proprietorship firms. Over 30 percent of the principal brokers were incorporated. Most of these were believed to have incorporated to take advantage of the favorable tax treatment available to corporations and to limit their liability.

Outside passive income, such as retirement or disability payments, was received by only one-fourth of the licensees. Over 40 percent of part-time brokers received these payments.

Seventy percent of the licensees were between 36 and 55. Over half of the part-time and inactive brokers were over 55.

About 10 percent of the brokers substituted either education or related experience for partial waiver of the two years full time experience requirement as a salesperson before taking the broker's examination. A far greater percentage of brokers received their broker's license under the "Grandfather Clause" in the Real Estate License Act.

B. Activities of licensees

Over 90 percent of the full time licensees worked more than 30 hours in real estate in a typical week. Eighty percent of the full timers had engaged in real estate within the last year. Apparently the large influx of new licensees held this percentage below the expected 100 percent.

Over 15 transactions were accomplished by more than half of full timers during 1977. In the case of full time employing brokers, this could imply that many were competing directly with their salespersons. This, in turn, could be partially responsible for the large attrition rate for

salespersons, many who failed to obtain the training and supervision and realize the income expected.

Selling single family residences dominated the time of all categories of licensees. Selling other types of improved properties, such as commercial, investment and industrial; selling subdivision lots and vacant land; and "other" real estate activities, including farm and ranch sales and listing, were the other three important activities licensees devoted considerable time to.

C. Attitudes of licensees

Requiring a broker applicant to have two years of actual experience as an active Montana Real Estate Salesperson prior to taking the broker's examination was supported by the majority of all categories of licensees.

Requiring a special license for employing/managing brokers was opposed by nearly three-fourths of all licensees. The special training mentioned included trust fund accounting, management, and personnel.

Prior to licensure, two-thirds of the licensees believed that 40 hours of education was necessary. Perhaps a one week pre-licensure course was what the majority had in mind.

After licensure, fewer than one-half of the licensees believed there is a need to complete a minimum number of educational programs prior to license renewal. Phrasing the question explicitly in terms of mandatory continuing education would have likely elicited even a higher negative response. Apparently, licensees believe strongly that it is up to the individual to determine which courses or other educational opportunities, including home study courses, would benefit him and his clients.

D. Educational experiences of licensees

High school graduates and those with less than two years of college dominate the active "sales force". Interestingly nearly half of the inactive salespersons have had at least four years of college. It is not known whether these college graduates found real estate as a vocation not to their liking or simply never became active after receiving their licenses.

Only a quarter of all licensees took one or more college credit courses before being licensed. Even a smaller percentage took any college credit or college non-credit courses after being licensed.

Regular on-going education and training programs are conducted by firms with which nearly one-half of the licensees

are associated, and over two-thirds of the licensees are associated with firms that encourage training outside of the firm. Firms subsidize the educational expenses for a large percentage of licensees, particularly full time salespersons. If any of these salespersons are independent contractors, Internal Revenue Service regulations have been violated and the claimed independent contractor status of the salesperson has been placed in jeopardy.

Real estate courses are popular among licensees. Two-thirds have taken at least one since being licensed. The most popular courses are law, appraisal, salesmanship, investment and finance. In addition to these courses, seminars offered by the Montana Association of Realtors, The National Association of Realtors, and other groups are also well attended on a voluntary basis.

While many licensees attend individual seminars, the pursuit and realization of a professional designation does not appear to rate high among priorities of licensees. Fewer than 10 percent of all licensees hold any professional designation, and the majority of those hold the G.R.I. (Graduate, Realtors Institute). The criteria for receiving this designation is membership in the State and National Association of Realtors and satisfactory completion of G.R.I. 101, 201, and 301 - - each is a one week educational program offered each year.

Eighty percent of all licensees returned their questionnaire sufficiently completed and in time to have their responses included in the results reported; another ten percent returned their completed questionnaire beyond the cut-off date. One concern that appeared to surface numerous times in specific comments and in the collective responses to several questions had to do with the licensees' aversion to mandatory educational requirements. Their message appeared to be, "we support continuation of the current educational and experience requirements for obtaining salesperson and broker licenses. However, we want to determine on a voluntary basis the post-licensure educational pursuits best suited to our and our clients' needs."

DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL LICENSING

BOARD OF REAL ESTATE

Chairman
Robert T. Cummins
Helena

Board Members
Thomas Carand
Helena

Arthur Dickhoff
Great Falls

Arthur J. Lund
Butte

Robert M. Cormick
Helena

Lalonde Building
Helena, Montana 59601

406 449 2061

February 16, 1979



Thomas I. Judge
Governor

J.L. Wines
Administrator

Dear Real Estate Licensee:

Senate Bill 493, promoted by the Montana Association of Realtors, was introduced this morning.

We are advising you of this bill because it contains a mandatory education provision that may affect your ability to have your license renewed.

"Section 3. Classroom Instruction required for renewal" includes the following provisions: (1) After July 1, 1979, no broker's or salesman's license may be renewed unless the applicant for renewal has completed the program of continuing education required by this section. (2) During the years 1979 and 1980, each real estate broker and agent shall complete 7 hours of classroom instruction under a program approved by the board. (3) During the years 1981 and 1982, each real estate broker and salesman shall complete 14 hours of classroom instruction under a program approved by the board. (4) During the years 1983 and 1984, each real estate broker and salesman shall complete 21 hours of classroom instruction under a program approved by the board. (5) After 1984, each real estate broker and salesman shall complete 21 hours of classroom instruction under a program approved by the board each 2 years during which the broker or salesman holds a license."

If you have any feelings on this bill or wish to comment on it, you should contact either your district representatives in the Montana Legislature, or the bill's sponsors, Senators A. T. (Tom) Rasmussen and Steve Brown.

A hearing on this bill is imminent so immediate action on your part will assure that you have a voice in this matter.

MONTANA BOARD OF REAL ESTATE

Distributed by Cliff Christian

NAME: Marty Heller DATE: 2-19-19

ADDRESS: 442 Russell Lane - Helena

PHONE: 443-5405

REPRESENTING WHOM? Self

APPEARING ON WHICH PROPOSAL: SB 493

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Vernon E Conall DATE: 2/17/79

ADDRESS: 330 Fuller Ave

PHONE: 442-3333

REPRESENTING WHOM? Self

APPEARING ON WHICH PROPOSAL: SB-493

DO YOU: SUPPORT? yes AMEND? _____ OPPOSE? _____

COMMENTS: 18 years experience as a licensed engineer in that

continuing education in Real Estate is badly needed

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Tom Hozfel DATE: 2-19-79

ADDRESS: PO Box 1721 Helena

PHONE: 443-5554

REPRESENTING WHOM? Montana Association of Realtors

APPEARING ON WHICH PROPOSAL: SB 493

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Robert Cummings DATE: 2-19-79

ADDRESS: Helena

PHONE: 443-777

REPRESENTING WHOM? Board of Real Estate

APPEARING ON WHICH PROPOSAL: SB. 493

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: As Presented

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

TESTIMONY ON SB 493

REAL ESTATE LICENSEE EDUCATION

SENATE BUSINESS AND INDUSTRY COMMITTEE

FEBRUARY 19, 1979

CHAIRMAN HAZELBAKER AND COMMITTEE MEMBERS

I AM ROBERT CUMMINS, CHAIRMAN OF THE REAL ESTATE BOARD.

EVEN THOUGH THE MEMBERS OF THE CURRENT BOARD WILL BE TERMINATED ON JULY 1, 1979, WE DO WANT TO PRESENT THIS TESTIMONY IN OPPOSITION TO SB 493. THIS IS ESSENTIALLY THE SAME MANDATORY EDUCATION BILL FOR LICENSEES THAT WAS INTRODUCED FOR THE MONTANA ASSOCIATION OF REALTORS LAST SESSION. THIS BOARD CONTINUES TO OPPOSE THIS BILL BECAUSE IT SUFFERS FROM MOST OF THE SAME DRAWBACKS NOW AS THEN.

I. THE BOARD OF REAL ESTATE IS IN FAVOR OF INCREASED PUBLIC PROTECTION BROUGHT ABOUT THROUGH:

A. INCREASED KNOWLEDGE BY LICENSEES THROUGH REAL ESTATE EDUCATION OBTAINED:

1. IN FORMAL CLASSROOM INSTRUCTION
2. THROUGH CORRESPONDENCE COURSES
3. BY READING TEXTS AND OTHER PUBLICATIONS DEALING WITH REAL ESTATE MATTERS

II. THE BOARD DOES NOT BELIEVE THAT THIS BILL WILL RESULT IN ANY MEANINGFUL INCREASE IN LEVEL OF PUBLIC PROTECTION.

A. TOO MANY BROKERS WHO NEED THE EDUCATION WILL BE EXEMPT BY THE PROVISION "THE BOARD SHALL ALLOW A BROKER CREDIT FOR 1 HOUR OF CLASSROOM INSTRUCTION FOR EACH YEAR HE HAS BEEN LICENSED AS A BROKER" (p. 7, lines 17-19). "GRANDFATHER BROKERS" WHO PAID \$10 FOR A BROKER'S LICENSE IN 1963 WERE NEVER REQUIRED TO TAKE A MINIMUM COMPETENCY TEST BEFORE THEY RECEIVED THEIR BROKER'S LICENSE NOR ANY COURSES. THEY WILL NEVER BE REQUIRED TO TAKE ANY COURSES SINCE THEY HAVE OR WILL HAVE ENOUGH YEARS OF EXPERIENCE TO SUBSTITUTE FOR MANDATORY HOURS OF CLASSROOM INSTRUCTION. THAT IS,

1. BY 1980, EACH WILL HAVE BEEN LICENSED 18 YEARS, SO THE CREDIT OF 18 HOURS EXCEEDS THE 7 HOURS OF CLASSROOM INSTRUCTION REQUIRED FOR THE YEARS 1979 AND 1980.
2. BY 1982, EACH WILL HAVE BEEN LICENSED FOR 20 YEARS, SO

THE CREDIT OF 20 HOURS WILL EXCEED THE 14 HOURS OF CLASSROOM INSTRUCTION REQUIRED FOR THE YEARS 1981 AND 1982.

3. BY 1984, EACH WILL HAVE BEEN LICENSED 22 YEARS, SO THE CREDIT OF 22 HOURS WILL EXCEED THE 21 HOURS OF CLASSROOM INSTRUCTION REQUIRED FOR THE YEARS 1983 AND 1984.

4. AFTER 1984, SINCE THE HOURS OF CLASSROOM INSTRUCTION REMAINS AT 21, THE BROKER WILL NEVER HAVE TO ATTEND ANY COURSES TO BE RELICENSED (p. 6, lines 23-25, and p. 7, lines 1-10).

B. NO TESTS CAN BE GIVEN TO SEE IF THE LICENSEE LEARNED ANYTHING FROM THE COURSE (p. 7, lines 20-22). AT THE SAME TIME, THE PUBLIC WILL BE LED TO BELIEVE THAT SINCE ALL LICENSEES MUST HAVE MET THE BOARD'S EDUCATIONAL REQUIREMENTS THAT ALL LICENSEES ARE FULLY COMPETENT TO REPRESENT THE PUBLIC. NOTHING COULD BE FURTHER FROM THE TRUTH, ESPECIALLY IF THE LICENSEE TOOK A "MICKEY MOUSE" OR "FUN AND GAMES" TYPE COURSE TO MEET THE 7 HOURS OF CLASSROOM INSTRUCTION REQUIREMENT EVERY TWO YEARS. (SEE THE "SKI BIG SKY" BROCHURE. IT ASKS, "IS YOUR REAL ESTATE OFFICE WORKING FOR YOU"? IT BETTER BE TO PAY THE \$295 FEE FOR THIS 3½-DAY SKI AND COCKTAIL PARTY INTERSPERSED WITH 6 HOURS OF SEMINARS.)

REST ASSURED THAT MORE AND MORE "MICKEY MOUSE" AND "FUN AND GAMES" TYPE COURSES WILL BE OFFERED TO MEET THE MANDATORY EDUCATION REQUIREMENTS OF LICENSEES IF THIS BILL BECOMES LAW.

C. NEARLY ANY COURSE WILL MEET THE BILL'S REQUIREMENT (p. 8, lines 14-15, and p. 9, lines 1-3). AND EVEN THOUGH THE BOARD IS RESPONSIBLE FOR APPROVING REAL ESTATE SCHOOLS, INSTRUCTIONAL PROGRAMS, AND CLASSROOM COURSES (p. 9, lines 9-12), IT IS FORCED TO APPROVE ALL REAL ESTATE-RELATED COURSES AND PROGRAMS OFFERED BY SCHOOLS OR INSTITUTIONS ACCREDITED OR APPROVED BY THE BOARD OF REGENTS OR BY THE NATIONAL (AND THEREFORE MONTANA) ASSOCIATION OF REALTORS OR LICENSED UNDER TITLE 20, CHAPTER 30 (PROPRIETARY SCHOOLS)(p. 11, lines 1-6). CAN ANYONE SERIOUSLY BELIEVE THAT EACH AND EVERY COURSE OFFERED BY THESE GROUPS SHOULD BE APPROVED IF THE TRUE INTENT OF THIS BILL IS INCREASED PUBLIC PROTECTION AND NOT INCREASED REVENUE TO THE SPONSOR

OF THE COURSE OR A PLOY TO GET RID OF FIRST INACTIVE AND THEN PART-TIME LICENSEES? IN ALL LIKELIHOOD, THE "SHADY" LICENSEES WILL USE THESE POOR QUALITY AND/OR "MICKEY MOUSE" TYPE COURSES TO MEET THEIR EDUCATIONAL REQUIREMENTS.

III. SERIOUS VIOLATIONS OF LICENSE ACT ARE BY THE DISHONEST, NOT BY THE IGNORANT

A. VAST MAJORITY OF COMPLAINTS INVOLVE REALTORS (80-90 %) WHO HAVE TAKEN COURSES.

B. CANNOT MAKE A DISHONEST PERSON HONEST OR ETHICAL THROUGH EDUCATIONAL COURSES. BUT CAN MAKE LICENSEES ACT AS IF THEY ARE HONEST BY CONDUCTING PROMPT AND THOROUGH INVESTIGATIONS AND SUSPENDING OR REVOKING LICENSES WHEN VIOLATIONS ARE PROVEN. PROPERLY DONE INVESTIGATIONS TAKE TIME, QUALIFIED INVESTIGATORS, AND ADEQUATE FUNDING.

C. THE MOST EFFECTIVE AND LEAST COSTLY METHOD OF PROTECTING THE PUBLIC IS BY ENFORCEMENT OF THE LICENSE LAW AND PROSECUTION OF THE FEW "BAD APPLES"---NOT FORCING MANDATORY EDUCATION ON ALL LICENSEES.

IV. COST IMPACT OF THIS BILL ON THE BOARD AND, IN TURN, ON LICENSEES WILL BE SUBSTANTIAL.

A. COST OF 2 SUPPORT STAFF EMPLOYEES JUST TO KEEP TRACK OF WHICH LICENSEES HAVE TAKEN WHICH COURSES (p. 7, lines 11-16), WHICH LICENSEES HAVE MET THE EDUCATIONAL REQUIREMENT AND NOTIFYING LICENSEES OF THEIR STATUS BEFORE THE CUT OFF PERIOD, AND PREPARING INFORMATION FOR BOARD ACTION ON APPLICATIONS FOR EXTENSION OF LICENSES (p. 7, lines 23-25, and p. 8, lines 1-10) WOULD BE \$25,000 PER YEAR, OR \$5 PER LICENSEE PER YEAR FOR THE 5,000 LICENSEES EXPECTED BY LATE 1979.

B. IN ADDITION, ANOTHER 2 EMPLOYEES WOULD BE REQUIRED TO TRAVEL TO AND OBSERVE COURSES PROPOSED FOR BOARD APPROVAL, TO TRAVEL TO AND OBSERVE COURSES APPROVED BY THE BOARD TO SEE IF THEY SHOULD RETAIN THEIR "APPROVED" STATUS (p. 10, lines 14-15), AND TO PREPARE MATERIAL FROM THE INVESTIGATIONS FOR BOARD DETERMINATIONS REGARDING APPROVAL OF EXISTING REAL ESTATE SCHOOLS, INSTRUCTIONAL PROGRAMS, AND CLASSROOM COURSES (p. 9, lines 11-14) AND FOR BOARD DETERMINATIONS REGARDING THOSE APPLYING TO THE BOARD FOR A REAL ESTATE SCHOOL LICENSE. (p. 9, lines 15-19). THE COST OF THESE 2 EMPLOYEES AND THEIR PER DIEM AND TRAVEL EXPENSES COULD REACH

\$45,000, OR ANOTHER \$9 PER LICENSEE PER YEAR.

- C. ADDITIONAL BOARD TIME WILL ALSO BE REQUIRED TO ACT ON POLICY FORMULATION AND IMPLEMENTATION ISSUES, AND IN DECISIONS ON EXTENSION OF LICENSES, ETC., ASSOCIATED WITH THIS BILL. IF THEIR MEETINGS HAD TO BE EXTENDED 1 DAY EACH MONTH, THIS COULD AMOUNT TO \$5,000 PER YEAR IN EXTRA PER DIEM AND OTHER EXPENSES. THE TOTAL IMPACT OF ADMINISTERING THIS MANDATORY EDUCATION BILL WOULD BE \$75,000, OR \$25 PER LICENSEE PER YEAR. AND THE LICENSEE WOULD END UP PAYING THE BILL EITHER TO THE BOARD THROUGH HIGHER LICENSE FEES OR TO THE SPONSOR OF THE SCHOOL WHO WOULD HOPEFULLY BE ASSESSED A PROPORTIONATE SHARE FOR ADMINISTERING THIS ACT.
- D. SPENDING \$75,000 PER YEAR TO ADMINISTER THE MANDATORY EDUCATION ACT MAY PRECLUDE FUNDING FOR THE MORE NEEDED INVESTIGATORY AND HEARING EXPENSES.

V. SELECTED VERBATIM COMMENTS FROM THE 1978 LICENSEE QUESTIONNAIRE (see handout for all 170 comments).

- A. (#0010) "...MORE EMPHASIS SHOULD BE PUT ON 'IN HOUSE' TRAINING. ...TRAINING SHOULD BE THE BROKERS RESPONSIBILITY.
- B. (#0030) " IN RECENT YEARS WE BROKERS MUST SPEND A WEEK TEACHING NEW EMPLOYEES TO FORGET EVERYTHING THEY LEARNED IN SCHOOLS, SO WE CAN STAY OUT OF JAIL."
- C. (#0090) "...PROponents OF THIS MOVEMENT HAVE ULTERIOR MOTIVES OF BECOMING REAL ESTATE EDUCATORS THEMSELVES WITH A CAPTIVE MARKET AND THE REST ARE BASICLY TRYING TO CURB COMPETITION IN THE FIELD. MY EXPERIENCE SO FAR OF POOR REAL ESTATE AGENTS STEMS NOT FROM THE FACT THAT THEY ARE POORLY EDUCATED BUT THAT THEY EITHER DON'T CARE ABOUT DOING A GOOD JOB OR THAT THEY ARE PLAIN AND SIMPLY DISHONEST. EDUCATION WILL NOT CORRECT THOSE PROBLEMS."
- D. (# 0389) "REQUIRED EDUCATION CAN FORCE FARTICIPANTS TO GO TO POORLY PLANNED, IRRELEVANT SEMINARS WHICH ARE DESIGNED FOR VOLUME OF PEOPLE GOING THRU BUT REALLY NOT TRYING TO LEARN."
- E. (#0476) "I CERTAINLY WOULD LIKE TO SEE A MANDATORY REQUIREMENT OF A CERTAIN AMOUNT OF CONTINUING EDUCATION (SEMINARS/ WORKSHOPS) AS A MEANS OF 'WEEDING OUT' PART TIME SALESPERSONS."
- F. (#0491) "IF THERE IS TO BE PROFITEERING THROUGH EDUCATION - DO NOT MAKE IT COMPULSORY."
- G. (#0846) "CONTINUING EDUCATION SHOULD INCLUDE A VARIETY OF COR-

- H. (#1238) "THE TREND OF EDUCATIONAL COURSES CONTEMPLATED FOR 1979 BY THE REALTOR'S ADMINISTRATION TENDS TO SUPPORT 90% RECREATIONAL TIME AND A MINIMUM OF ACTUAL INSTRUCTION AND THE TENDENCY TO SCHEDULE COURSES AT RESORTS IN PRIME TIME SO AS TO ALLOW WRITE-OFFS FOR TAX PURPOSES FOR FUN AND GAMES, RATHER THAN A SERIOUS EFFORT TO IMPROVE THE KNOWLEDGE AND RESPONSIBILITY OF LICENSEES IN THE INDUSTRY."
- I. (#1858) "THE MAIN PROBLEM WITH REAL ESTATE PEOPLE IN MONTANA IS NOT LACK OF EDUCATION, BUT A LACK OF BASIC HONESTY."
- J. (#1996) "I'M A FIRM BELIEVER IN CONTINUING EDUCATION, IF IT IS CONDUCTED FOR THE BENEFIT OF THE LICENSEES AND NOT FOR THE MONETARY ENRICHMENT OF THE PEOPLE CONDUCTING THE COURSES...CONTINUING EDUCATION WILL SWIFTLY BECOME A RIP OFF MUCH THE SAME AS THE PRE-LICENSURE COURSES HAVE BECOME...CONTINUING EDUCATION WOULD RUN RAPIDLY DOWN THE SAME ROAD, WITH ANY FAST-TALKING PROMOTER ABLE TO CONVINCING THE REAL ESTATE COMMISSION THAT HIS COURSE WAS IDEAL FOR THE PROGRAM, PUTTING TOGETHER A LOT OF JUNK, AND PEDDLING IT TO BROKERS AND SALESPERSONS WHO WOULD BE REQUIRED TO TAKE SUCH COURSES IN ORDER TO BUILD UP THE REQUIRED NUMBER OF HOURS."

VI. NEED FOR INPUT FROM STUDIES SPONSORED BY BOARD REGARDING NEED FOR AND BEST FORM OF CONTINUING EDUCATION.

A. REVIEW RESULTS FROM THE 1977 AND 1978 LICENSEE QUESTIONNAIRES	<u>TABLE NO.</u>
1. OVER 96% OF LICENSEES ARE HIGH SCHOOL GRADUATES	8
2. NEARLY 40% ARE COLLEGE GRADUATES	8
3. OVER 60% FAVOR AT LEAST 40 HOURS OF PRE-LICENSURE EDUCATION	9
4. ONLY 20% FAVOR MORE EDUCATION PRIOR TO EACH LICENSE RENEWAL	10
5. OVER 40% FAVOR SEMINAR AND/OR WORKSHOP TYPE OF EDUCATION	11
B. BOARD CONCLUDES THAT LICENSEE MONEY WOULD BE BETTER SPENT AND PUBLIC WOULD BE BETTER PROTECTED BY CONDUCTING MORE INVESTIGATIONS OF ALLEGED VIOLATIONS RATHER THAN ADMINISTERING A MANDATORY EDUCATION ACT. THIS BILL WILL RAISE MONEY, BUT IT WILL NOT RAISE THE LEVEL OF PROTECTION AFFORDED TO THE PUBLIC TO ANY DEGREE.	

TABLE 8. HIGHEST LEVEL OF FORMAL EDUCATION

EDUCATION

F. "What is the highest level of formal education you have obtained?"

ALL RESPONDENTS

CODE DESCRIPTION

- 1. Grade school
- 2. Some high school
- 3. High school graduate
- 4. Less than 2 years college
- 5. Two year college graduate
- 6. More than 2 but less than 4 years college
- 7. College graduate
- 8. Some college graduate studies
- 9. Advanced college degree

TOTAL	12	13	14	15	16	17	18	19	20	21	22
12	19	73	78	12	28	46	446	38	16	8	22
13	34	364	373	4	18	284	284	15	16	8	60
14	155	78	373	4	28	46	446	38	16	8	638
15	23	12	53	0	18	18	446	15	16	8	46
16	86	50	284	8	38	38	446	15	16	8	446
17	152	75	273	15	16	16	446	15	16	8	634
18	42	42	188	5	16	16	446	15	16	8	310
19	41	145	145	2	16	16	446	15	16	8	310
20	7	145	145	2	16	16	446	15	16	8	310
21	7	145	145	2	16	16	446	15	16	8	310
22	7	145	145	2	16	16	446	15	16	8	310

ACTIVE

PART-TIME

FULL TIME

	PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER
1. Grade school	1.0	0.0	0.3	0.0	0.0	0.0	3.6	1.0	1.6	0.0	3.9	4.0	0.0	0.7	0.0	0.0	0.0	0.0
2. Some high school	2.9	3.3	1.6	3.3	0.0	0.0	5.4	2.9	2.7	0.0	3.9	0.0	11.1	1.3	0.0	0.0	0.0	0.0
3. High school graduate	18.7	19.6	21.4	23.3	19.1	19.1	21.6	20.8	17.1	30.0	15.4	12.0	22.2	18.2	20.0	13.1	0.0	0.0
4. Less than 2 years college	20.4	20.0	21.7	10.0	28.6	28.6	24.6	25.7	18.5	10.0	7.7	32.0	16.7	16.9	0.0	22.0	0.0	0.0
5. Two year college graduate	2.5	2.5	2.8	0.0	0.0	0.0	6.0	5.9	3.1	0.0	3.9	0.0	0.0	3.3	0.0	0.0	0.0	0.0
6. More than 2 but less than 4 years college	13.7	16.3	15.4	16.7	9.5	9.5	8.4	7.9	16.7	10.0	11.5	4.0	11.1	13.6	20.0	14.5	0.0	0.0
7. College graduate	23.1	22.9	21.2	36.7	42.9	42.9	15.6	13.9	16.5	10.0	23.1	24.0	27.8	27.3	32.0	25.3	0.0	0.0
8. Some college graduate studies	13.3	12.7	8.9	10.0	0.0	0.0	7.2	9.9	13.3	0.0	19.2	8.0	5.6	11.7	20.0	12.1	0.0	0.0
9. Advanced college degree	4.6	2.9	6.7	0.0	0.0	0.0	7.8	5.9	11.4	10.0	11.5	16.0	5.6	7.1	10.0	5.5	0.0	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

100.0 100.0 →

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INACTIVE

ACTIVE

PART-TIME

FULL TIME

TABLE 9. HOURS OF PRE-LICENSURE EDUCATION BELIEVED NECESSARY.

G. "Prior to licensure how many hours of real estate related education do you believe are necessary?"

ALL RESPONDENTS

CODE	DESCRIPTION	FULL TIME						PART-TIME						INACTIVE					
		PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER	IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER
1.	0 hours	3.9	3.7	2.7	0.0	5.3	4.5	8.8	2.7	0.0	12.0	4.4	11.1	4.1	12.0	2.3			
2.	1 to 10 hours	5.5	3.7	3.7	10.3	15.8	7.6	7.9	7.1	22.2	4.0	4.4	11.1	7.6	10.0	7.2			
3.	11 to 40 hours	30.1	31.8	26.2	34.5	36.8	37.6	35.2	35.7	33.3	28.0	39.1	27.8	26.0	20.0	27.6			
4.	over 40 hours	10.7	60.7	67.4	55.2	42.1	13.4	46.2	54.4	44.4	53.0	52.2	50.0	60.3	60.0	60.7			
	TOTAL	100.0	100.0																

	Prin. Brok.	Brk-Sales	Sales	Appr.	Other	Total
1.	28	19	51	1	6	105
2.	44	20	91	6	12	173
3.	225	114	516	15	38	908
4.	394	198	1,139	26	75	1,832
Total	691	351	1,797	48	131	3,018

INACTIVE

ACTIVE

PART-TIME

FULL TIME

ABLE 10. POST-LICENSURE EDUCATION
NEEDED PRIOR TO LICENSE RENEWAL.

"After licensure do you believe there is a need to complete a minimum number of educational programs/seminars prior to license renewal?"

ALL RESPONDENTS	FULL TIME						PART-TIME						INACTIVE					
	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER			
19.8	21.2	22.0	27.4	6.7	9.5	8.5	7.5	10.1	0.0	0.0	4.8	17.7	15.9	10.0	13.6			
38.9	41.0	38.2	41.5	63.3	47.6	26.2	20.2	39.0	22.2	42.3	23.8	17.7	43.1	52.0	27.6			
41.3	37.3	29.5	31.2	32.0	42.9	65.2	72.3	50.0	47.2	57.7	41.4	64.7	42.1	40.0	56.8			
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			

• Prior to each renewal period
• Prior to several renewal periods
• NO NEED
TOTAL

Prim Broker	Bo-Sal	Sales	Appr.	Other	Total
127	63	391	3	14	598
259	114	731	26	47	1,177
314	175	667	20	74	1,250
700	352	1,789	49	135	3,025

INACTIVE

ACTIVE

PART-TIME

FULL TIME

TABLE 11. FORM OF CONTINUING EDUCATION DESIRED.

ALL RESPONDENTS	ACTIVE						INACTIVE							
	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER	OTHER	PRINCIPAL BROKER/BROKER IN CHARGE/MANAGING BROKER	BROKER-SALESPERSON	SALESPERSON	APPRAISER

	PERCENT														
42.7	49.0	48.6	41.4	31.0	47.6	47.5	38.5	39.4	30.0	46.2	50.0	22.2	15.6	23.2	31.8
1.1	.6	.4	1.1	3.5	4.8	1.3	1.0	.6	0.0	0.0	0.0	5.6	2.0	0.0	1.1
36.2	28.5	32.9	44.4	51.7	33.3	15.2	20.8	36.2	10.0	34.6	13.6	50.0	33.6	55.6	38.6
14.0	14.6	11.5	8.8	10.3	4.8	27.2	27.1	18.9	50.0	15.4	36.4	11.1	12.1	22.2	20.5
5.7	7.3	6.6	4.0	3.5	9.5	8.9	12.5	4.9	10.0	3.9	0.0	11.1	6.7	0.0	8.0
0.041	0.001														

1. "Do you believe continuing education, in addition to in-house training, should be in the form of _____?"

CODE DESCRIPTION

1. Only seminars and/or workshops (1-5 days) conducted at locations throughout Montana
2. Only formal classroom instruction (quarter or semester basis) conducted on campuses
3. Both seminars and/or workshops, and formal classroom instruction
4. Neither seminars and/or workshops nor formal classroom instruction
5. Other, explain:

Code	Description	Count	Percent	Total
1	Only seminars and/or workshops (1-5 days) conducted at locations throughout Montana	289	68.1	421
2	Only formal classroom instruction (quarter or semester basis) conducted on campuses	15	3.6	421
3	Both seminars and/or workshops, and formal classroom instruction	271	64.4	421
4	Neither seminars and/or workshops nor formal classroom instruction	33	7.8	421
5	Other, explain:	5	1.2	421
TOTAL		421	100.0	421

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TABLE 21. Require special license for employing/managing broker.

T. "Should a special license be required for employing/managing brokers (as opposed to a one-person principal broker operation) including special training in trust fund accounting, management, personnel and other subjects?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. No	72.3	68.2	76.5	77.8	76.6	77.9	80.5	55.9	75.0	82.1
2. Yes	27.7	31.8	23.5	22.2	23.4	22.1	19.5	44.1	25.0	17.9
TOTAL	100.0--									

TABLE 22. Hours of pre-licensure education believed necessary.

U. "Prior to licensure how many hours of education do you feel necessary?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. 10 hours	13.7	10.7	9.3	10.7	15.7	15.3	22.0	18.6	30.3	38.1
2. 20 hours	11.2	9.7	11.1	9.7	11.6	27.1	14.2	10.3	15.2	16.1
3. 30 hours	8.6	7.9	6.2	7.7	12.3	5.9	15.0	7.7	3.0	8.3
4. 40 hours	66.5	71.7	73.3	71.8	60.4	51.8	48.8	63.4	51.5	36.5
TOTAL	100.0--									

TABLE 23. Post-licensure education needed for license renewal.

(a) "After licensure do you feel there is a need to complete a minimum number of educational programs prior to license renewal?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE			INACTIVE					
		FULL TIME	PART TIME		INACTIVE					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. Prior to each renewal period	15.7	21.2	17.7	19.9	8.6	7.1	3.0	10.2	5.6	0.0
2. Prior to several renewal periods	30.3	35.3	29.9	32.6	28.7	19.2	18.9	29.1	16.7	12.5
3. NO NEED	54.0	43.5	52.4	47.5	62.7	73.7	78.0	60.7	77.8	87.5
TOTAL	100.0--									

TABLE 24. On-going education and training program of firm associated with.

"Does the real estate firm with which you are now associated have a regular on-going education and training program?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE			INACTIVE					
		FULL TIME	PART TIME		INACTIVE					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. No	52.6	41.4	51.5	48.9	54.1	81.1	76.6	69.5	94.1	84.2
2. Weekly	26.0	36.4	19.9	25.5	24.5	10.5	2.3	16.2	2.9	7.9
3. Monthly	7.3	7.7	10.0	9.5	6.6	2.1	5.5	3.9	2.9	2.6
4. Less frequently than monthly	14.1	14.4	18.6	16.0	14.8	6.3	15.6	10.4	0.0	5.3
TOTAL	100.0--									

Submitted by
Robert Cummings
2/19/79

APPENDIX A. Comments to Question "H"--Post-licensure education needed prior to license renewal. 1/

- (13) H. After licensure do you believe there is a need to complete a minimum number of educational programs/seminars prior to license renewal?
1. Prior to each renewal period
 2. Prior to several renewal periods
 3. NO NEED

- 0132 "3" Depending upon broker's instruction and supervision.
0317 Depends on individual--the education does NOT have to come in formal programs, but may. There is a need for continuing education in Real Estate Transaction Business, but can come in different forms.
- 0869 "3" Shouldn't be mandatory.
1027 It is wise to continue and expand one's knowledge, but this should NOT be compulsory.
- 1082 "3" May be good first 5 years. Dangerous area--too much regulation worse than too little education.
- 1191 "3" If supervising broker does his job.
1365 "3" How many other professions require mandatory education prior to license renewal?
- 1374 "3" It weeds out non-producers automatically.
1466 "3" Should be voluntary--too much regimentation can be dangerous.
1657 "3" Some seminars are absolutely worthless for a person who keeps up on trends and economics for his own business.
- 1828 What would constitute acceptable courses?
1877 Believe that the moral-ethics code should be more strictly adhered to--rather than educational
- 2040 A need but not a requirement; substitute an award system.
2181 State sponsored; no exam.
2183 Like #1, but no exam.
- 2276 "3" NO NEED if you are full time.
2756 Need, yes; requirement, no.
2773 Learn less when mandatory.
2820 #1 but no mandatory exam.
3125 "2" Prefer voluntary to another law.

1/ Source: Real Estate Licensee Questionnaire, Montana Board of Real Estate, Department of Professional and Occupational Licensing, Helena, Montana, Dec. 1978.

APPENDIX B. Comments to Question "I"--Form of continuing education desired. 1/

- (14) I. Do you believe continuing education, in addition to in-house training, should be in the form of?
1. Only seminars and/or workshops (1-5 days) conducted at locations throughout Montana
 2. Only formal classroom instruction (quarter or semester basis) conducted on campuses.
 3. Both seminars and/or workshops.
 4. Neither seminars and/or workshops nor formal classroom instruction.
 5. Other, explain: _____

0002 "5" Experience best teacher.
0009 "5" Depends upon an individual's situation.
0025 "5" There is only one place to get additional education--in the field.
0028 "5" The brokers should do much more classroom instruction.
0041 "5" Voluntary seminars and workshops.
0064 "5" Every five years retest to relicense
0071 "5" Individual needs
0090 "5" Whatever the agent chooses!
0108 "5" #1 plus courses sponsored by Nat'l Realtors Assoc.
0125 "5" Refresher would be nice as long as it doesn't become a money-making gimmick for the class.
0166 "5" Any good broker will continue education voluntarily.
0167 "5" Brokers should continually self improve themselves.
0179 "5" Professional organizations.
0200 "5" The amounts that time and money will allow.
0205 "5" Through broker.
0220 "5" 8-12 hours seminars based on some phase of R.E.
0239 "5" Varies according to licensee.
0248 "5" Up to individual's need.
0252 "5" Individual's responsibility.
0258 "5" Left to individual--we don't need more Gov't.
0264 "5" #1 plus include nat'l courses--IREM, etc.
0265 "5" Local, state AND nat'l courses.
0269 "5" Based on Broker's own individual needs.
0273 "5" Update in laws provided by license bureau.
0274 "5" Update in laws provided by license bureau by mail.
0294 "5" Only those by Board itself--not private individuals.
0317 "5" Various forms--Individual reading, personal contact.
0428 "5" All of the above.
0462 "5" Whatever each person feels need for.
0499 "5" Tape, video or text publication and information.
0502 "5" State-issued advisory bulletins pertaining to changes in law.
0513 "5" Not for active Brokers unless they want it.
0519 "5" Experience
0520 "5" Attending seminars relative to type of activity involved in.
0595 "5" Correspondence classes.

0600 Participate in education programs as one deems necessary.
 0623 Whatever is most convenient for licensee.
 0641 Seminars and/or GRI in Great Falls.
 0658 "1" If properly instructed.
 0659 "1" If low fees and properly taught.
 0681 "5" Optional but not mandatory.
 0689 "1" I believe in continuing education but not mandatory.
 0696 "1" Should teach new laws such as subdivision, etc.
 0718 "5" Self education and honesty.
 0738 "5" #1 plus out of state courses.
 0824 "5" Strout has continual training.
 0826 "5" Minimum amount of business conducted.
 0828 "3" Broker training.
 0862 "5" No requirement if salesperson over 55-65.
 0882 "5" Option of correspondence course or seminar.
 0889 "5" Both seminars and workshops, and formal instruction sponsored by State and National Boards.
 0909 "1" But at a minimum expense thru Realtors and Borad of Real Estate. I think everyone is becoming a lecturer.
 0911 "1" Sponsored and paid by State.
 0921 "1" Like doctors, if they don't attend they will soon be out of business.
 0929 "5" Let person decide for themselves.
 0944 "5" Should be available but not mandatory.
 0945 "5" In-house training sufficient.
 0960 "5" Require 1 accredited course per year.
 0987 Should be up to individual.
 0988 All above but optional.
 1000 "5" #1 conducted anywhere.
 1006 "5" No continuing education should be required by law.
 1016 For continued education, but not compulsory.
 1026 "5" Experience, study books, etc.
 1027 "5" License as a salesman 3-4 years amd work out of a good broker's office.
 1047 "5" #3 above, but at the option of licensee.
 1056 "5" Self education.
 1064 "5" No more necessary besides in-house training.
 1104 1 day seminars & workshops conducted throughout MT by Board of R.E.
 1121 "5" Either should be acceptable (1 or 2)
 1131 If active, none should be necessary.
 1124 "5" Continuing activity in sales and closings.
 1139 "1" Franchise training should count.
 1146 "5" Survival of the fittest.
 1149 "5" I believe education should be up to the individual.
 1150 "5" What's available now looks sufficient.
 1157 "5" Need more in-county instruction (to reduce distance).
 1158 "5" Voluntary education.
 1163 "5" Up to date education, but I'm not dogmatic about where or how much.
 1165 "5" Either 1 or 2, only on a "voluntary" self-improvement, basis.
 1168 Some education (seminars) 1st 5 years, none there after.
 1182 "1" Voluntary basis.
 1202 "5" Sponsored by Realtor groups as to need.
 1213 "5" In-office speakers; Question & Answer, plus "I"
 1226 Special courses
 1267 In-house training

1271 Voluntary workshops or seminars.
 1345 "5" Require a \$100,000 bond.
 1410 "5" No need to enforce this, expensive and wasteful.
 1411 "5" Under competent broker.
 1416 "4" Self-education.
 1419 "5" Local workshops & seminars--paid by members of locals. Also
 need update in changes in laws affecting R.E. people.
 1424 "3" Would like to see more 2-day seminars.
 1433 "5" Own studies.
 1466 "3" On a voluntary basis.
 1501 "5" Should be up to individual to self educate.
 1523 "5" Brokers school selfs.
 1552 "5" Periodic testing.
 1709 "5" All licensees should be made aware of changes in R.E. laws.
 1770 "3" Should be voluntary.
 1773 "4" Plus correspondence type home study.
 1792 "5" Would also like to see correspondence, self study type education.
 1834 "5" Should be licensees option.
 1836 "5" Rest with individual.
 1848 "4" Home study.
 1858 "5" Do not believe in mandatory education.
 1883 I definitely am in favor of continued education for maintaining a license.
 1887 Education should be sole responsibility of broker, not State.
 1910 "4" No further instruction needed under grandfather clause.
 1921 "5" Should be on a voluntary basis.
 1946 "5" I do if the method and place is proper-we can't close our door. Make
 education an incentive rather than a requirement (different kinds
 of licenses based on seminars attended).
 1947 "5" First year after license.
 1950 "5" Self study and optional courses.
 1979 "5" Not by law, only by voluntary.
 1991 "5" Each case different situation.
 2031 "5" Both seminars and/or workshops OR formal classroom instruction.
 2074 "5" On the job experience beats any schooling.
 2091 "5" Nat'l seminars are equal or better.
 2093 "4" R.E. is a self-regulating profession.
 2197 "5" Education is necessary-not mandatory.
 2217 "5" Self-study & application of abilities.
 2228 "5" Home study.
 2248 "5" Should be optional.
 2287 "3" But not required.
 2309 "5" One day seminars every 2 years.
 2312 "5" Voluntary in field of choice.
 2347 "5" Educational material furnished by State Board of Realtors and
 attending seminars.
 2374 "5" Self taught should not be discounted.
 2377 "5" Should require degree.
 2410 "5" Combination of all.
 2421 "5" Working with good broker.
 2465 "5" Would like to see correspondence course.
 2525 "3" But on an elective basis--not mandatory.

2526 "3" Not mandatory, but on an elective basis.
 2540 "5" Training should be conducted by brokers.
 2559 "5" Self study programs.
 2569 "5" Self study or correspondence course.
 2571 "5" On the job broker training for salespeople.
 2592 "5" Courses conducted by Nat'l Board of Realtors (designations).
 2595 "5" Campus to be waived if not available locally.
 2620 "4" Also continuous reading.
 2631 "5" Also nationally recognized courses: NAR-AIREA-SREA.
 2632 "5" Credit for national meetings should count.
 2636 "5" Keep up with new requirements and regulations.
 2654 "5" Not in farm and ranch brokerage.
 2698 "5" 1,2 or 3 to extent licensee wants to participate.
 2706 "5" Correspondence.
 2720 "5" In-house training.
 2722 "5" In-house training should be sufficient.
 0273 "5" Practical working instructions-on job training.
 2765 "5" Office workshops and some seminars.
 2767 "5" 1 day seminars only.
 2779 "5" All should be optional.
 2827 "5" Training by qualified broker.
 2842 "5" Only 1 day workshops.
 2862 "5" Our in-house training surpasses anything we have seen offered.
 2894 "5" National level R.E. courses such as CCI, etc.
 2899 "5" Experience.
 2909 "5" Employee training responsibility of broker.
 2912 "5" Field work with successful broker.
 2923 "4" If you know ranching or construction you can be a broker.
 2927 "5" In-house training only.
 2929 "5" In-house training only.
 2939 "5" Day to day experience.
 2942 "4" Experience is still best teacher.
 2951 "4" 2 day work shop helpful-not mandatory.
 2954 "5" Keep up with current laws and changes.
 2958 "5" Office work shops and some seminars.
 2972 "5" Develop your experience and information as you see fit.
 2980 "5" Correspondence courses, books, self education by reading.
 2992 "5" Continual study on own.
 2995 "5" Up to individual--his gain or loss.
 3016 "5" On the job training most important.
 3020 "5" Prior training and study BEFORE licensing most important.
 3054 "5" Review of R.E. laws.
 3056 "5" Review of R.E. laws.
 3063 "5" Broker-held classes & volunteer seminars.
 3093 "5" Either #3 or independent study.
 3107 "5" Up to date Montana R.E. Manual.
 3152 "5" Should be optional to individual.
 3153 "5" #4 with optional time schedule.
 3160 "5" #3 plus some national courses outside Montana.
 3179 "5" Education reflects ones income! Self motivation.

- 3221 "5" Seminars and workshops, formal classes (not quarter or semester).
3227 "5" GRI-also #1 and formal classroom instruction if for a short time.
3228 "I" Much called real estate education is a waste of time.
3245 "5" I think the broker can and should keep his salespeople and self
up-to-date.
3258 "5" Each person requires something different and I feel it should be
their choice.

1/ Source: Real Estate Licensee Questionnaire, Montana Board of Real Estate,
Department of Professional and Occupational Licensing, Helena, Montana, Dec. 1978.

APPENDIX C. Summary of General Comments. 1/ 2/

	Dis- Agree	Neu- agree	tral
1. Pre-licensure education: Should be required or mandatory. All comments favored mandatory pre-licensure in the belief that this would result in more capable licensees.	6	0	0
2. Post-licensure education: Should be required or mandatory. Most of those supporting this position believed that mandatory education would keep licensees abreast of changes and would add to their professional abilities. A few saw this requirement as a means of "weeding out part-time salespersons." Most opposing this position emphasized that, while they were in favor of continuing education, they were opposed to mandatory education. They believed that it is up to the individual to decide how much and what type of education is necessary, including home-study and correspondence courses. Experience was mentioned several times as a good source of education. It was generally expressed that licensees who are serious about their careers would keep up educationally; those who do not will be forced out by competition. A few opposed mandatory education because they associated it with governmental intervention. One respondent summed up the feelings of several licensees with the comment that "I believe that many of the proponents of this movement have ulterior motives of being real estate educators themselves with a captive market and the rest are basically trying to curb competition in the field."	11	39	0
3. Schools and seminars: Quality of content, cost and location. While there were differing opinions concerning the quality of the courses, the consensus of those commenting was that their costs were excessive. A consistent theme of many comments was to not make education courses mandatory and further enrich instructors of these courses. Others categorized some of the realty courses as being "rip-offs." Use of out-of-state "experts" unfamiliar with "peculiar" problems faced by Montana licensees was criticized as was the use of in-state broker-competitors.	5	23	1
4. More in-house training. These comments suggested in-house training by the managing broker as a substitute for seminars and other education.	2	0	0
5. Correspondence courses. These were suggested as an alternative to seminars and to reduce travel time and expenses.	3	0	0

	<u>Dis- Agree</u>	<u>Neu- agree</u>	<u>tral</u>
6. Experience as a substitute for additional education. After so much preparation, the benefits of "learning by doing," particularly under the supervision of a capable broker, was emphasized in these remarks.	2	0	0
7. Broker responsibilities. Comments on this issue centered on the responsibility that brokers have in training and supervising their salespeople, including keeping them informed on changes in laws. Some comments suggested that many brokers are relying on others to educate their sales staffs.	0	0	8
8. Concern for level of ethics, morality and honesty. The gist of these comments was that there needs to be more emphasis placed on these attributes by supervising brokers and by instructors of educational programs.	0	0	12
9. State or Board of Real Estate should sponsor courses. It was believed that the State or Board of Real Estate could or should sponsor relatively inexpensive courses throughout the state.	3	0	0
10. Communicate changes in laws affecting real estate to licensees. The consensus was that at least once a year licensees should be informed by mail or in seminars of changes in laws that affect the real estate industry and its licensees.	5	0	0
11. Comments on questionnaire. As expected, a small percentage of the licensees objected to having to complete the questionnaire. Most comments were neutral, requesting that the study results be made public.	1	5	7
12. Change licensing or relicensing procedures. Most of these comments were from licensees who were previously licensed in another state. Suggestions included: increasing the time as a salesperson before becoming eligible to take the broker's examination, requiring a minimum volume of real estate activity to maintain a license, and having various classes of licenses, including a probationary license.	9	0	0
13. Require refresher course when reactivate license or when activity falls below a minimum level. The opinions expressed in these comments were that a refresher course should be required of those who want to reactivate their license after being inactive a number of years and of those who have completed only a minimal volume of activity.	3	0	0
14. Not require a bond when license is in inactive status. All of those commenting objected to having to keep a bond in force when their license is in an inactive status.	6	0	0

	Dis- Agree	Neu- agree	tral
15. Attitude towards part-timers. The three commenting about part-time licensees saw them as unfair competition and the cause of the poor image the public has of licensees.	0	3	0
16. Attitude towards "Grandfather" brokers. Opposing attitudes were expressed. One "Grandfather" broker complimented himself while criticizing others who received their license by schooling. The other saw "Grandfather" brokers as "worst offenders."	1	1	0
17. Attitude towards Realtors and the Realtor Association. The one negative comment was from an individual concerned about the Realtor association trying to dominate control of the industry even though it represents a minority of all licensees. Two others commented that they didn't think that Realtors should be left to supervise themselves if the Board of Real Estate was terminated.	0	1	2
18. Attitude towards bankers and lawyers. One licensee criticized unlicensed bankers for helping brokers. The other thought that licensing bankers as real estate agents was not in the public interest.	0	2	1
19. Attitude towards Board of Real Estate. Two believed that the Board should be maintained to regulate Realtors and other licensees. The other comment was quite critical of the Board.	2	1	0
20. Police licensees more and enforce rules. These comments suggest that there is need for additional field investigation of licensees.	2	0	0
21. Enforce full time participation of active licensees. Two licensees (one inactive and one active part-time) thought it would be a good idea for the Board to "enforce" full time participation on the part of active licensees, presumably to prevent part-timers from taking business away from full time agents.	2	0	0
22. Reciprocity with other states. This person wanted reciprocity between Montana and other states having comparable of more restrictive licensing laws.	1	0	0

1/ Source: Real Estate Licensee Questionnaire, Montana Board of Real Estate, Department of Professional and Occupational Licensing, Helena, Montana, Dec. 1978.

2/ 124 licensees wrote comments on the back of their questionnaire. However, 170 total comments were tabulated because many licensee's comments addressed more than one category of concern.

COMMENTS FROM REAL ESTATE QUESTIONNAIRE (11-78)

0010 "I." It seems to me that a great deal more emphasis should be put on "in house" training. This plus results must give a fair understanding of whether a person is really qualified to become a Real Estate person. Far too much time is spent on seminars, workshops, classroom and not enough on in house presentation of listing, selling, closing. Most of the training should be the Brokers responsibility. If they can't make the sales, then move them out, the same as any other business would. That's another reason there could be merit in a probationary license of perhaps one year to really test ability in selling.

0025 After many years in the real estate business, I know from experience that anyone that is in the business over five (5) years, and made a living at the business - not being subsidized by a pension etc., he or she is qualified to be a broker.

I believe that the real estate exam is too tough for the salesman as he is bewildered and confused until he has helped to write a few contracts and helped complete a few deals. This is when his education really starts. I believe the brokers exam is too tough but I do believe that a salesman should have to put in 4 years before he could take the brokers exam. I, also, believe that a salesman shouldn't be allowed to work for more than 3 brokers during his 4 years. In case of a death of one of his brokers this would be excepted. Many salesmen which I know jump from one broker to another. This type of salesman, in many cases, may not be a credit to the profession.

Many of our professions today are putting to strong and stringent rules and regulations to limit the amount of people. Everywhere we look more regulations, more rules and more requirements to where many people who would make good salesman get discouraged and wont enter the profession. I feel that this has happened to the medical profession and the law profession.

We, in the real estate profession, are very fortunate that economics play such an important part in that if you aren't an ethical broker or salesman you wont be around long enough for the ink to dry on your license.

0030 The law states a real estate salesperson can do only three things, list property, show it and prepare buy-sells.

Any licenced broker who has made a living in the profession a few years can teach a sales prospect more in a week about selling real estate and making a living than they can learn in 2 years of present day schools. Ninety percent of what they learn in schools will never be used or remembered. In recent years we brokers must spend a week teaching new employees to forget everything they learned in schools, so we can stay out of jail. And teach them the basics. Some of them don't even know what a Government lot is.

We must get authority to hire apprentices.

We cannot hire competent sales help under the present set-up. I believe near 80% of the licenced sales help in our state are now retired persons who don't give a dam if they work or not and many are floating and their brokers seldom see them.

0044 If completely inactive, I feel refresher courses should be required after so many years.

0045 Reference G - I would propose a 4 year curriculum, college level, with a B.S. degree in Real Estate prior to licensing.
-then one exam which would entitle the licensee, upon passing the exam, to practice real estate as a salesperson for a period of 4 years, at which time he/she could become an Associate Broker. The licensee would then remain an Associate Broker for two years, where upon he/she could open his/her own office.
-In conjunction with the preceding program would be a requirement for continuing education to keep abreast of the continual changes that are occurring in this field.
-It makes little sense to me to allow persons into this field in the beginning with such a small amount of education required to pass the state exams. It breeds incompetents which is detrimental to the industry.

0070 All required education should be sponsored by or on accredited colleges or universities. I firmly believe you are asking for real problems if you certify individuals or private corporations to conduct required education.

0073 The continuing education "seminars" I have attended were neither worth the time or the money invested. Two examples of this investment are the exchange seminar and the appraising seminar.
I went to the exchange course because they listed one of the phases of instruction as tax ramifications. On the first morning, I asked when the tax area would be discussed. One of the two instructors said they wouldnt have time for any tax discussion. The course was really a pitch session where participants were encouraged to produce their business and commercial listings for the last day when people suddenly appeared from "nowhere" to glean any cream there was. There was essentially no instruction nor input in the three days invested. The appraising course was pitiful. It surely could not have been screened in any way. The instructor was a college prof. who was used to a full quarter with his students - highly personable and totally worthless for a two day course.
What I have to say is about as weighty as one persons vote nationally. The story we hear is, if you gain one thing from the course its worth your time and money. But if the course is not properly contrived and non instructive one prospect missed, plus the entry fee, is pretty costly.

So:

1. I would totally subscribe to upgrading on ethics and new law affecting the industry.
2. I am completely opposed to Realtors conducting the courses- lawyers, accountants, etc. are fine. My Broker conducts regular training of all his people and I don't need to spend money to hear another brokers pet theories.
3. There is, I feel a distinct conflict of interest in Realtors schools, this so competitive business can result in ill feelings and one broker should not have pass or fail decisions over another competitor.

0090

My answers may seem to reflect that education is not important in real estate -- which is not true -- I believe education is very important --- what my answers reflect is a fear of compulsory education which is never right. The good real estate agent will choose to become educated.

I feel that there is quite a move underfoot to make education courses mandatory under the guise of improving the quality of real estate agents. I believe many of the proponents of this movement have ulterior motives of becoming real estate educators themselves with a captive market and the rest are basically trying to curb competition in the field.

My experience so far of poor real estate agents stems not from the fact that they are poorly educated but that they either don't care about doing a good job or that they are plain and simply dishonest. Education will not correct those problems.

0116

I sincerely believe that mandatory continuing education is a must if we are to better ourselves professionally and most important is to better serve our clients in today's changing real estate market.

0127

I think mandatory education to re-license salesman and brokers would be unnecessary. The person who stays active and productive in the business does become more knowledgeable by experience. These people also avail themselves of every educational opportunity including books, trade journals, seminars, etc.

The attempt by some to regulate our business by stringent tests and requirements because they enjoy being scholarly is wrong. The market place will show us the necessity of knowledge.

0144

This is a ridiculous Questionnaire for renewal of an inactive license.

0185

The Real Estate Board should be active in presenting regional required workshops to upgrade the RE business. Rather than trying to keep out sales people by creating a hard exam that doesn't indicate one's ethics nor ability to do a good job. Efforts should be placed on hanging discipline on those who are violating laws and ethical standards. Education, requirements, and review are the answers.

0189

I do not feel that education for the licensed broker should be required. Any broker, with anything on-the-ball, does this as a matter of pride or respect for his profession. Realtors should not be required to pass tests after licensing any more than attorneys or doctors.

0227

My experience has been that workshops and seminars have very little, if any value to me. Possibly because I operate in a small community. It always amazes me that people in charge of the seminars find it necessary to bring someone in from Texas or New York or wherever, when their problems in no way relate to ours. I have attended 5 day sessions and have gained very little that would help me in my business. I feel that 1 hour spent studying material pertinent to your business, at home is more valuable than one day spent in a seminar or workshop.

0249

G.) I believe a good strong, basic education should be required BEFORE an applicant can take the test. A lot of the Real Estate licensure problems would be solved right there.

H.) Once a person has EARNED the right to be licensed and is practicing, I do not believe it would be fair to require that person to Re-Qualify every time license renewal came around. Getting out in the field and working to generate an income is educational in itself. A continuing education of Seminars and workshops is desirable, but within reason. One does need time to take care of the business.

0258

NOTE: Education is a continuing process and the amount of schooling in itself does not make a person educated. My experience with many college people that can't read, write or spell, leaves a lot to be desired. I'll take common sense with experience any day instead of college people with a degree and a fifth grade education. There are many real estate courses given besides colleges. Also experience is probably the best teacher after a point. I resent the implication that all education comes from college---this is discrimination against self-education. Anyone who can pass the test, regardless of formal education, should be received if they meet all other requirements. Incidentally I attended three seminars plus a week's schooling completely on my own without government assistance this past year and bought hundred's of dollars worth of books. I also taught a real estate seminar in _____ and _____, _____ this past year. Let's quit worshipping at the shrine of government run schools and quit trying to make state and government colleges a cult.

0273

I think the licensing bureau should see that every broker is mailed any changes in the law each year with their license.

0312

Let's get that prime interest rate down ! ! !

0348

Gentlemen:

In regard to items G & H and the question of education requirements, Do you not feel it logical that education prior to licensure would be the most effective means of upgrading our industry and its standards. I personally feel that a law similar to the law in Colorado would be excellent. The law requires a minimum of 96 classroom hours BEFORE you may take the test. A continuing education program is utterly useless, as it would force those that are probably already abreast of current developments to forgo valuable work time to fritter away at some seminar conducted by a broker who couldn't make it selling property and has resorted to selling seminars. Our industry is already regulated by the Masterpiece of regulation; competition. Let's see to it though that only those sincere enough to attend the pre-licensure required courses are allowed into the competitive forum. The end result may very well be excellence.

0389

Required education can force participants to go to poorly planned, irrelevant seminars which are designed for volume or people going thru but really not trying to learn. Quality control becomes a problem. As it is now, the same people attend all the seminars and they will probably be around and profiting years from now. They are interested.

0455

On question H, I put no need. However, I looked at this question from the standpoint of an inactive salesman. I believe instruction every 2 to 3 years would be beneficial to active salesmen. Inactive salesmen should be required to complete some review instruction within one year of becoming active.

0464

I believe that Ed. should be done as a person sees fit. In order to sell you need to keep up with the different changes in your field. This is why I believe the way I do on "H". How can you have everyone take the same course when you have people selling homes, ranches, rec'l props, and condos. These are diff. fields and in order to survive you end up in one of them. But not all of them.

0476

I certainly would like to see a mandatory requirement of a certain amount of continuing education (Seminars/workshops) as a means of "weeding-out" part time salespersons.

0486

I am for education but I don't want it identified to a select few who charge unreasonable prices to attend their classes-seminars.

0491

If there is to be profiteering through education - do not make it compulsory.

0549

The last week in November, I attended the _____ course as a broker under the Grandfather clause- I not only learned a great deal-found a great deal I knew brot forth in my mind again - but also found it very enjoyable and stimulating.

0551

RE: "G,H,I." There should be education (real estate) requirements prior to licensing. After licensing, brokers should then make sure salespeople are made aware of changes that affect the real estate business.

0583

RE: "G"- I assumed you were refering to quarters at college level- & I believe 2 minimum & probably 3 classes would improve the R.E. profession.

0590

"H & I". Continuing real estate education is important but hard to pass a law about.

If the broker is a C.P.A. , a REQUIRED basic course on taxes is an imposition.

It seems to me that if a licensee makes progress in getting a real estate field such as CCI,, GRI, MAI, CPM, etc., that he should not be forced through much simpler studies just to assure license renewal. Also if he is a board member thus getting recognition of his competitors, the same should apply.

Seminars are useful if they attract the "pros" in the particular field of discussion.

Being on the Board is much more demanding than a few hours of classroom work, yet in some states it would not count as professional qualification, for licensing.

- 0594 In the future, I would appreciate an explanation for the filling out of these questionnaires. I would like to know your reasons for asking these particular questions. I do not mind filling these out as long as I know why I am REQUIRED to do this.
- 0600 Continuing education is an important part of a realtors development, however, I do not believe that we should incorporate educational requirements into the licensing laws. Education should be an individuals decision.
- 0715 If a person is sincerely interested in the Real Estate Business and wants to make it a "career" he must be honest from the very beginning and learn the business that way only. If he or she has a tendency toward crookedness they have no place in this business as far as I am concerned. Now I have not attended any seminars at all, and do not have the time to do so., however, no doubt they are very educational, but if a salesman has learned what he should from a responsible Broker and is dealing in land sales 90% of the time or more with all closings done by an attorney or title company under the Brokers supervision, it would seem to me that if the salesman wanted to improve himself some more it should be up to him how far he wanted to go in the field, not be mandatory. It looks like a few people want to take over the entire business by making it so ruff on new salesmen that they have to quit selling and make a living some other way. As to making a living as a new salesman at this day and age with the high interest rates and short money available, you either have to be "real good" or have some money to live on in the meantime. Do all these seminars guarantee a successful career immediately? I am against all of this "you do this and you do that". There is too much dictatorship in this country now. Lets not let it get into the "Real Estate Business".
- 0738 Please publish what you intend to do with this survey. Is it just another bureaucratic waste of everyone's time? How many people will gain employment to evaluate these forms?
- 0740 I feel that it is imperative that a continuing education program be instituted as soon as possible. Such a program should make it mandatory that a minimum number of hours of education in Board approved courses be certified each year prior to license renewal. I would recommend a program along the lines of 40 hours of classroom the first year of the program for salesmen and 60 for brokers. After the program has been initiated these hours should be increased up to the point of possibly 75 for salesmen and 100 for brokers.
- 0742 I believe all licensees, broker and salesman should have at least 20 hrs. of some formal education in Real Estate each year to stay licensed. I feel that "in house" education, such as our National Education courses should be counted for credit in this area, however, I voted against the last education bill (lobbied against) because this type schooling, which has national recognition was not included for credit. I also feel that the present pre-licensing courses are a rip-off sanctioned by the state in that they ONLY TEACH THE TEST, such as the case of FAA pilot pre-license courses on a national level. The state of Montana has created an industry and also created several millionaires due to the present testing and licensing procedures.

756 "H." I do not believe that these courses should be a prerequisite to license renewal, but I do feel there is a need for continuing education within the real estate profession.

0769 "H." I do not believe in mandatory schooling for a licensed salesperson. I do believe in mandatory testing approximately every 3 years. I believe if a person wants to keep their license and be professional, they would attend schools, if they could afford it, or buy books and further their knowledge themselves.

0826 I have been licensed in 3 states and have seen some problems develop because so many people hold licenses and don't really work at real estate. When they do get a sale or listing they not only divert earnings from full time people but, more importantly, they screw up things. This makes the real estate business look as bad to the public as dishonest brokers do.

The shady dealings and incompetence of the past (and present) make it hard for the rest of us. Just put an ad in the paper-for sale by owner- and see how many more calls you get-all from people who have a bad taste in their mouths from dealing with licensed real estate salespeople.

If a minimum volume were necessary to keep a license active it would at least keep real estate out of the hobby category for some people.

0846 "I." Continuing education should include a variety of correspondence courses.

0903 Would like to see Montana practice some form of reciprocity with other states with comparable or more restrictive licensing laws.

0944 In regards to continuing education, I feel that there are merits to this concept. But I am strongly opposed to any of the proposed bills. The present suggested formats would only mean a big profit for a handful of people who will (and are already planning) start their own seminars/schools, etc.

I would be more receptive to the whole idea if:

1. Correspondence courses were available.
2. The state would sponsor relatively inexpensive classes throughout the state that would satisfy the requirements.
3. Credit were given for research papers, etc.

These alternatives would give realtors a choice, and wouldn't make them vulnerable to the fast talking promoters and their \$175.00+ (for 14 hours of instruction) courses. Also, it would allow individuals to create their own schedules and to determine what types of knowledge is most important to them.

1005 I don't think that people on inactive status should not have to keep a current bond.

1016 Have been to two seminars this year & two last year. But I do think that continued study should not require such extra expenses as trips out of town plus loss of time in productive effort. That makes it mighty expensive. I do not believe in compulsory education.

- 1017 Continued education is necessary to successfully maintain any profession or business. However, this should be left to the discretion of the individual.
- 1022 Comments: I-5
After the person has done the studying necessary to prepare for the license, passed the examination and becomes familiar with the real estate law and other fundamentals in this way, then it is largely a matter of experience---learning by doing. In addition, there are many books, texts, and other written sources of information available that can be used to supplement the experience on the job. I think someone has gone overboard in pushing a lot of courses of various kinds that take both time and money.
- 1024 At the present time, my real estate license is on the inactive list. Although I do not plan to sell real estate in the near future, I want to keep my liscence. The problem is, I can't see why I have to keep a bond every year at a fee of \$50 dollars per year besides paying my liscence fee. Since I can't sell or list Real Estate, then there is no need to be bonded.
- 1072 More and better education is a must for pre licensing and renewals.
- 1115 "H." I believe that professional people do not require a push or incentive, other than an increase in one's knowledge, to obtain further education!
- 1131 I feel there should be a dollar amount or a specific number of sales, listing, etc., each year or a refresher course should be required.
A salesperson or broker that is active--10 sales or more per year-- are able to stay abreast of current changes. It is the people that are inactive or selling only part time that create the problems in the Real Estate field.
- 1157 I think possibly 1 day of classroom instruction a year would be helpful. I think this should be on a county-wide basis or in case of smaller counties such as _____ County perhaps, _____ and _____ could have a day of instruction in either of the county seats--these are adjacent counties and real estate people in _____ County do business in _____ County and vice-versa. I do not think this should be mandatory.
If only 3 or 4 seminars would be held state wide, sometimes it is to far to go and many don't get to attend. I believe smaller classes on a county side or two county wide basis would be the best. I don't think this should be mandatory but I know I would and think most would want to attend.

1163 I expect these questionnaires are helpful to the R.E. Board-but appear to me to be unfair to relate them to license renewal or in any way be used as leverage.

It appears as tho the board is working toward trying to eliminate licenses from inactive status.

As a woman who was many years on my own & worked hard to get my salesman license-and who is at present married & unable to participate actively in selling real estate- I'm pretty strenuous in my desires to maintain my license in the event I should need it to make my living-as of perhaps 5 or 10 years ago.

However, as proven in other states and areas-it does seem like a very good idea for an R.E. Board to consider the merits of attempting to enforce full time (e.g. 40 hrs.) participation on the part of the sales men and brokers who are active. Also subscribe to the encouragement of legitimate business offices with regular hours-rather than home operators & vague addresses.

1200 I do believe in continuing education and would like to see seminars and workshops that are not so expensive. The Montana Assoc. of Realtors has a lot of good programs but are usually too expensive to attend. I would like to see the state have the same kind of programs at less cost.

1238 I attended the Sunset Hearing on the Real Estate Board.

Figures shown by the audit, indicate that the Realtor's organization does not include a majority of licensed brokers, and yet there seemed to be an exaggerated leaning toward dominance of the governing body for licensure and administration of the industry, in the spoken attitude of a number of the members of the Sunset Board, to allow the Realtor's organization to control the industry.

My exception to this position stems from the fact that the Realtor's organization really opposed any strong position as to continuing education as a requirement for maintaining a license, and further, is more than reluctant to the inclusion of the content of their own code of ethics, as a part of the real estate law.

While the speeches of both the Realtor president and executive secretary indicated that they believed in continuing education and that they extended the courses offered by the Realtor's Education Foundation to all licensees and associated industry personnel, there are several comments that I feel should be made a matter of record:

The Realtor presidents own group has denied, by official action of their local Board of Realtors, attendance at an educational seminar offered in their own locale, to all but Realtor members; and issuance of the usual certificate showing completion of attendance at the annual Graduate Realtor's Institute to several licensees; The trend of educational courses contemplated for 1979 by the Realtor's administration tends to support 90% recreational time and a minimum of actual instruction in the tendency to schedule courses at resorts in prime time so as to allow write-off for tax purposes for fun and games, rather than a serious effort to improve the knowledge and responsibility of licensees in the industry.

I favor courses offered and monitored by acknowledged authorities in the real estate field, in addition to the many specialized opportunities available to anyone really interested in improving their professional abilities.

- 238 (cont.)
Nothing should be legislated, nor promulgated, which allows discriminatory practices to carry the aura of legal sanction, by the influence of either the Realtors or other political entity.
- 1251 I see absolutely no need for this form.
- 1262 There is no point in thinking that in order to sell real estate one must be so highly educated or have a law degree.
I think it is far more important that a sales person or broker be one hundred and one percent honest!
- 1267 I believe brokers my age can function without further Formal education, and teach their employees. If they can't they will eliminate themselves either either by death or erosion thru senility.
- 1272 What is happening to all of these questionnaires. In the last few years I'll bet I've filled out 6 or 7 of them. This is beginning to be a typical case of wasting the tax payers money.
- 1277 Seminars & other special training workshops should be made available for those who feel need for same; not compulsory.
I do not believe we should do away with the Real Estate Board. It is Not correct for a group of realtors to supervise and police itself. If they do live up to their code, it will take little supervision; but we need an impartial head.
- 1337 We believe we should continue the Real Estate Board. There is no way a group of realtors can police and advance itself, without a disinterested head in the state government.
Seminars and other special training workshops are fine for those who have a need for them. I can see a large percentage of one's year being used attending out of town meetings. For a small real estate firm, it would break us. When I am gone for a day, my office is closed. I do not make enough sales during the year to pay the fees of such seminars.
- 1419 "I." (5) Local real estate offices should group together and bring in qualified persons to go over areas of importance. Or better yet, send people to state meetings to return to our community to present the fact and law changes that affect each of us.
- 1423 As a comment to upgrade the real estate business in Montana, I really feel we have very good laws for the state. The problem is, this field is not being policed by the State of Montana. There are people in this state selling and advertising as being a partner in corporations of real estate firms who are either NOT licensed or who are just salesman.
I have enclosed a copy of a page of the 1978 phone directory for _____, Montana. I would like to ask you if _____ is licensed, and, if not, how come he can advertise under this firm. I have circled the firm and underlined this man's name. I would like to comment this is not a complaint, only an example.

1497 I graduated from the University of _____ -Real Estate major, 1951, Bachelor of Science in Business Administration and feel that any one that wishes to sell Real Estate will continue to read and study to keep up with the market and competition on their own account without being robbed by those in the education field.

1499 I fail to see the need for a bond on an inactive licence. Should be required to reinstate. But why bonded when not in use?

1547 I feel that a full time salesperson or broker should have a certain amount of classroom training, workshops and seminars every year since this business is constantly changing.

1602 We need higher level r.e. courses-investing, subdivision, commercial, psychology of selling.

1617 If you are active 100% in Real Estate as your occupation, you would have to be continually learning-so persons 100% active should not be required to attend as many seminars, etc., as part time people, as they are learning everyday.

1678 "H." Badly worded question! I believe the test given for licensure should be comprehensive enough to eliminate mandatory education programs, excepting when major changes in the real estate laws occur. I don't believe any mandatory education should be necessary. Many people are capable of becoming excellent realators without discriminatory education requirements. The test given to applicants should test the individuals knowledge of real estate sufficiently to determine his or her qualifications.

1696 I am firmly convinced that there should be a requirement for PRE licensure. The average person coming into real estate has no conception of even the basics. If you can pass an exam such as the present one given- and many people are adept at exams- you find when you come into the field many people are lost with just the basics. That they should have "some" education in real estate seems to me to be a simple requirement before they can take the exam. Lawyers don't practice until they're schooled. When you are licensed there are many schools and seminars one can attend. We should be allowed to choose which area we want to specialize in-appraisal, commercial, ranch. There's too much government control of private industry now. I oppose any post licensure requirements.

1703 There is an extreme need for continuing education. I only hope that the results of this survey are made available to at least the licensees, unlike like years.

1828 "H." There is a need for continuing education, however, it should not be made a pre-requisite to obtaining ones license renewal. The problem being, what would constitute acceptable courses?

43 I think the educational courses should be a matter of choice. If you take the ones that pertain to your own interests, you will benefit from them.

858

1. I do not favor mandatory continuing education, as it does not help the mediocre salesperson, nor does it aid the ambitious and responsible broker.

2. The main problem with real estate people in Montana is not lack of education, but a lack of basic honesty. The dollar becomes more important than the welfare of the client. When the commission is willing to pull the licenses of those who are notoriously dishonest, only then will the problem be solved.

1863

I have sold for 25+ years- and not one complaint- & yet got license by "grandfathers clause". I know many I wouldn't go to & I know they earned their license by schooling.

I'm involved 99% in homes and lots only. Others I buy for myself and use as rentals.

I think worse of all, is those without licenses, such as bankers-& others that help brokers without any form of license.

1883

I definitely am in favor of continued education for maintaining the license.

1944

I have one comment to make: Rather than having more education for the ones that already have a salesman or brokers license, there should be more education for the ones that have to take the test for the first time. And maybe making the test harder to sort out the ones that aren't sharp enough to pass it. It's my feeling that there is some brokers and salesmens that should have never passed the test. Having worked with some co-broker deals, I've noticed some of them aren't very competent on the way they show property. Some will lie if they don't know the right answer rather than saying I don't know and many more. I think that the code of Ethics should be taught more so they understand the professional aspects of being a realtor, because we are supposed to be professionals.

1946

I don't object to further education, as I taught for 17 years. I do feel, however, that further education doesn't improve ethics or honesty. I would like to see seminars, but again our whole office can't just walk out on any given day. Our first obligation is to our clients.

I also have attended several schools and seminars. In many cases it was an excuse for a party only.

I would suggest that we be given credit for the seminars, etc., that we attend, and different kinds of licenses be given--the more schooling, the higher degree of license. These would be displayed in the office and buyers could see if the salesman had attended continuing education or not. Make it an incentive rather than a requirement. Perhaps salesmen 1st, 2nd, 3rd class and brokers 1st, 2nd 3rd class. You would start at 3rd class salesman and hopefully work to become a first class broker. Perhaps you couldn't become a broker until you achieved the 1st class salesman degree, based upon amount of sales, some education, etc.

196

I'm a firm believer in continuing education, if it is conducted for the benefit of the licencees and not for the monetary enrichment of the people conducting the courses. As long as these classes are handled by the University system, with qualified instructors, I think they will be beneficial to the industry. As to the format, seminars or classes not exceeding one week in time would fit the schedules of most people

0002
I have supported continuing education, and requirements for the same for many years, but my observations over the past two years have led me to withdraw my unqualified support for continuing education requirements, save one, which I shall explain later.

Continuing Education will swiftly become a RIP OFF much the same as the Pre-Licensure Courses have become. These courses, particularly the ones operated by _____, and more particularly the ones _____ runs, have become a cheap huckstering promotion to induce unwary applicants to enter an already overcrowded profession, instead of courses which are available to the sincere applicant. The emphasis is more one of \$150 per head, than sincere desire to upgrade and improve the profession. Continuing education would run rapidly down the same road, with any fast-talking promoter able to convince the Real Estate Commission that his course was ideal for the program, putting together a lot of junk, and peddling it to Brokers and Salespersons who would be required to take such courses in order to build up the required number of hours. It would provide our Universities and our Community Colleges with another excuse to add unnecessary people to the payroll to provide courses which the "public" demands, when in fact the courses are mandated by law. For a prime example please, please examine the requirement for Teachers to acquire courses in "native americana, whatever the hell that is", and see what is being offered as fulfillment for those requirements. One course on "Montana wild plants and their uses" (I am not certain of its exact title) taught at Havre, may be of instructive value, but its relationship to the American Indian is minimal at best.

Now, as to the exception. I am convinced that most of the portion of the Pre-licensure exam dealing with Real Estate Law could and should be left out of the course, and the examination. There are very few items covered, which directly affect the new salesperson. What little law they should know can be covered in a two hour session, and their knowledge demonstrated in ten questions.

Following that, I would suggest that the entire section on Real Estate Law become the basis, but not all, for the Broker exam, but that all new salespeople be required to complete the same course prior to being granted their third license (between the end of their second year and the beginning of their third year in business), the law section being required of all 3rd year licenses. This requirement should apply to all licenses granted after date of adoption of the program, and to all Broker exams with the date of adoption.

Finally, during the year immediately preceding Legislature, there should be held a series of Statewide seminars, conducted by the State, and paid for by the State, dealing with changes in the real estate laws which have been enacted by the previous legislature, and which have been put into effect by 'administrative regulation'. These courses have to be required, and no excuse accepted for failing to take them.

There should be no examination, nor grading beyond a requirement for full and complete attendance. These seminars should not run more than one day, and if well taught, should not take more than about 4 hours class time. The less time allowed, the greater the meat contained within the program.

- 2017 If and when seminars are required, it must be remembered that with some of us management is a primary function, and the refreshers should not be limited to listing, sellings, etc.
- 2031 I feel that some sort of continuing education requirements should be mandatory and that they are necessary to maintain and upgrade the "professional" real estate agents.
I also feel that Montana should regulate and encourage continued education of appraisers.
- 2035 An average of two weeks education per year (80 hrs/yr) should be required. There are enough good courses now available, I.E., creative real estate, tax updates, so no new courses would need to be developed. Hope you can get something started soon.
- 2050 I am not at all in favor of being required to sit in a regular classroom with a typical instructor who teaches from theory rather than experience. On the other hand I'm delighted and eager to learn from the DOERS in our or other professions, who teach from a background of real-world living and experience. This type of required education is something I could support.
- 2068 Competence starts with desire. It is tempered with ethics. The goal of most people is to make money, but money made thru poor ethics or incompetence is not very valuable. But it IS spendable. You are trying to build a system that will allow a realtor to make spendable money and to protect principals from being damaged. That is admirable. But you will never effect that end thru a questionnaire.
- 2085 I like this type of survey by your office.
- 2091 I trust the information provided is to be used for upgrading the profession of Real Estate and will not be made available to any type of solicitor. There is a definite need for upgrading the educational requirements of those in the business and those coming into it. Eventually consideration must be given to qualifying the type of licenses that can be issued for specific fields of Real Estate. Too often as a broker dealing in commercial real estate I find myself involved in counselling clients who have been poorly advised.
- 2102 I do not believe in manditory programs. Real Estate is part of my way of making a living and I try to keep up with anything new pertaining to Real Estate. (Individuals holding seminars--I think that is their way of making a living).
- 2145 Why are you asking these questions?
- 2243 It is necessary that a man has adequate education, at least high school, and some business experience, along with a study course, before receiving a real estate sales license. I think your requirement for selling under a broker is good. There are many fields of real estate, and they require more education and further study than just a license for selling homes and small farms in communities of 5,000 population.

243 (cont.)

Professional requirements can become too demanding and costly, which could cause clients to sell their own property in small communities. This is happening now. Selling is very important in real estate. I think the basic requirement in protecting the public, after a sound course in real estate knowledge and procedures, is character, integrity and higher bond requirements for different types of licenses.

2271 I feel that campus class room instruction and Seminars are far too expensive and time consuming for what is gained by them. A good researcher could provide the same information and keep the real estate people up to date on changes in the laws, income tax, etc., that affects real estate sales and the information passed on to each licensed person or office and in house class conducted by the broker in each office. This would take care of the continued education and keep everyone up to date.

If the board can not afford this a charge of 10 or 15 dollars per licensed person at license renewal time should be adequate to cover the expense of the researcher and getting the information to the real estate people.

2334 I believe this is none of your business, and it is an invasion of privacy!

2377 I feel a degree in real estate would be a good idea.

2421 Quit trying to help the so-called Realty schools. Notify or educate the public as to a realtor's responsibilities.

2486 When is the Board going to do something for the licensees other than give us and the real estate business a bad reputation through public scandals, misappropriations, malfeasances, etc; and collect fees? I'd like to see the Board take positions on issues affecting our livelihood, such as the _____ County subdivision regulations, in an attempt to exert a positive influence on the real estate business.

Also in the education field, why doesn't the Board sponsor continuing education for licensees. And by sponsor, I mean use of our fees to pay tuitions and publications.

I have been in real estate 9 years and I can think of only one instance in which the MT RE Board did anything commendable, and that was when _____ spoke to my _____ class about entering the RE profession.

2488 I do not believe mandatory college credit type courses should be required after licensing. The person who truly wishes to advance will take advantage of the opportunity on his own initiative.

I believe Montana is doing a good educational job based on the number and content of seminar and workshop programs that are presently being offered.

2500 Test Questionnaire similar to this pertaining to new real estate laws sent along with application. Included should be an information leaflet update.

- 2595 I am 100% for continuing education, however, I am against forcing someone to travel out of town for this purpose. If they cannot reasonably drive to, attend class, and return home in same day, maybe their education could be gained by correspondence, possibly including lecture tape cassettes.
- 2876 I am a rancher, buying and selling my own properties as well as an occasional ranch for a neighbor or others. I also co-operate with other brokers in ranch sales and appraisals. I feel I know the ranch sales and values business quite well by being involved in it on a working basis. I prefer to continue being licensed and bonded for the protection of those people I am working with. However, if the continuing education program becomes too restrictive and covers a lot of fields I am not involved in it could become quite an unnecessary burden.
- 2879 I think the need of a bond for inactive salesmen & brokers should be discontinued. Bonding should then be required for any person that again wants to take up an active status. Real Estate Bonds that are not being used (as when the licensee is inactive) merely puts un-earned dollars in the hands of Bonding Companies & does nothing to promote real estate funds-for Seminars & other needs to further the professionalism of the occupation.
- 2889 I believe totally in continuing education for all people who are selling real estate, but not as a prerequisite to licensure each year. One must have continuing education to do a professional job in this business, and those who do not stay on "top" of it are going to drop out of the business anyway.
- 2909 Education of the salesperson is the responsibility of the employer (broker) & as such it should not be allocated to others as I feel it weakens the broker by letting others be responsible for his responsibility. The strength, or weakness, of any real estate organization should & by law rests with the broker.
- 2923 Lets keep the Real Estate Business a free Enterprise. Any one that knows House Construction, Ranching or Business that is Honest & has Sales ability Can Sell. All we need is a Buyer, A Seller & a banker. The Fellows Writing Books & Promoting Seminars and Workshops must be Duds or they would be Brokers.
- 2922 Being the only licensed Broker in _____ County I provide a service to the community that would not otherwise be available. I do not have the time or inclination to attend meetins and Seminars being promoted mainly to provide a nice, fat fee for someone.
- 2921 As a none-resident Broker, Consideration should be given to the resident Broker's continuing educational requirements, i.e., if the Broker meets the requirments of his resident state he should be considered as meeting the none-resident state requirements. This could be worked out with the various state R.E. Commissions.

2912 Question "G." I am opposed to any mandatory rule from the commission that so many hours and etc must be had before licensing as to seminars and etc. A hard working broker has times when he cannot be absent, and is already well informed on his business. If not, he can readily be informed by his attorney, as I believe all brokers have a satisfactory connection along that line.

2933 Don't get carried away with too many educational programs! In the past- the incompetent weeded themselves out!
Also, you will forget 80-90% of what you "had to" OR "have to" know for an examination within 6 months after you "took it" OR "take it", so said a statistical professor I had at the Univ. of _____.
Also, I see no reason for charging \$15.00 for an address change. Please explain! This should be a cost absorbed by your office as a regular cost of doing business!

2953 I do not believe it would be feasible to attempt to manage a continuing educational program. I indicated that I favor 40 hours or more prior to licensing; this, I believe, would encourage the more interested individuals to apply for a license.

2957 The use of continuing education has many drawbacks. How To courses are a racket. Is it possible to put together a worthwhile course? Why not raise your educational requirement to start? Your present system of cram courses (one week for Two Hundred Dollars, \$200) is worthless.

2934 I think education of Real Estate People is essential. I have taken 6 seminars while inactive just to keep abreast of changes. The seminars that are 4-5 days long are intense, innovative, and challenging. I think _____ has done a great job of bringing such seminars to Montana.

2992 This questionnaire is great for active broker/salesman-not too easy for sole proprietor as myself.
I have never taken seminar work or continuing studies offered but am current and will remain so by reading and contact with all phases of R.E. work.

3031 I sure don't favor any required schooling, etc., for anyone who is a broker for 5 years or more. I do favor making this schooling available for anyone who wants to attend.

3044 1. Worst offenders are "Grandfather" brokers. Most salespersons are honest and sincerely desiring to do a fine professional job. Greed enters into the picture of older brokers who are more INTERESTED in restricting the competition than they are in protecting the purchasing public. I believe business should be conducted honorably.
2. Great distances penalize and are discriminating to all who want to attend seminars and schools -- Especially those located in eastern Montana.

3094

1. It is my opinion that the two most essential qualification for anyone selling real estate is that he should know what he is doing. By that I mean if he is selling ranches, he should know the ranching business. He should be able to assist the seller and buyer in the income tax consequence that will result from the sale and be able to advise how to handle a mineral reservation that most likely will be the result in the sale of ranch or farm property.

2. Anyone selling or dealing in properties should be 100 honest and the Board of Real Estate should make an effort to know something about the people that are dealing.

We now see that you are issuing licenses to attorneys. You are going to see, if you try, where estates are going to be knocked off to friends, partners and allied real estate brokers of the attorneys for much less than the current value of the real estate. A firm of attorneys can direct their clients to allied brokers or a dummy firm that they own an interest. The effect of an attorney being licensed is simply this: he will be able to proposition a broker to split a commission on the sale of property belonging to his clients and, if broker refuses, he is in a position to say, "well I have a license, so I will handle the deal myself or with some other broker."

3107

I believe that too much emphasis are being placed on Seminars. I have attended many over the years and find very few are as beneficial as proclaimed. As the State of Montana is licensing many people in the Real Estate profession, it should be their responsibility to provide bulletins with all current Montana State laws relating to such. It is then the responsibility of the brokers and salesmen to study these laws and, if not understood, to obtain further guidance. I sincerely believe that all Real Estate Brokers should provide office space, phone service, desk and advertising for their salesmen. Many brokers are charging up to several hundred dollars per month for this service. Also, all brokers should be required to pay at least minimum wages to any salesman in their employ. This would reduce the number of salesmen and also weed out the many undesirables. Since the advent of so many schools of Real Estate study for licensing have appeared the old adage of (Yesterday I couldn't spell Real Estate salesman, today I am one) has certainly produced an over abundance of them.

3193

I feel that more is to be learned through the actual practice of real estate sales under the supervision of a broker than in any school. I have taken real estate and business classes in both high school and college. None or very little of the knowledge could be applied to actual real estate sales.

The only instruction I have taken that I felt helped me was that from _____ prep class. I will, however, say that I haven't gone through any G.E.D. classes, therefore, cannot classify the quality of instruction there.

3213

I'm opposed to required training programs. If a sales person doesn't continue their education they usually fail. A Broker will realize the additional skills required to be successful and will acquire those skills or fail. Required courses will not work.

3218 Requiring a current bond for inactive salesmen is senseless and just richens the bonding companies. Why should an individual have to be bonded to do nothing?

3221 I am associated with a progressive agency. In regard to continuing education, we conduct approximately 6 to 12 hrs. weekly in formal and informal classes in all phases of real estate. I don't believe formal education should be mandatory for license renewal, if better education can be had from other sources.

3227 Continuing Education is VERY IMPORTANT! Most people can not be away from office for lengthy periods of time or often...Education offered should have "value" so not a waste of time or money. I personally object to people acting as a Broker, with several salespersons, while still working at a full time job...in order to assure a government pension, etc. If they are running an office, let them give up their other employment. Or if they want to keep a job...let them work part time for another broker...consider it a "joke" for a broker to have a full time position outside of real estate, and still have an office with several salespersons!!!

3228 It is important to the success of any business that continuous study be made of the changing conditions that have to do with marketing, financing, of trends, etc. I believe this is the responsibility of the individual, and is essential to his success; but I do not believe this should be required for the reason that many courses are impractical and may not apply to any one broker. After 31 years in the business one learns about these things--had he not been progressive in his education, he could not have succeeded. There are some things I intend to study during the current year, but I should resent a specific requirement.

3238 The Board should work to get rid of absurd requirement to be bonded when license is in an inactive status.

3245 I am pleased, in a way, to see that the Board is sending these questionnaires since it indicates an acknowledgement that our State's licensing requirements could be improved. (Isn't that the only excuse for change?) However, I don't like it, for another reason. It seems just another, further invasion of privacy. I will comply in the hope that the Board learns something to make real estate a better profession for its practioners and its clients. For a number of years I have wanted to speak to the State Legislature regarding licensing laws so I'll state here a couple of opinions I have:

- 1) Real estate licensees should NOT have any other primary occupation. It's unfair competition to those people who risk ALL their time, effort and money in the real estate business to earn a living or support families.
- 2) Education does NOT create good (i.e., ETHICAL), people. Nor does it make a salesperson of someone who isn't. Also, after a certain point, we always rely on experts anyway, such as lawyers. Anyone who is interested in making a real career of real estate (as opposed to just a living), can benefit from further knowledge, but after learning the basics (which are required knowledge by law),

(cont.)

others don't need anything except to keep up with new laws. This can and should be the responsibility of brokers.

3) I believe Montana could profit from the example of Washington State's methods for handling licensees. In 1959 I went to work for _____ in _____, & comparing the processes there and here, they had (and probably still have), a lot to offer. For one thing, a person HAD to work a full-day wherever he/she worked. (my first few weeks involved at least 10-hour days, often more). For another, a broker did not just "sponsor" an applicant but put that person to work immediately (after approval of their credit standing). The applicant then WORKED AT real estate under the authority of a temporary license, for as much as six months, but had two chances to take (and pass) an exam qualifying him or her for a permanent license. (Tests were conducted in different areas 3 or 4 times a year, I forget which). If he didn't pass during that time, he had to wait a year, I believe before he could again have a temporary license. Therefore, as is obvious a broker assumed a real responsibility immediately in hiring a salesperson. Here, I've met several people who were "sponsored" for the exam but scouted around and found a different broker to work for before they even took the exam.

Finally, the most important thing, in my opinion, is eliminating the part-time practitioner who has another occupation to sustain him. (In other words, if someone is willing to work 8-hr. days in real estate but also pump gas for 8-hrs. while he's becoming established, it's only fair. But should someone who is building a retirement with a city or county agency or some other employer and drawing a regular paycheck also sell real estate part-time & take enough sales from regular, full-time salespeople to leave them the crumbs? I think not.) For several years I've lived on (lived up?) my assets and sold a little real estate as I try to become a published writer. If & when I do, it will be with great pleasure that I return my license.

Req SB 493

Sold title to Board
Committee by
Fred Cameron

A PROFILE OF MONTANA REAL ESTATE LICENSEES IN 1977:
NUMBERS, ACTIVITIES, ATTITUDES, AND EDUCATIONAL EXPERIENCES.

BY

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DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING
HELENA, MONTANA
JANUARY, 1979

I. Summary

A. Number and profile of licensees

Approximately 3,300 Montana Real Estate licenses were issued in 1977 - 60 percent of salespersons and 40 percent to brokers.

Licensees working full time in real estate accounted for two-thirds of the total. Another one-fourth worked part time. Only 1 in 9 licensees were inactive. Full time salespersons accounted for nearly 40 percent of all licensees, while full time principal brokers accounted for another 17 percent. Seventy percent of full time salespersons have been licensed three or fewer years. This is indicative of both the large influx of new licensees and the high turnover rate of salespersons.

Three-fourths of the licensees were associated with sole proprietorship firms. Over 30 percent of the principal brokers were incorporated. Most of these were believed to have incorporated to take advantage of the favorable tax treatment available to corporations and to limit their liability.

Outside passive income, such as retirement or disability payments, was received by only one-fourth of the licensees. Over 40 percent of part-time brokers received these payments.

Seventy percent of the licensees were between 36 and 55. Over half of the part-time and inactive brokers were over 55.

About 10 percent of the brokers substituted either education or related experience for partial waiver of the two years full time experience requirement as a salesperson before taking the broker's examination. A far greater percentage of brokers received their broker's license under the "Grandfather Clause" in the Real Estate License Act.

B. Activities of licensees

Over 90 percent of the full time licensees worked more than 30 hours in real estate in a typical week. Eighty percent of the full timers had engaged in real estate within the last year. Apparently the large influx of new licensees held this percentage below the expected 100 percent.

Over 15 transactions were accomplished by more than half of full timers during 1977. In the case of full time employing brokers, this could imply that many were competing directly with their salespersons. This, in turn, could be partially responsible for the large attrition rate for

salespersons, many who failed to obtain the training and supervision and realize the income expected.

Selling single family residences dominated the time of all categories of licensees. Selling other types of improved properties, such as commercial, investment and industrial; selling subdivision lots and vacant land; and "other" real estate activities, including farm and ranch sales and listing, were the other three important activities licensees devoted considerable time to.

C. Attitudes of licensees

Requiring a broker applicant to have two years of actual experience as an active Montana Real Estate Salesperson prior to taking the broker's examination was supported by the majority of all categories of licensees.

Requiring a special license for employing/managing brokers was opposed by nearly three-fourths of all licensees. The special training mentioned included trust fund accounting, management, and personnel.

Prior to licensure, two-thirds of the licensees believed that 40 hours of education was necessary. Perhaps a one week pre-licensure course was what the majority had in mind.

After licensure, fewer than one-half of the licensees believed there is a need to complete a minimum number of educational programs prior to license renewal. Phrasing the question explicitly in terms of mandatory continuing education would have likely elicited even a higher negative response. Apparently, licensees believe strongly that it is up to the individual to determine which courses or other educational opportunities, including home study courses, would benefit him and his clients.

D. Educational experiences of licensees

High school graduates and those with less than two years of college dominate the active "sales force". Interestingly nearly half of the inactive salespersons have had at least four years of college. It is not known whether these college graduates found real estate as a vocation not to their liking or simply never became active after receiving their licenses.

Only a quarter of all licensees took one or more college credit courses before being licensed. Even a smaller percentage took any college credit or college non-credit courses after being licensed.

Regular on-going education and training programs are conducted by firms with which nearly one-half of the licensees

are associated, and over two-thirds of the licensees are associated with firms that encourage training outside of the firm. Firms subsidize the educational expenses for a large percentage of licensees, particularly full time salespersons. If any of these salespersons are independent contractors, Internal Revenue Service regulations have been violated and the claimed independent contractor status of the salesperson has been placed in jeopardy.

Real estate courses are popular among licensees. Two-thirds have taken at least one since being licensed. The most popular courses are law, appraisal, salesmanship, investment and finance. In addition to these courses, seminars offered by the Montana Association of Realtors, The National Association of Realtors, and other groups are also well attended on a voluntary basis.

While many licensees attend individual seminars, the pursuit and realization of a professional designation does not appear to rate high among priorities of licensees. Fewer than 10 percent of all licensees hold any professional designation, and the majority of those hold the G.R.I. (Graduate, Realtors Institute). The criteria for receiving this designation is membership in the State and National Association of Realtors and satisfactory completion of G.R.I. 101, 201, and 301 - - each is a one week educational program offered each year.

Eighty percent of all licensees returned their questionnaire sufficiently completed and in time to have their responses included in the results reported; another ten percent returned their completed questionnaire beyond the cut-off date. One concern that appeared to surface numerous times in specific comments and in the collective responses to several questions had to do with the licensees' aversion to mandatory educational requirements. Their message appeared to be, "we support continuation of the current educational and experience requirements for obtaining salesperson and broker licenses. However, we want to determine on a voluntary basis the post-licensure educational pursuits best suited to our and our clients' needs."

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III. Introduction

Those engaged in real estate sales and related activities for pay have been required to be licensed in Montana since 1963.¹ However, little was known about those holding Montana real estate salesperson and broker licenses.

To better understand the characteristics, activities, and attitudes of Montana real estate licensees, the Montana Board of Real Estate, through the Department of Professional and Occupational Licensing, prepared a questionnaire to be completed by licensees.² The questionnaire was included with each licensee's 1978 license renewal application. Nearly eighty percent of those receiving questionnaires returned them sufficiently completed to be included in the tabulation of data. Such a high response rate would indicate that licensees are very interested in learning about those that comprise the real estate industry in this state.

The study was conducted primarily to assist the Board of Real Estate in carrying out their responsibility of regulating the

1 The first law requiring licensing of those engaged in real estate activities in Montana (Sec. 66-1924, et.seq., R.C.M. 1947) was passed during the 1963 Legislative Session (H.B. 56).

2 The questionnaire was patterned after the one used in Hawaii in 1977: Liu, Crocker H. "Characteristics and Performance of Real Estate Brokers and Salesmen in the Hawaiian Islands". Real Estate Center, College of Business Administration, University of Hawaii, Honolulu, Hawaii, 1977. 51pp.

licensing of real estate brokers and salespersons to safeguard the public interest in real estate transactions. However, it is expected that the study results will prove useful to other individuals and groups associated with the real estate industry.

IV. Method of presenting questionnaire results.

In presenting the study results, licensees were categorized or stratified by "extent of activity in the real estate industry" (active full time, active part-time, and inactive) and by "type of participation in the real estate industry" (salesperson, broker/salesperson, or principal broker/broker in charge/managing broker). Thus, results are presented for nine categories or sub-stratum of respondents as well as for all respondents collectively in Tables 5-32.

Approximately 3,300 licensees (and first time applicants for a real estate license) were sent a questionnaire with their application for license renewal (or first license). Eighty percent (2,645) returned their questionnaire sufficiently completed to be included in the tabulation of data. Another 454 questionnaires were returned too late to be key punched and tabulated. The 200 not returning their questionnaire are believed to be individuals no longer active in the profession. Since the results represent nearly the entire population of those holding a valid Montana real estate license, the terms "respondents" and licensees" are used interchangeably throughout the report.

Of the 2,645 questionnaires keypunched, only 2,533 were included in the stratified study results. This is because 112 questionnaires did not include answers to both the question dealing with "extent of activity" and the question dealing with "type of participation." Both questions had to be answered before responses from licensees could be included in the study results since the questionnaire findings are stratified by these two licensee characteristics.

V. Discussion of tabulated results from questionnaire.

A. Profile of licensees responding: extent of activity and type participation.

Of the 2,533 licensees who responded to both questions, nearly two-thirds described their present real estate activity as being "active and full time" (Table 1). Nearly one-fourth said they were "active, part-time," while the remaining one-eighth answered "inactive". As suggested earlier, the percentage of licensees responding as being "inactive" may be slightly understated because a higher percentage on inactive, compared with active, licensees probably did not return completed questionnaires. Judging from the responses given to some questions by those who stated they were inactive, it is apparent that some were active at least part of 1977.

Of those reporting they were active, there were nearly three times as many full time licensees as part-time licensees at the end of 1977.

Slightly over three-fifths (60.6%) of the respondents were "salespersons" (Table 2). The Legislative Auditor reported that "over 59 percent of the licensees as of June, 1978 were salespersons".³ Nearly one in seven was a broker/salesperson, i.e., a broker who works for or is associated with a principal broker. Nearly one in four of those completing the questionnaire stated that he/she was a "principal broker, broker in charge, or managing broker".⁴ Thus, there were two brokers for every three salespersons in late 1977. The ratio of brokers to salespersons has shown a steady decline from the six brokers for each salesperson in 1963. The proportion of brokers was so high in 1963 because "nearly six of every seven licensees (87%) elected to be licensed as brokers under the provision of the grandfather clause." The percentage electing to become brokers was bolstered because "the Real Estate License Act of 1963 allowed previously licensed Montana brokers and salesmen to become licensed under the new law without examination".⁵ They simply submitted \$10.00 for a broker's license instead of

3 "State of Montana, Board of Real Estate, 1978, A Sunset Performance Review", Office of the Legislative Auditor, 1978, p. 14.

4 Sex of the licensee was not asked, so the percentage holding each category of license is not known. Sex of the respondent was asked on the 1978 questionnaire.

5 Op. cit., "A Sunset Performance Review", p. 15.

\$5.00 for a salesperson's license.

Of the nine categories of licensees, "active, full time salespersons" is the largest, accounting for nearly two of every five licensees (Table 4). "Active, full time principal brokers" was the second largest category, comprising over one-sixth of all licensees.

B. Typical work week.

As expected, full time active licensees spent the majority of their time in real estate activities. Over ninety-percent of each category of active full time licensees spent over 30 hours per week in real estate activities (Table 5). The majority of the part-time licensees spent 10 hours or less per week in real estate work.

C. Length of time since last real estate activity.

The vast majority of active licensees, had engaged in real estate activities within the last year (Table 6). Interestingly, though, the percentage was greater for the part-timers than for the full timers.

D. Years licensed in any state.

More than half of the full time principal brokers have been licensed to sell real estate at least 10 years. However, over 80 percent of their part-time counterparts have held licenses at least 10 years.

This is in sharp contrast to the salespeople. Over one in three active, full time salespersons has been licensed less than one year (Table 7). Over 70 percent have been licensed three

or fewer years. Over 60 percent of the active, part-time salespersons have been licensed three or fewer years. While some of salespeople become brokers, it is apparent that a far greater number fall into the inactive category or else drop out of the industry all together. Many reasons are given for dropping out of the industry. However, failure to realize the income level anticipated likely accounts for much of the rapid turn-over rate in the real estate industry, especially at the salesperson level.

E. License ever held in another state?

Nearly ninety percent of all respondents have never held a real estate license in another state (Table 7). However, over one in five full time principal brokers have. This could be attributable to both their longer time in the industry (Table 7) and to their older age (Table 26).

F. Living outside of Montana with inactive license.

While one of every seven or eight licensees who is inactive is currently living outside of Montana and holding an inactive license, (Table 9), the vast majority of the inactive licensees have remained in Montana. Given the relatively young age of these licensees (nearly 90 percent of the salespersons and nearly 80 percent of the brokers are 55 or younger), most would appear to be gainfully employed in other occupations (Table 26).

G. Years as salesperson before taking broker's examination.

Of the full time licensees, slightly over half of the broker-salespersons and slightly under half of the principal brokers

were salespersons over two years before taking the broker's examination (Table 10). The percentage having two years experience as a salesperson is even smaller for part-time licensees with broker's licensees.

Only a small percentage of brokers substituted education and related experience for partial waivers for the two years full time experience requirement before taking the broker's examination (Table 11 and 12). It is apparent that most of the broker's who were salespersons two years or less before taking the broker's examination obtained their broker's license under the Grandfather Clause of the 1963 Real Estate License Act. Most did not obtain their broker's license as a result of being granted an equivalency status by the Board of Real Estate and then passing the broker's examination.

H. Education substituted for required experience.

Fewer than 10 percent of the full time broker-salespersons and full time principal brokers substituted education for partial waiver of the two years full time experience as a salesperson before taking the broker's examination (Table 11). A somewhat higher percent of part-time licensees with broker's licenses substituted education for the required experience.

I. Related experience substituted for required experience.

A higher percentage of licensees substituted related experience than substituted education for partial waiver of the two years full time experience requirement. Over 15 percent of the

full time principal brokers and 30 percent of the part-time principal brokers substituted related experience (Table 12).

J. Real estate transactions during 1976.

As expected, full time licensees completed more transactions (listing, lease, sale) during 1976 than did part-time and inactive licensees. Because of the large number of new full time and part-time salespersons and because 1976 was the year prior to the year this questionnaire was mailed, nearly 40 percent of the current full time and part-time salespersons completed no transactions during 1976 (Table 13).

On the other hand, over two-thirds of the active, full time licensees with broker's licenses completed more than 15 transactions during 1976, excluding transactions in which they were managing brokers. Many of these brokers may operate one-person principal broker operations. However, to the extent other brokers do have salespersons, they appear to be in direct competition with their sales force and to have limited the amount of time they have to supervise and train their people. This may provide some explanation for the proliferation of new real estate firms in many Montana communities and, to some extent, the rapid turn-over in salesperson licensees.

K. Real estate transactions during 1977.

Slightly over 50 percent of the full time salespersons completed over fifteen transactions during 1977 (Table 14).

However, nearly two-thirds of both full time broker-salespersons and principal brokers also completed fifteen transactions during this same year.

L. Level of formal education.

Nearly 45 percent of the licensees in all categories were either high school graduates or had completed fewer than two years of college (Table 15). The category or sub-stratum with the highest level of formal education was the "inactive salesperson". Nearly half of the inactive salespersons were college graduates--many of whom had taken graduate studies or had graduate degrees.

M. College credit courses in real estate before licensed.

Only one in four licensees took any college credit course in real estate before receiving a salesperson license (Table 16). A slightly higher percentage of full time licensees took courses, particularly full time licensees holding a broker's license.

N. College credit courses in real estate after licensed.

Only one in seven licensees took any college level credit course in real estate after receiving a real estate license (Table 17). Full time principal brokers took the most courses--slightly over 10 percent took three or more college level courses in real estate after becoming licensed.

O. College level courses taken in Montana.

Nearly one-third of the respondents took one or more college level credit courses in Montana (Table 18). Many of these courses could have been in areas other than real estate, though. In every category the percentage of salespersons having had taken courses exceeded the percentage of broker-salespersons and principal brokers.

P. College non-credit courses taken after licensed.

A higher percentage of licensees took college non-credit courses than credit courses after becoming licensed. Nearly one in five took one or more college non-credit courses after becoming licensed (Table 19). This compares with one in seven licensees who took one or more college credit courses after becoming licensed (Table 17). Active, full time licensees holding broker's licenses took the most college non-credit courses. This is likely reflective of length of time in the industry, an awareness of the benefit of additional education, and the availability of time and funds to attend these courses.

Q. Years as active Montana salesperson to take broker's examination.

The majority of all categories of licensees supported continuing the requirement for two years actual experience as an active Montana real estate salesperson in order for a broker applicant to take the broker's examination (Table 20). Nearly 30 percent of the active, full time licensees holding broker's licenses expressed a belief that the current experience requirement should be increased. Conversely, a sizable minority of the less active and inactive brokers believe that the current experience requirement should be lowered. These differing opinions on the experience that should be required obviously reflect the differing evaluations of the importance of experience in preparing for becoming a broker. Interestingly, full time salespersons were fairly evenly divided on this issue. Those anticipating becoming brokers in the near future probably favored a lowering of the experience requirement.

But those expecting to remain as salespersons probably believed that requiring more years of experience as a salesperson before becoming a broker would result in more competent employing brokers.

R. Require special license for employing/managing broker?

Nearly three-fourths of all respondents did not believe that a special license should be required for employing/managing brokers (Table 21). The special license would include a requirement for training in trust fund accounting, management and personnel. However, in every category, a higher percentage of salespersons than brokers favored a special license requirement. This was especially the belief of inactive salespersons, where close to half favored a special license requirement for employing brokers. The conclusion could be drawn that many currently inactive salespersons believe that they received inadequate training and supervision from their employing broker while an active salesperson.

S. Pre-licensure education requirement.

Two-third of the respondents believed that 40 hours of education was necessary prior to licensure (Table 22). The percentage of licensees favoring 40 hours of pre-licensure education was highest for the full timers.

T. Education needed prior to license renewal.

Over half of the respondents did not believe that after licensure there was a need to complete a minimum number of educational programs prior to license renewal (Table 23). But thirty percent believed there was a need for additional

education prior to several renewal periods.

A higher percentage of full time licensees believed there was a need for continuing education than any other category.

U. Education and training within firm.

Less than half of the respondents are associated with real estate firms that have a regular on-going education and training program (Table 24). As might be expected, the category having the higher percentage associated with firms with on-going education and training programs are full time licensees.

V. Training outside of firm encouraged.

Nearly eighty percent of the full time salespersons and nearly seventy percent of the part-time salespersons are associated with firms that have an organized plan to encourage its people to take training outside of the firm (Table 25). The firms associated with by nearly one-third of full time salespersons and one-fifth of the part-time salespersons paid part or all of the expenses for some programs. Subsidization of educational expenses by the employing broker is permitted when an employer-employee relationship exists. When an employing broker pays part or all of the educational expenses of an independent contractor, he violates Internal Revenue regulations and places the claimed independent contractor status of the salesperson in jeopardy.

W. Age distribution of licensees.

Over 70 percent of Montana licensees are between the ages of 26 and 55 (Table 26). Salespersons, on the average, are younger than brokers. And full time brokers, on the average, are younger than part-time and inactive brokers.

X. Form of business ownership of firm.

Nearly three-fourths of all respondents were associated with a sole proprietorship firm (Table 2). Another 20 percent were associated with incorporated firms, including 30 percent of all full time principal brokers. A sizable minority of the higher income full time principal brokers may have elected to become either regular or Subchapter "S" corporations to take advantage of the favorable tax treatment afforded to corporations as well as to limit their liability.

Y. Outside source of passive income.

Three-fourths of all respondents reported having no outside source of passive income, such as retirement or disability income (Table 28). Broker-salespersons was the category reporting the highest incidence of outside passive income.

Z. Percent of licensees spending time in various real estate activities.

Three-fifths of all licensees spend some time in a typical week selling single family residences (Table 29). Nearly half of all licensees spend some time in a typical week selling other types of improved properties such as commercial, investment, and industrial, and in selling subdivision lots and vacant land. As expected, a higher percentage of full time licensees spent time in these and other real estate activities than did part-time and inactive licensees.

AA. Percent of time licensees spent in various real estate activities.

Four real estate activities dominated the time spent by all licensees. They include: selling single family residences; selling other types of improved properties such as commercial, investment, and industrial; selling subdivision lots and vacant land; and "other" real estate activities, of which "farm and ranch sales" and "listing" were the most often mentioned activities (Table 30). These same four activities dominated the time spent by all categories of active licensees. Inactive licensees, however, were involved primarily in investing, buying and selling for their own accounts, in addition to selling single family residences and "other" real estate activities.

BB. Time spent in non-real estate business activities.

Nearly one-third of all licensees stated that they spend some time in non-real estate activities in a typical week (Table 29). This percentage varied dramatically among categories of licensees, though, from less than 20 percent for full time people to over 70 percent for part-time people.

Time spent in non-real estate business activities in a typical week varied from 3-4 percent for full time people to nearly 50 percent for part-time people.

CC. Professional designation held.

Fewer than 10 percent of all licensees hold any professional designation (Table 31). Of those holding professional designations, nearly seven-eighths hold the GRI (Graduate, Realtors Institute).

Another 20 percent of the full time principal brokers hold a professional designation, including the GRI.

DD. Real estate courses taken.

Two-thirds of all licensees have taken at least one real estate course, other than pre-licensure courses (Table 32).

Percentage-wise, full time licensees with broker's licenses took more courses than any other category of those responding.

Law, appraisal, salesmanship, investment and finance are the most often taken courses by full time licensees.

Not included as courses taken are the numerous short seminars and educational programs sponsored by the Montana Association of Realtors, National Association of Realtors, appraisal societies, and other groups. Also not included as courses are the numerous home-study courses undertaken by many licensees each year to fulfill perceived educational needs. Considering formal educational experiences only will therefore understate the level of educational attainment of Montana Real Estate Licensees.

TABLE 1. Distribution of licensees by present real estate activity.

A. "Describe your present real estate activity."

<u>CODE</u>	<u>DESCRIPTION</u>	<u>ABSOLUTE FREQUENCY</u> (number)	<u>RELATIVE FREQUENCY</u> (percent)	<u>ADJUSTED FREQUENCY</u> # (percent)
1	Active, full time	1,654	62.5	63.8
2	Active, part time	604	22.8	23.3
3	Inactive	333	12.6	12.9
0	No response	54	2.0	--
	TOTAL	2,645	100.0	100.0

TABLE 2. Distribution of licensees by type of participation in the real estate industry.

G. "In what way do you participate in the real estate business?"

<u>CODE</u>	<u>DESCRIPTION</u>	<u>ABSOLUTE FREQUENCY</u> (number)	<u>RELATIVE FREQUENCY</u> (percent)	<u>ADJUSTED FREQUENCY</u> # (percent)
1	Salesperson	1,542	58.3	60.6
2	Broker-salesperson	383	14.5	15.0
3	Principal broker/ Broker in charge/ Managing broker	620	23.4	24.4
0	No response	100	3.8	--
	TOTAL	2,645	100.0	100.0

*Adjusted frequency percentages are calculated by subtracting the "No response" count from the total (absolute frequency), and then dividing the number of responses in each positive code (1,2,3) by the adjusted total number of responses.

Some columns may not sum to 100.0 percent because of rounding.

(Statements or questions in quotes were taken verbatim from the questionnaire mailed to each licensee--see A-Z, and I-IV).

TABLE 3. Distribution (numerical) of licensees: cross-tabulating present activity and type of participation.

	<u>ACTIVE FULL TIME</u>	<u>ACTIVE PART TIME</u>	<u>INACTIVE</u>	<u>TOTAL</u>
Salesperson	964	351	220	1,535
Broker-salesperson	242	102	38	382
Principal broker/ Broker in charge/ Managing broker	435	140	41	616
TOTAL	1,641	593	299	2,533 **

TABLE 4. Distribution (percent) of licensees: cross-tabulating present activity and type of participation.

	<u>ACTIVE FULL TIME</u>	<u>ACTIVE PART TIME</u>	<u>INACTIVE</u>	<u>TOTAL</u>
Salesperson	38.0	13.9	8.7	60.6
Broker-salesperson	9.6	4.0	1.5	15.1
Principal broker/ Broker in charge/ Managing broker	17.2	5.5	1.6	24.3
TOTAL	64.8	23.4	11.8	100.0

**There are fewer observations in this table than in the two previous tables because a respondent had to answer both Question A ("activity") and Question G ("participation") to have his/her answer included in this table.

TABLE 5. Hours in typical work week devoted to real estate.

B. "In a typical week how many hours do you spend working in real estate?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
PERCENT											
1	None (0)	11.6	0.0	0.0	.2	1.7	3.0	2.2	90.6	77.8	87.5
2	One to ten (1-10)hours	13.2	.5	.8	1.4	47.2	49.0	61.9	5.2	19.4	5.0
3	Eleven to twenty (11-20)hours	7.4	1.6	3.3	2.1	26.4	30.0	20.9	1.9	2.8	0.0
4	Twenty-one to thirty (21-30)hours	7.6	6.4	5.4	6.0	16.8	13.0	12.9	.5	0.0	2.5
4	Thirty-one to forty (31-40)hours	17.8	30.5	26.4	15.2	6.4	3.0	2.2	.5	0.0	0.0
5	More than forty (40)hours	42.3	61.0	64.0	75.2	1.4	2.0	0.0	1.4	0.0	5.0
	TOTAL	100.0									

TABLE 6. Time since last real estate activity.

C. "How recently have you engaged in real estate activities?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
PERCENT											
1	Within the last year	79.5	84.2	85.1	79.9	92.5	91.2	91.3	41.5	30.6	27.5
2	One to two (1-2) years ago	8.1	8.2	.4	.9	4.3	2.9	3.6	33.5	25.0	22.5
3	Three to four (3-4) years ago	3.7	2.2	2.5	1.4	1.7	0.0	2.2	16.0	22.2	20.0
4	Over four (4) years ago	8.8	5.4	12.0	17.8	1.4	5.9	2.9	9.0	22.2	30.0
	TOTAL	100.0									

TABLE 7. Years licensed to sell real state in any state.

D. "How long have you been licensed to sell real estate (in any state)?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	Less than One (1) year	18.2	35.0	0.0	.2	25.8	0.0	.7	18.0	0.0	0.0
2.	One to three (1-3) years	22.2	35.3	6.2	4.6	35.8	2.9	.7	28.1	0.0	0.0
3.	Four to six (4-6) years	20.8	18.7	28.9	21.5	23.5	4.9	4.3	36.4	13.5	12.2
4.	Seven to nine (7-9) years	10.7	5.4	13.6	20.6	6.6	13.7	13.7	9.2	24.3	22.2
5.	Ten (10) years plus	28.1	5.5	51.2	53.0	8.3	78.4	80.6	8.3	62.2	65.0
	TOTAL	100.0--									

TABLE 8. License held in another state.

E. "Have you ever held a real estate salesman's or broker's license in any other state?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	No	89.8	92.7	86.8	78.1	95.4	96.1	90.7	90.5	89.5	92.0
2.	Yes	10.2	7.3	13.2	21.9	4.6	3.9	9.3	9.5	10.5	7.3
	TOTAL	100.0--									

TABLE 9. Out-of-state resident with Montana license in inactive status.

F. "Are you presently living out of the State of Montana and holding your license on an inactive status?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. No	96.8	98.5	98.8	98.6	98.3	99.0	99.3	85.5	84.2	87.5
2. Yes	3.2	1.5	1.2	1.4	1.7	1.0	.7	14.5	15.8	12.5

TOTAL

100.0--

TABLE 10. Time as a salesperson before taking broker's examination.

H. "For how long were you a salesperson before you took your broker's examination?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
	PERCENT									
1. Not a broker	61.7	94.0	.5	1.3	97.0	5.0	2.0	97.7	6.9	3.0
2. Fewer than thirteen (13) months	14.4	.6	27.1	35.6	.3	50.0	60.8	0.0	48.3	66.7
3. Thirteen to twenty-four (13-24) months	6.4	1.0	15.7	19.8	1.2	8.7	10.8	.5	17.2	9.1
4. Twenty-five to thirty-six (25-36) mo.	9.5	2.6	31.4	26.4	.6	8.7	5.9	1.9	24.1	12.1
5. Over three (3) years	8.0	1.8	25.2	16.9	.9	27.5	20.6	0.0	3.4	9.1

TOTAL

100.0--

TABLE 11. Education substituted for partial waiver of experience requirement.

I. "Did you substitute EDUCATION for partial waiver of the two years full time experience requirement?"

CODE

DESCRIPTION

ALL RESPONDENTS	ACTIVE						INACTIVE		
	FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER			

PERCENT

1. No	46.1	20.5	92.5	90.5	18.6	86.7	80.4	24.2	90.3	77.1
2. Yes	4.0	.4	7.1	9.0	.6	10.8	19.6	0.0	6.5	17.1
3. Not a broker	49.9	79.1	.4	.5	80.8	2.4	0.0	75.8	3.2	5.7

TOTAL

100.0--

TABLE 12. Related experience substituted for partial waiver of experience requirement.

J. "Did you substitute related EXPERIENCE for partial waiver of the two years experience requirement?"

CODE

DESCRIPTION

ALL RESPONDENTS	ACTIVE						INACTIVE		
	FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER			

PERCENT

1. No	43.8	20.1	90.7	84.2	17.6	81.9	70.0	23.7	93.1	74.5
2. Yes	6.0	.3	8.9	15.3	1.5	16.9	30.0	.5	3.4	20.0
3. Not a broker	50.2	79.5	.4	.5	80.9	1.2	0.0	75.8	3.4	5.7

TOTAL

100.00--

TABLE 13. Number of real estate transactions during 1976.

K. "How many "real estate transactions" (i.e., secure a listing; negotiate a lease; effect a sale) did you accomplish DURING 1976? NOTE: Do not include transactions in which you were managing broker."

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	None (0)	31.5	39.5	2.1	4.2	34.4	10.4	25.2	66.4	66.7	78.0
2.	One to three (1-3)	9.7	5.1	3.4	5.8	18.7	29.2	24.4	10.6	27.8	12.2
3.	Four to six (4-6)	8.2	6.0	5.5	4.9	16.3	13.5	17.6	8.8	0.0	4.9
4.	Seven to ten (7-10)	9.6	8.3	11.0	9.5	13.7	20.8	13.7	5.1	2.8	0.0
5.	Eleven to fifteen (11-15)	7.5	8.2	10.1	8.4	6.4	11.5	6.9	2.3	2.8	0.0
6.	More than fifteen (15)	33.5	32.9	67.9	67.2	10.5	14.6	12.2	6.9	0.0	4.9
TOTAL		100.00--									

TABLE 14. Number of real estate transactions during 1977.

L. "How many "real estate transactions" (i.e., secure a listing; negotiate a lease; effect a sale) did you accomplish DURING 1977? NOTE: Do not include transactions in which you were managing broker."

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	None (0)	17.1	6.3	1.3	3.5	14.2	8.3	28.8	72.6	75.0	85.4
2.	One to three (1-3)	13.0	5.7	5.1	7.3	33.0	32.3	33.3	11.4	22.2	12.2
3.	Four to six (4-6)	9.4	9.0	5.1	6.1	17.7	19.8	13.6	5.5	0.0	0.0
4.	Seven to ten (7-10)	11.4	12.4	11.1	10.3	16.8	16.7	9.1	5.0	2.8	0.0
5.	Eleven to fifteen (11-15)	11.2	16.3	15.0	10.5	9.0	11.5	2.3	.9	0.0	0.0
6.	More than 15	37.9	50.3	62.4	62.3	9.3	11.5	12.9	4.6	0.0	2.4
TOTAL		100.00--									

TABLE 15. Highest level of formal education.

M. "What is the highest level of formal education you have obtained?
NOTE: Answer ONE only."

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE			
			FULL TIME			PART TIME						
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
		PERCENT										
1.	Grade school	1.2	.5	.8	1.8	.9	4.9	2.9	.5	2.6	2.4	
2.	Some high school	3.2	2.2	5.0	3.9	2.0	3.9	6.5	1.8	2.6	7.3	
3.	High school graduate	23.0	23.1	25.3	22.1	22.3	28.4	19.4	21.7	39.5	19.5	
4.	Completion of less than 2 yrs. col.	20.0	20.5	17.4	19.5	19.8	19.6	22.3	18.0	18.4	22.0	
5.	Two year college graduate	3.2	2.8	1.7	3.4	2.6	5.9	5.8	3.2	5.3	7.3	
6.	Completion of more than 2 years, but less than 4 years of college	14.0	16.0	12.9	13.6	14.9	9.8	14.4	9.7	5.3	4.9	
7.	College graduate	18.7	19.2	21.6	17.9	19.2	12.7	12.2	24.4	10.5	22.0	
8.	College graduate and graduate studies	11.2	10.7	11.2	12.9	10.3	10.8	10.1	15.7	7.9	4.9	
9.	Graduate degree	5.6	5.0	4.1	4.8	8.0	3.9	6.5	5.1	7.9	9.8	
TOTAL		100.0--										

TABLE 16. Number of college credit courses taken BEFORE licensed.

N. "How many college credit courses in real estate did you take BEFORE you got your salesman's license?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE			
			FULL TIME			PART TIME						
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
		PERCENT										
1.	None	73.2	66.8	76.3	76.0	69.8	91.5	89.3	70.5	91.9	87.8	
2.	One	12.6	17.4	8.1	8.2	15.4	1.1	4.6	15.7	5.4	2.4	
3.	Two	5.4	6.8	3.8	5.6	4.8	3.2	0.0	6.5	0.0	4.9	
4.	Three	2.3	3.1	3.0	1.2	2.6	1.1	2.3	1.4	2.7	0.0	
5.	More than three	6.5	5.8	8.9	8.9	7.4	3.2	3.8	6.0	0.0	4.0	
TOTAL		100.0--										

TABLE 17. Number of college credit courses taken AFTER licensed.

O. "How many college credit courses in real estate did you take AFTER you got your real estate license?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER				
	PERCENT									
1. None	85.2	85.8	76.8	76.4	91.7	92.1	92.0	88.0	86.1	90.2
2. One	4.9	5.0	8.9	3.7	4.9	2.0	3.6	3.7	11.1	4.9
3. Two	3.9	4.2	6.8	5.1	1.7	4.0	1.5	2.8	2.8	2.4
4. Three	1.7	1.7	3.0	3.9	.3	0.0	.7	.9	0.0	0.0
5. More than three	4.4	3.3	4.6	10.9	1.4	2.0	2.2	4.6	0.0	2.4
TOTAL	100.0--									

TABLE 18. Number of college credit courses taken in Montana.

P. "How many college level credit courses were taken in Montana?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER				
	PERCENT									
1. None	67.5	61.8	70.8	70.4	66.1	85.9	77.4	63.6	82.9	78.0
2. One	12.0	15.4	9.7	7.8	14.9	2.0	5.3	13.8	11.4	4.9
3. Two	5.7	7.8	6.8	5.9	2.9	4.0	0.0	5.1	5.7	2.4
4. Three	2.8	4.0	2.1	1.6	3.2	1.0	1.5	2.3	0.0	0.0
5. More than three	12.0	11.0	10.6	14.4	12.9	7.1	15.8	15.2	0.0	14.6
TOTAL	100.0--									

TABLE 19. Number of college non-credit courses taken AFTER licensed.

Q. "How many non-credit courses in real estate offered by universities did you take AFTER getting your salesman's license?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE			
			FULL TIME			PART TIME						
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
		PERCENT										
1.	None	80.5	80.9	71.6	70.0	89.6	85.1	89.5	85.3	75.0	90.0	
2.	One	7.2	7.5	6.8	8.7	5.5	5.3	4.5	6.5	19.4	9.0	
3.	Two	4.3	4.6	5.5	6.8	2.3	5.3	2.3	2.8	2.8	0.0	
4.	Three	2.8	2.7	5.5	3.7	1.4	0.0	2.3	2.8	0.0	0.0	
5.	Four to six	2.1	1.9	2.5	3.5	.6	3.2	.8	2.3	2.8	0.0	
6.	More than six	3.1	2.4	8.1	7.3	.6	1.1	.8	.5	0.0	0.0	
TOTAL		100.0--										

TABLE 20. Years of experience as ACTIVE Montana salesperson in order for broker applicant to take examination.

S. "How many years of actual experience as an ACTIVE Montana Real Estate Salesperson should a broker applicant complete in order to take the exam?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE			
			FULL TIME			PART TIME						
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	
		PERCENT										
1.	None	6.8	4.6	2.6	4.5	8.0	10.4	13.3	11.1	13.9	20.0	
2.	One year	10.2	8.1	6.8	6.7	14.2	15.6	17.2	13.0	19.4	15.0	
3.	Two years	64.3	70.3	63.7	59.8	68.0	51.0	56.3	61.4	50.0	60.0	
4.	Three years	9.1	8.5	12.8	13.1	4.7	12.5	5.5	8.2	11.1	2.0	
5.	Over three years	9.6	8.4	14.1	16.0	5.0	10.4	7.8	6.3	5.6	2.0	
TOTAL		100.0--										

TABLE 21. Require special license for employing/managing broker.

T. "Should a special license be required for employing/managing brokers (as opposed to a one-person principal broker operation) including special training in trust fund accounting, management, personnel and other subjects?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE			INACTIVE					
			FULL TIME		PART TIME	SALESPERSON		BROKER-SALESPERSON			
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER			
			PERCENT								
1.	No	72.3	68.2	76.5	77.8	76.6	77.9	80.5	55.9	75.0	82.1
2.	Yes	27.7	31.8	23.5	22.2	23.4	22.1	19.5	44.1	25.0	17.9

TOTAL 100.0--

TABLE 22. Hours of pre-licensure education believed necessary.

U. "Prior to licensure how many hours of education do you feel necessary?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE			INACTIVE					
			FULL TIME		PART TIME	SALESPERSON		BROKER-SALESPERSON			
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER			
			PERCENT								
1.	10 hours	13.7	10.7	9.3	10.7	15.7	15.3	22.0	18.6	30.3	38.9
2.	20 hours	11.2	9.7	11.1	9.7	11.6	27.1	14.2	10.3	15.2	16.7
3.	30 hours	8.6	7.9	6.2	7.7	12.3	5.9	15.0	7.7	3.0	8.3
4.	40 hours	66.5	71.7	73.3	71.8	60.4	51.8	48.8	63.4	51.5	36.1

TOTAL 100.0--

TABLE 23. Post-licensure education needed prior to license renewal.

U. (a) "After licensure do you feel there is a need to complete a minimum number of educational programs prior to license renewal?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER				
	PERCENT									
1. Prior to each renewal period	15.7	21.2	17.7	19.9	8.6	7.1	3.0	10.2	5.6	0.0
2. Prior to several renewal periods	30.3	35.3	29.9	32.6	28.7	19.2	18.9	29.1	16.7	12.5
3. NO NEED	54.0	43.5	52.4	47.5	62.7	73.7	78.0	60.7	77.8	87.5
TOTAL	100.0--									

TABLE 24. On-going education and training program of firm associated with.

V. "Does the real estate firm with which you are now associated have a regular on-going education and training program?"

CODE

DESCRIPTION

	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER				
	PERCENT									
1. No	52.6	41.4	51.5	48.9	54.1	81.1	76.6	69.5	94.1	84.1
2. Weekly	26.0	36.4	19.9	25.5	24.5	10.5	2.3	16.2	2.9	7.9
3. Monthly	7.3	7.7	10.0	9.5	6.6	2.1	5.5	3.9	2.9	2.6
4. Less frequently than monthly	14.1	14.4	18.6	16.0	14.8	6.3	15.6	10.4	0.0	5.4
TOTAL	100.0--									

TABLE 25. Training outside of firm associated with encouraged or subsidized.

"Does the real estate firm with which you are now associated have an organized plan to encourage its people to take training outside of the firm?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
		SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	PERCENT									
1. No	32.0	21.1	34.3	25.5	32.6	45.7	64.3	53.2	79.4	75.0
2. Encourages, but does not help pay for it	41.1	46.8	40.3	45.5	46.3	29.3	16.7	27.3	14.7	16.7
3. Will pay part of expenses of some courses	19.1	25.1	16.7	20.0	14.6	12.0	10.3	13.0	2.9	2.8
4. Will pay all expenses for some programs	7.7	7.0	8.6	9.0	6.4	13.0	8.7	6.5	2.9	5.6
TOTAL	100.0--									

TABLE 26. Age distribution of licensees.

"Is your present age?"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
		SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
	PERCENT									
1. 25 or under	5.3	8.4	.4	.2	9.0	0.0	0.0	8.7	0.0	0.0
2. 26-35	25.1	37.1	15.6	13.1	25.9	2.0	3.7	38.0	5.6	15.0
3. 36-45	22.4	25.2	20.3	21.8	28.2	7.9	11.8	23.1	13.9	12.5
4. 46-55	23.2	19.3	26.6	32.6	19.2	29.7	30.1	19.2	25.0	10.0
5. 56-65	16.4	8.6	23.6	21.8	12.8	34.7	30.9	10.1	33.3	42.5
6. Over 65	7.7	1.4	13.5	10.5	4.9	25.7	23.5	1.0	22.2	20.0
TOTAL	100.0--									

TABLE 27. Form of business organization of firm associated with.

Y. "Are you a?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	Sole Proprietorship	73.0	73.2	75.5	59.9	78.5	72.4	79.4	87.3	93.5	78.9
2.	Partnership	7.4	6.1	7.7	9.2	9.6	13.3	5.1	3.2	6.5	2.6
3.	Corporation	19.5	20.7	16.8	30.9	11.9	14.3	15.4	9.5	0.0	18.4
	TOTAL	100.0--									

TABLE 28. Outside source of passive income.

Z. "Do you have an outside passive source of income such as retirement, disability?"

CODE	DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
			FULL TIME			PART TIME					
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
			PERCENT								
1.	No	74.5	83.2	71.6	77.9	69.9	54.5	57.1	74.2	47.1	55.0
2.	Yes	25.5	16.8	28.4	22.1	30.1	45.5	42.9	25.8	52.9	45.0
	TOTAL	100.0--									

TABLE 29. Percent of licensees spending time in each category of REAL ESTATE activity and in NON-REAL ESTATE activities.

CAREFULLY RESPOND TO QUESTION I.

I. "Please write in the approximate percentage of time you spend in your business week on the following REAL ESTATE activities:"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
		SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
PERCENT SPENDING IN 1% OF TIME IN ACTIVITY										
% Selling single family residence	61.9	82.4	77.3	61.1	65.5	54.9	42.1	10.5	13.2	12.2
% Selling condominiums, cooperative units, and project sales	10.7	16.5	12.0	12.4	8.8	2.0	3.6	1.4	2.6	0.0
% Selling other types of improved properties such as commercial, investment, industrial	44.8	55.4	64.5	63.2	34.8	38.2	23.6	5.0	10.5	2.4
% Selling subdivision lots and vacant land	47.2	62.3	62.0	52.2	45.6	47.1	27.9	7.3	2.6	2.4
% Non-selling managing broker	10.9	.8	14.5	46.0	0.0	4.9	24.3	0.0	2.6	4.9
% Appraising	18.3	18.4	28.9	29.4	9.4	15.7	26.4	3.2	5.3	14.6
% Commercial leasing	4.5	3.6	9.5	10.1	2.0	4.9	2.1	.5	0.0	0.0
% Property management	11.6	7.6	15.7	26.4	7.1	16.7	18.6	1.4	7.9	12.2
% Condominium resident manager	.3	.1	1.7	.2	.3	0.0	.7	0.0	0.0	0.0
% Lending	3.4	4.3	1.7	3.9	2.0	5.9	7.9	.9	0.0	4.9
% Land development	13.6	11.3	17.8	28.3	10.8	17.6	13.6	2.3	0.0	4.9
% Investing, buying and selling for own account	24.3	21.8	36.0	39.8	21.1	29.4	27.9	5.0	13.2	12.2
% Attending seminars, classes, training	25.4	34.3	37.2	38.4	10.8	13.7	10.0	5.0	2.6	4.9
% Other real estate activities, Specify:	29.0	31.7	37.6	40.9	22.8	28.4	30.7	6.8	7.9	12.2
% Farm and Ranch *	10.9	8.5	17.8	19.8	8.8	11.8	14.3	1.4	7.9	4.9
% Listing *	5.5	9.4	4.5	2.8	6.6	1.0	1.4	2.3	0.0	0.0
% TOTAL *Included in "other"										
" _____ % of your working week spent in NON-REAL ESTATE BUSINESS activities (i.e., selling insurance, practicing law, teaching school, etc.)"	32.9	16.5	16.1	18.6	70.1	70.6	71.4	51.4	36.8	51.2

TABLE 30. Percent of time spent in each category of REAL ESTATE activity and in NON-REAL ESTATE business activities.

ACTIVE

INACTIVE

FULL TIME

PART TIME

CAREFULLY RESPOND TO QUESTION I.

I. "Please write in the approximate percentage of time you spend in your business week on the following REAL ESTATE activities:"

CODE	DESCRIPTION	ALL RESPONDENTS	FULL TIME			PART TIME			INACTIVE		
			SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
AVERAGE (MEAN) % OF TIME SPENT IN ACTIVITY											
A.	% Selling single family residence	38.6	51.8	34.6	17.6	44.5	30.3	19.2	34.6	28.9	18.2
B.	% Selling condominiums, cooperative units, and project sales	1.5	2.0	1.6	1.2	1.4	.4	.4	.6	2.0	0.0
C.	% Selling other types of improved properties such as commercial, investment, industrial	11.4	10.3	16.2	14.9	9.9	11.9	5.1	4.3	9.5	5.5
D.	% Selling subdivision lots and vacant land	12.8	13.7	13.7	11.0	14.5	15.5	9.0	10.2	.5	.5
E.	% Non-selling managing broker	5.8	.4	3.8	20.8	0.0	1.7	14.9	0.0	9.0	7.0
F.	% Appraising	2.9	2.3	2.8	2.6	2.6	2.6	6.8	4.6	8.1	8.6
G.	% Commercial leasing	.6	.3	1.1	1.4	.3	.9	.3	.1	0.0	0.0
H.	% Property Management	2.5	1.0	2.2	3.3	2.7	4.0	6.9	3.8	7.3	15.0
I.	% Condominium resident manager	.1	0.0	.4	.1	.1	0.0	.4	0.0	0.0	0.0
J.	% Lending	.8	.5	.5	.3	.6	1.7	2.8	1.8	0.0	9.5
K.	% Land development	2.5	1.6	2.7	3.7	2.5	5.6	2.5	2.2	0.0	1.0
L.	% Investing, buying and selling for own account	4.8	2.2	5.7	4.3	5.8	6.4	11.1	16.6	24.7	13.2
M.	% Attending seminars, classes, training	1.9	2.0	1.9	2.7	.9	1.6	.8	5.2	.1	.1
N.	% Other real estate activities, Specify:	13.9	11.4	12.8	16.5	13.7	17.7	20.3	15.8	9.9	17.1
O.	% Farm and ranch*	7.0	5.1	9.1	10.2	5.3	8.1	9.2	5.1	9.9	5.0
P.	% Listing*	2.1	2.8	1.1	.7	3.6	.2	.8	1.9	0.0	0.0
100% TOTAL * Included in "other"		100.00									
II.	" _____ % of your working week spent in NON-REAL ESTATE BUSINESS activities (i.e., selling insurance, practicing law, teaching school, etc.)	15.6	3.2	3.5	4.5	50.7	45.4	50.8	32.6	35.0	35.0

TABLE 31. Professional designations held.

III. "Circle the number next to each of the following professional designation(s) that you hold:"

DESCRIPTION	ALL RESPONDENTS	ACTIVE						INACTIVE		
		FULL TIME			PART TIME					
		SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER	SALESPERSON	BROKER-SALESPERSON	PRINCIPAL BROKER
AVERAGE (MEAN) % HOLDING DESIGNATION										
MAI (Member, Appraisal Institute)	.2	0.0	0.0	0.0	0.0	1.0	0.0	0.0	2.6	0.0
7. SREA (Society of Real Estate Appraisers)	.2	.1	0.0	.2	.6	0.0	0.0	0.0	2.6	2.4
3. RM (Residential Member)	.2	.1	0.0	.2	.3	1.0	0.0	0.0	2.6	0.0
CPE (Certified Property Executive)	.1	0.0	0.0	.2	.3	0.0	0.0	0.0	2.6	0.0
CPM (Certified Property Manager)	.2	.1	0.0	.7	0.0	0.0	.7	0.0	0.0	0.0
6. SIR (Society of Industrial Realtors)	0.0	0.0	0.0	0.0	.3	0.0	0.0	0.0	0.0	0.0
CRE (Counselor in Real Estate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GRI (Graduate, Realtors Institute)	8.0	7.3	14.9	17.0	1.7	4.9	.7	5.5	7.9	4.9
9. CCIM (Certified Commercial-Investment Member)	.2	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0
1. CRB (Certified Residential Broker)	.3	.1	0.0	1.4	0.0	0.0	0.0	.5	0.0	0.0

TABLE 32. Real estate courses taken.

IV. "If you have taken any real estate courses, please circle the number next to the appropriate course. Does not include pre-licensure courses."

	AVERAGE (MEAN) % HAVING TAKEN COURSE										
1. Real Estate Principles	20.1	17.8	27.3	31.0	17.7	15.7	14.3	15.5	13.2	24.4	
2. Real Estate Law	24.2	23.3	33.9	38.9	13.7	14.7	23.6	18.6	7.9	22.0	
3. Real Estate Appraisal	20.6	17.8	30.6	34.0	13.7	17.6	25.7	10.0	10.5	17.1	
4. Real Estate Salesmanship	21.7	25.0	34.3	30.6	12.8	12.7	12.9	11.8	7.9	12.2	
5. Real Estate Investment	15.2	13.0	29.8	31.5	4.3	8.8	10.0	5.9	2.6	12.2	
6. Real Estate Office Management	6.5	2.8	11.2	22.1	2.0	2.9	3.6	1.4	2.6	0.0	
7. Real Estate Finance	19.5	24.2	26.9	30.3	8.0	5.9	15.7	9.1	0.0	7.3	
8. Property Management	6.1	4.3	10.3	12.9	2.6	6.9	5.7	3.2	0.0	7.3	
9. Land Development	7.1	4.7	13.6	16.1	2.8	3.9	10.0	2.3	0.0	7.3	
10. Land Economics	5.9	4.3	9.5	11.3	3.7	1.0	7.1	4.5	2.6	9.8	
11. Other, specify	17.6	20.2	24.8	25.1	7.7	10.8	9.3	12.3	15.8	14.6	
12. NONE	33.6	32.3	26.4	21.6	42.7	44.1	36.4	45.9	31.6	48.8	

NAME: Jim Burns DATE: Feb. 19, 1979

ADDRESS: 805 No. Main - Helena

PHONE: 449-3163

REPRESENTING WHOM? PROPRIETARY SCHOOL BUREAU - DEPT. OF BUS. REG.

APPEARING ON WHICH PROPOSAL: SB 493

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

