

# Fine-tuning, without red tape

Amendments will clarify election processes for the Real Estate Council of Alberta



## Background

Over the last year, we've taken action to address dysfunction within the Real Estate Council of Alberta (RECA) to make it more effective. We've worked closely with real estate professionals to establish a new governance model, which includes elected councils representing specific sectors of the real estate industry. We were happy to receive broad support for the new model.

In June 2020, we passed amendments to the *Real Estate Act* that established a new governance structure for RECA's Board of Directors and four Industry Councils. In November 2020, the Board and Councils positions were filled through public member appointments by the Minister and by industry elections. On December 1, 2020, the amendments came into force.

With a strong and experienced new Board and Industry Councils in place and beginning their good work, we have identified some areas that need further clarification. These amendments will help ensure that RECA is in the best position to continue with their important work for the real estate industry.

## What we're proposing...

As part of Bill 62, the *Red Tape Reduction Implementation Act, 2021*, Service Alberta is proposing to amend the *Real Estate Act*. The amendments will clarify RECA's delegated authorities and responsibilities so that it can be governed effectively. More specifically, the amendments will:

- clarify the authority of RECA's Board of Directors to establish and apply eligibility criteria for elections;
- clarify term limits for appointed public members and elected industry members; and
- clarify some of the Minister's regulation-making powers;
- authorize RECA's board to establish processes for the approval of education content and requirements for third parties to deliver education.

### A closer look: Election eligibility criteria

Our amendments to the *Real Estate Act* would clarify that RECA's Board of Directors have authority to determine eligibility criteria for election to Industry Council positions. These criteria must be established in consultation with the Industry Councils.

### A closer look: Term lengths

With qualified members in place on the RECA board and Industry Councils following an agreed-upon nomination and election process, we're proposing to establish term lengths of up to three years for the members elected to the Industry Councils by their peers, as well as for the public members appointed to the Industry Councils and RECA Board by the Minister of Service Alberta. In addition, a member would only be able to serve two consecutive three-year terms (maximum of six years total), and not exceed 12 years in a lifetime. This will enable the staggering of terms to ensure continuity of governance during turnover. These term limits are consistent with other agencies, boards, and commissions.

### A closer look: Ministerial approval of RECA's rules and bylaws

Currently, regulations require Ministerial approval for all RECA rules and bylaws for the next two years. With the amendments we're proposing, the Minister will be able to provide clarity regarding the approval of rules after that two-year time frame ends.

### A closer look: Removing education from RECA's portfolio

The amendments from spring 2020 create a framework to remove education from RECA's portfolio in order to enable RECA to focus on its core functions as regulator. Our amendments clarify RECA's bylaw-making powers related to education. These include requirements related to materials, qualifications, and methods for education delivery (by an individual or organization). Amendments will also establish the Minister's regulation-making authority in these areas, to provide a degree of oversight to the Board's use of these clarified responsibilities as RECA divests itself from education.