

Annual Report

Fiscal Year 2021

Real Estate Commission



**Department of Commerce, Community
and Economic Development**

**Division of Corporations, Business
and Professional Licensing**

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

**Real Estate Commission
FY 2021 Annual Report**

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Identification of the Board

| Board Member | Duty Station | Date Appointed | Term Expires |
|---|---------------------|-----------------------|---------------------|
| Cheryl Markwood, Chairperson Broker/Broker At Large | Fairbanks | Mar 01, 2019 | Mar 01, 2023 |
| Traci Heaton Associate Broker, 1 st Judicial District | Juneau | Mar 01, 2021 | Mar 01, 2025 |
| Elizabeth Schok Associate Broker, 4 th Judicial District | Fairbanks | Mar 01, 2021 | Mar 01, 2025 |
| Chad Stigen Associate Broker, Broker At Large | Palmer | June 27, 2021 | Mar 01, 2025 |
| Vacant Broker/Associate Broker, 3 rd Judicial District | | | |
| Jaime Matthews, Vice Chairperson Public Member | Glennallen | Mar 01, 2019 | Mar 01, 2025 |
| Jesse Sumner Public Member | Wasilla | Mar 01, 2019 | Mar 01, 2025 |

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Identification of Staff

Shyla Consalo – Executive Administrator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
550 W. 7th Avenue, Suite 1500
Anchorage, Alaska 99501
(907) 269-8197

Nancy Harris – Project Assistant

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Erika Prieksat – Investigator

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Division of Corporations, Business and Professional Licensing
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Jun Maiquis – Regulations Specialist II

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Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2550

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Division of Corporations, Business and Professional Licensing
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Real Estate Commission FY 2021 Annual Report

Narrative Statement

Effective May 19, 2021, the Alaska Real Estate Commission consists of 5 members who were appointed by the Governor and approved by the Legislature; of the 5 members, 3 were held over and 2 are new. The Commission is comprised of brokers or associate brokers who represent 3 of the Judicial Districts; 2 are at large, and 2 are public members. There is currently one vacant position for the 3rd Judicial District, and the vacant Broker At Large position will be filled effective June 27, 2021.

Our year started out a bit hectic with our new Executive Administrator, Shyla Consalo, assuming her new role at the beginning of the COVID-19 pandemic. Ms. Consalo had to quickly learn her role, in the midst of adjusting to work environment changes, handling the massive questions in the industry on how licensees were to continue working, and navigating an emergency regulations project to adjust the education requirements due to testing center closures. In addition to all of this, Ms. Consalo worked diligently to ensure the backlog of applications and continuing education audits were cleared out & processed. This was accomplished within 3 months of assuming her position.

In the first year serving in her new role, Ms. Consalo organized & added information to the OnBoard database for ease of use for Commission members; completely revamped the Commission website with updated, current, and accurate information; pushed 3 regulations projects through for approval and implementation, one of which was a large project to bring the regulations into the 21st century; developed a Disciplinary Matrix for Commission members to use as a guide when reviewing investigation cases where disciplinary action is recommended – this Disciplinary Matrix was approved by the Commission on March 17, 2021; and assisted the Commission in developing their Strategic Plan for 2021.

Autumn Miller (formerly Roark) did an excellent job of keeping up with complaints as they came in, as well as working through cases that were in progress. Ms. Miller did a phenomenal job as our investigator getting through cases to ensure consumer claims were dealt with quickly, efficiently, and appropriately. Unfortunately, Ms. Miller's last day with the Division was on April 16, 2021. Senior Investigator Erika Prieksat is working with the Commission to ensure a seamless transition in the appointment of a new investigator. During this time, we had a total of 71 cases opened and 76 cases closed; this included continuing education and probation cases.

On July 21, 2020, the emergency regulation change to 12 AAC 64.063 was made permanent. In light of the COVID-19 pandemic, the Commission adopted an emergency regulation change to 12 AAC 64.063 relating to minimum education requirements for licensure. This change gives licensees who have completed the required education for initial licensure, the needed extension to take their exams and file their applications due to the closure of testing facilities during a declared disaster by the Governor under AS 26.23.020. This allows applicants, who have completed the required education, the ability to apply for a real estate license up to 60 days after testing becomes available. This prevents applicants from having to re-complete the education requirement if it expires because of testing facilities being closed.

One of the most significant accomplishments this year was progress made in completing items on the 2020 Strategic Plan. This was the first time the Commission ever had such a specific, actionable plan that helped in keeping us focused on both short-and long-term objectives.

FY 2021 Narrative Statement (continued)

We were able to complete 6 of the 9 objectives specific to the Commission, and the Property Management Committee was able to make significant progress on their ongoing objective. The Property Management Committee worked very hard and put together 3 best practice documents: Optional Educational Resources for Property Management Specialties, Property Management Reporting, and Property Management Contracts & Disclosures. They provided a review of what they accomplished in 2020 and requested guidance from the Commission on goals they would like to see in 2021. At the Commission's June 2021 meeting, the Property Management Committee will be submitting a best practice document on Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves for approval. They will also be submitting their Mission Statement & 2021 Priorities for approval.

We maintained a Recovery Fund balance above the minimum required (per AS 08.88.455) of \$250,000, yet under the maximum of \$500,000. The balance as of now is \$277,201.

Last fiscal year, the Commission had 5 Zoom/Teleconference meetings. The Property Management Committee had 4 Zoom/Teleconference meetings. We will continue to use the Zoom platform for as many meetings as practicable.

The Commission is requesting at least one in-person meeting (if possible under the current circumstances) during our next September meeting because of the unique nature and difficulty of matters being worked through by the Commission.

With our Strategic Plan in place, we are excited to be focused and working to accomplish our objectives. The Strategic Plan is attached for your information below.

FY 2021 Narrative Statement (continued)

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2021

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that our Executive Administrator Shyla Consalo, Project Assistant Nancy Harris, and the REC Investigator, will all support us in reaching our goals.

| GUIDING PRINCIPLE | OBJECTIVE- how will we meet this guiding principle? | Who will complete this task? |
|---|---|--|
| Protect the Consumer/ Inform Licensees | With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: <ul style="list-style-type: none"> • How to file a complaint against a licensee & its process • If a complaint is filed against a license what the process is for a license Additionally, provide best practice “white papers” on various topics as approved by the Commission for placement on our website. | Commissioners, Staff & Investigator |
| Protect the Consumer/ Inform Licensees | Provide the Commission for consideration, what they should have jurisdiction over in property management, i.e., financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. Provide a list of property management FAQ’s (Frequently Asked Questions) for both licensed property managers & property owners, to be approved by the Commission then placed on our website. To include: <ul style="list-style-type: none"> • Best practices for security deposits & earnest money • Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form • Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry • Review and make recommendations to the property management regulations with regard to trust account and security deposit issues | Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton |
| Protect the Consumer/ Inform Licensees | Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include: <ul style="list-style-type: none"> • Define requirements to include brokerage information, minimum size, etc. • Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams • Review, make recommendations if necessary, and draft regulation changes | Commissioners Schok & Heaton to provide information to staff |
| Inform Licensees | Assist staff to clear up the following issues: <ul style="list-style-type: none"> • How “inactive status” is logged/started & the notification to the affected licensee. • Define & Verify how required education, for those who apply for license by endorsement. • Define & Simplify the criteria for getting or upgrading a license. • Sharing of Information | Commissioner Markwood & Staff |
| Protect the Consumer/ Inform Licensees | Review all regulations & propose one major regulation change (clean up) which will bring regulations into the 21 st century. | Commissioners & Staff |
| Protect the Consumer | Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement. | Commissioner Markwood |
| Commission Business/ Inform Licensees | Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance. | Commissioners & Staff |
| Commission Business/ Inform Licensees | Review and make recommendations regarding DCE Education Topics for the next renewal cycle. | Commissioners & Staff |

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Budget Recommendations for FY 2022

The Budget Recommendations section anticipates the board’s fiscal priorities for the upcoming year. Please complete all parts of this section with details about anticipated meetings, conferences, memberships, supplies, equipment, to other board requests. Meeting expenses that are being funded through third-party reimbursement or direct booking must be identified separately from expenses paid through license fees (receipt-supported services or RSS). Be sure to explain any items listed as “other” so they may be tracked appropriately.

| Board Meeting Date | Location | # Board | # Staff |
|---|-----------|---------|-------------------|
| September 15, 2021 | Anchorage | 7 | 2 |
| <input checked="" type="checkbox"/> Airfare: | | | \$650.00 |
| <input checked="" type="checkbox"/> Hotel: | | | \$916.00 |
| <input checked="" type="checkbox"/> Ground: | | | \$471.68 |
| <input checked="" type="checkbox"/> Other: MI&E | | | \$540.00 |
| Total Estimated Cost: | | | \$2,577.68 |

| Board Meeting Date | Location | # Board | # Staff |
|-----------------------------------|----------|---------|---------------|
| | | | |
| <input type="checkbox"/> Airfare: | | | \$0.00 |
| <input type="checkbox"/> Hotel: | | | \$0.00 |
| <input type="checkbox"/> Ground: | | | \$0.00 |
| <input type="checkbox"/> Other: | | | \$0.00 |
| Total Estimated Cost: | | | \$0.00 |

| Board Meeting Date | Location | # Board | # Staff |
|-----------------------------------|----------|---------|---------------|
| | | | |
| <input type="checkbox"/> Airfare: | | | \$0.00 |
| <input type="checkbox"/> Hotel: | | | \$0.00 |
| <input type="checkbox"/> Ground: | | | \$0.00 |
| <input type="checkbox"/> Other: | | | \$0.00 |
| Total Estimated Cost: | | | \$0.00 |

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Budget Recommendations for FY 2022 (continued)

Travel Required to Perform Examinations

Not applicable

| Date | Location | # Board | # Staff |
|------|----------|---------|---------|
| | | | |

Description of meeting and its role in supporting the mission of the Board:

| | |
|--------------------------------------|--------|
| <input type="checkbox"/> Airfare: | \$0.00 |
| <input type="checkbox"/> Hotel: | \$0.00 |
| <input type="checkbox"/> Ground: | \$0.00 |
| <input type="checkbox"/> Conference: | \$0.00 |
| <input type="checkbox"/> Other: | \$0.00 |

Describe "Other" (break out all sections):

Total Estimated Cost: \$0.00

Out-of-State Meetings and Additional In-State Travel (Rank in order of importance)

#1 Rank in Importance or Not Applicable

| Date | Location | # Board | # Staff |
|-----------------------|-------------|---------|---------|
| September 15-19, 2021 | Orlando, FL | | 1 |

Description of meeting and its role in supporting the mission of the Board:

One staff member to attend the Association of Real Estate License Law Officials (ARELLO) annual conference. Attending this conference would allow for the staff member that attends, to bring back to the REC information regarding current trends and issues in the real estate industry in the US and CAN. This information would provide the REC with concepts on how other jurisdictions are handling those issues through regulation, education, and licensing.

| Expenditure | License Fees (RSS) | Third-Party Reimbursement | Third-Party Direct Booked | Total |
|--|---|---------------------------|---------------------------|-------------------|
| <input checked="" type="checkbox"/> Airfare: | \$650.00 | \$0.00 | \$0.00 | \$650.00 |
| <input checked="" type="checkbox"/> Hotel: | \$745.00 | \$0.00 | \$0.00 | \$745.00 |
| <input checked="" type="checkbox"/> Ground: | \$100.00 | \$0.00 | \$0.00 | \$100.00 |
| <input checked="" type="checkbox"/> Conference: | \$630.00 | \$0.00 | \$0.00 | \$630.00 |
| <input checked="" type="checkbox"/> Other | \$297.00 | \$0.00 | \$0.00 | \$297.00 |
| Describe "Other" (break out all sections): | MI&E – some fees are based on previous year estimations | | | |
| current unavailability of information on the ARELLO website. | | | | |
| Net Total: | \$2,422.00 | \$0.00 | \$0.00 | \$2,422.00 |

Out-of-State Meetings and Additional In-State Travel

#2 Rank in Importance

| Date | Location | # Board | # Staff | |
|---|--------------------|---------------------------|---------------------------|---|
| October 5-8, 2021 | Birmingham, AL | | 2 | |
| Description of meeting and its role in supporting the mission of the Board: | | | | |
| 2021 ARELLO Regulatory Investigations Seminar. This event gathers all real estate investigators and auditors to discuss current trends in real estate, real estate issues, and investigative skills (how conduct interviews, report writing, etc.). It also provides an opportunity to learn and share valuable information about current problems and discovering solutions for investigators. | | | | |
| Expenditure | License Fees (RSS) | Third-Party Reimbursement | Third-Party Direct Booked | Total |
| <input checked="" type="checkbox"/> Airfare: | \$1,200.00 | \$0.00 | \$0.00 | \$1,200.00 |
| <input checked="" type="checkbox"/> Hotel: | \$1,192.48 | \$0.00 | \$0.00 | \$1,192.48 |
| <input checked="" type="checkbox"/> Ground: | \$350.00 | \$0.00 | \$0.00 | \$350.00 |
| <input checked="" type="checkbox"/> Conference: | \$900.00 | \$0.00 | \$0.00 | \$900.00 |
| <input checked="" type="checkbox"/> Other | \$420.00 | \$0.00 | \$0.00 | \$420.00 |
| Describe "Other" (break out all sections): | | | | MI&E – some fees are based on previous year estimations due to current unavailability of information on the ARELLO website. |
| Net Total: | \$4,062.48 | \$0.00 | \$0.00 | \$4,062.48 |

Out-of-State Meetings and Additional In-State Travel

#3 Rank in Importance

| Date | Location | # Board | # Staff | |
|--|--------------------|---------------------------|---------------------------|---------------|
| | | | | |
| Description of meeting and its role in supporting the mission of the Board: | | | | |
| | | | | |
| Expenditure | License Fees (RSS) | Third-Party Reimbursement | Third-Party Direct Booked | Total |
| <input type="checkbox"/> Airfare: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| <input type="checkbox"/> Hotel: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| <input type="checkbox"/> Ground: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| <input type="checkbox"/> Conference: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| <input type="checkbox"/> Other | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Describe "Other" (break out all sections): | | | | |
| Net Total: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

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Budget Recommendations for FY 2022 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

| Product or Service | Provider | Cost Per Event |
|---|----------|----------------|
| Association of Real Estate License Law Officials (ARELLO) | ARELLO | \$780.00 |

Description of item and its role in supporting the mission of the Board:

Membership to ARELLO offers the REC access to a nationwide disciplinary database. It also provides access to education, investigation and licensing resources.

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

| Product or Service | Provider | Cost Per Event |
|---|----------|----------------|
| Instructor Development/Train the Trainer Workshop | TBD | \$5,000.00 |

Description of item and its role in supporting the mission of the Board:

An 8-hour Instructor Development/Train the Trainer Workshop, specifically tailored to meet the requirements of beginning (or fairly new) real estate instructors.

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

| Product or Service | Provider | Cost Per Event |
|--------------------|----------|----------------|
| | | \$0.00 |

Description of item and its role in supporting the mission of the Board:

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Budget Recommendations for FY 2022 (continued)

| | | | |
|---|-----------------|--------------------------|---------------|
| Other Items with a Fiscal Impact | | Cost Per Event: | \$0.00 |
| <input type="checkbox"/> Not Applicable | | Number of Events: | 0 |
| Product or Service | Provider | Total Cost | |
| | | \$0.00 | |
| Description of item and its role in supporting the mission of the Board: | | | |
| | | | |

| | | | |
|---|-----------------|--------------------------|---------------|
| Other Items with a Fiscal Impact | | Cost Per Event: | \$0.00 |
| <input type="checkbox"/> Not Applicable | | Number of Events: | 0 |
| Product or Service | Provider | Total Cost | |
| | | \$0.00 | |
| Description of item and its role in supporting the mission of the Board: | | | |
| | | | |

| | |
|--|--------------------|
| Summary of FY 2022 Fiscal Requests | |
| Board Meetings and Teleconferences: | \$2,577.68 |
| Travel for Exams: | \$0.00 |
| Out-of-State and Additional In-State Travel: | \$6,484.48 |
| Dues, Memberships, Resources, Training: | \$5,780.00 |
| Total Potential Third-Party Offsets: | -\$0.00 |
| Other: | \$0.00 |
| Total Requested: | \$14,842.16 |

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Legislation Recommendations Proposed Legislation for FY 2022

No Recommendations

The Board has no recommendations for proposed legislation at this time.

Recommendations

The Board has the following recommendations for proposed legislation:

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Regulation Recommendations Proposed Legislation for FY 2022

No Recommendations

The Board has no recommendations for proposed regulations at this time.

Recommendations

The Board has the following recommendations for proposed regulations:

As a part of the Commission's 2020 Strategic Plan, the Commission identified the following recommended changes to be made in order to bring the regulations into the 21st century. The Commission intends to adopt the changes, barring any unusual concern(s) that may arise. We are hopeful these changes will be effective sometime in July 2021:

12 AAC 64.010(a), (b), (c), (d), and Editor's Note – Examination

This regulation is proposed to update the language to be more consistent with current times, and to update the contact information for the Commission and the testing service provider.

12 AAC 64.040 – Admission to Examination

This regulation is proposed to update the notification processes for admission to examination to be more consistent with current times, and to update the language regarding registration to be more consistent with current practices.

12 AAC 64.059(d)(5) – Review of License Applications

This regulation is proposed to change the age and employment experience requirements for an applicant to qualify for an associate broker or broker licensure, and to conform with current statutory requirements.

12 AAC 64.060(f) and (g) – Applications for Licensure

This regulation is proposed to remove outdated regulations relating to a license limited to practicing community association management. These licenses are no longer issued as of 1999, and there are no more licensees with this type of license.

12 AAC 64.061(c)(1)(C)(i) – License by Endorsement

This regulation is proposed to update the requirements for licensure by endorsement, to include property management activity as an option for an applicant's proof of active status; to change the employment experience requirements for an applicant to qualify for an associate broker or broker licensure, and to conform with the current statutory requirements; and to be more consistent with current times and processes.

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Regulation Recommendations Proposed Legislation for FY 2022 (Continued)

12 AAC 64.071(a) – License renewal

This regulation is proposed to update the renewal reminder notice processes to be more consistent with current times.

12 AAC 64.075(a), (b), and (e) – Employment and Transfer

This regulation is proposed to update the language to be more consistent with current times and processes.

12 AAC 64.077(b) and (c) – Broker Authorization of License Applications

This regulation is proposed to require an applicant applying to work in a branch office to submit the employing broker information form of the application; and update the language to be more consistent with current times and processes.

12 AAC 64.130(13) – Grounds for revocation or suspension

This regulation is proposed to change “agent” to “licensee”.

12 AAC 64.135(a) – Inspections or Audits of Records and Accounts

This regulation is proposed to change “agent” to “licensee”.

12 AAC 64.410 – Minimum Classroom and Virtual Course Requirements

This regulation is proposed to add the option of virtual courses and establish requirements for virtual course delivery and attendance; and update the language to be more consistent with current times and processes.

12 AAC 64.430 – Correspondence Courses

This regulation is proposed to update the language to be more consistent with current times and processes.

12 AAC 64.440(f) and Editor’s Note – Instructor Approval

This regulation is proposed to add an additional requirement for instructor applicants to have no disciplinary action within the last five years by any real estate regulating authority or professional real estate association; and to update contact information for the organizations listed in the editor’s note.

12 AAC 64.990(b)(10) – Definitions

This regulation is proposed to add a definition for “virtual course”.

As a part of the Commission’s 2021 Strategic Plan, the Commission identified the following recommended changes in anticipation of updating the Residential Real Property Transfer Disclosure Statement:

12 AAC 64.930(a) – Property Transfer Disclosure Form

This regulation will revise the form titled Residential Real Property Transfer Disclosure Statement.

Real Estate Commission Fiscal Year 2021 Annual Report

Goals and Objectives

Part I

FY 2021's goals and objectives, and how they were met:

- 1) With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: a) how to file a complaint against a licensee and its process; and b) if a complaint is filled against a license what the process is for that license.
 - Commission staff will be working with the investigations team in accomplishing this goal over the next fiscal year.
- 2) Provide best practices white papers on various topics, as deemed appropriate, on the Commission website as approved by the Commission.
 - Several best practice documents have been approved & posted on the Commission website. As additional topics arise, Commission members and staff will work together to draft best practices accordingly and post them on the Commission website.
- 3) Provide to the Commission for consideration, what the Commission should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations.
 - A Property Management Committee was created in December 2019, and has been working on addressing best practices within the property management industry, as well as looking to see if any regulation changes are necessary. The Committee has already drafted several best practice documents that have been approved by the Commission & posted to the Commission website under a newly created "Property Management Resources" link. The Committee will continue to address any additional best practice topics over the next fiscal year.
- 4) Provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to review to put on the Commission website.
 - This goal is being addressed through the Property Management Committee.
- 5) Refine and rework current processes, to increase the speed of actions to keep outside licensees or non-licensees from transacting business for which an Alaska real estate license or broker's license is required. Then, provide this information on the Commission website.
 - The Commission, with the aid of the investigations team, has been able to address this item through proper training on how to handle these matters when they are reported, and ensuring these cases are processed efficiently and timely. The former backlog of unlicensed practice cases was resolved, and the processes moving forward have been streamlined.
- 6) Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising (i.e. the requirement to include brokerage information).
 - The Commission approved a best practice document on advertising, that addresses some of the advertising issues seen in team advertising - this document was posted on the Commission website. The Commission has refined this goal for FY2022, and will continue to look further into this issue over the next fiscal year.

**Real Estate Commission
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Goals and Objectives (continued)

Part I (continued)

FY 2021's goals and objectives, and how they were met:

7) Long-Term Goal: Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21st century.

- Commission members and staff have been actively working on this project since the implementation of the 2020 Strategic Plan in March. This goal is in the final stages of the regulations project process, and should be completed by July 2021.

8) Long-Term Goal: Assist staff to clear up the following issues:

- How "inactive status" is logged/started and the notification to the affected licensee;
- How required education, for those who apply for license by endorsement, is defined and verified;
- Provided a military spouse has a current license in good standing in another state, streamline the process when they apply for an Alaska real estate license;
 - This item has been addressed through education, and use of the expedited processing form, as well as addressing an initial backlog of applications to be processed, and keeping the processing times (moving forward) within or exceeding Division standards.
- Change how the Commission receives and disseminates license history; i.e. paper versus digital, or some other process; and
 - This item has been addressed through several policy changes, due to COVID, and other states changing how they disseminate license histories. May eventually require a formal regulation change to address the requirement of receipt directly from licensing agencies.
- Define and simplify the criteria for getting or upgrading an Alaska real estate license; i.e. referring to criminal history and what specifically constitutes a valid reason a license will not be given/upgraded and the timing since conviction or completion of sentence.
 - The portion referencing the criminal history aspect has been addressed through education & clarification via meetings, emails, and phone calls. There are other aspects of obtaining & upgrading an Alaska real estate license that will be looked into further over the next fiscal year.

Due to the multi-faceted nature of this goal, some of which may require regulation changes or coordination with other sections within the Division, this goal will take considerable time and effort to implement and remains a long-term goal of the Commission. The items not yet addressed, have been carried over to the Commission's 2021 Strategic Plan and FY2022 goals.

Goals for FY2022 were discussed and considered at the March 2021 quarterly meeting.

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Goals and Objectives

Part II

FY 2022's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

- 1) With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: a) how to file a complaint against a licensee and its process; and b) if a complaint is filled against a license what the process is for that license.
 - This goal is in process, and Commission staff will be working with the investigations team in accomplishing this goal over the next fiscal year.
- 2) Provide best practices white papers on various topics, as deemed appropriate, on the Commission website as approved by the Commission.
 - This goal is in process and ongoing. Several best practice documents have been approved & posted on the Commission website. As additional topics arise, Commission members and staff will work together to draft best practices accordingly and post them on the Commission website.
- 3) Provide to the Commission for consideration, what the Commission should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations.
 - This goal is in process and ongoing until the Commission deems the Property Management Committee has fulfilled its purpose in entirety. The Committee has already drafted several best practice documents that have been approved by the Commission & posted to the Commission website. The Committee has also recently drafted/finalized the best practice document for security deposits & earnest money, as well as drafted a 2021 Mission Statement & Priorities memorandum – both are to be presented to the Commission at their June 2021 meeting for approval. The Committee will continue to address topics, as outlined in the Committee's 2021 priorities memorandum, over the next fiscal year.
- 4) Provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to review to put on the Commission website. To include:
 - Best practices for security deposits & earnest money;
 - Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form;
 - Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry; and
 - Long-term goal to review and make recommendations to the property management regulations with regard to trust account and security deposit issues.

This goal is in process, and is being addressed through the Property Management Committee.

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Goals and Objectives (continued)

Part II (continued)

FY 2022's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

5) Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include:

- Define requirements to include brokerage information, minimum size, etc.;
- Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams; and
- Review, make recommendations if necessary, and draft regulation changes.

This goal has been assigned to two Commission members for colaberation & brainstorming over the next fiscal year.

6) Long-Term Goal: Assist staff to clear up the following issues:

- How "inactive status" is logged/started and the notification to the affected licensee;
- How required education, for those who apply for license by endorsement, is defined and verified; and
- Define and simplify the criteria for getting or upgrading an Alaska real estate license.

This goal is in process and ongoing. Due to the multi-faceted nature of this goal, some of which may require regulation changes or coordination with other sections within the Division, this goal will take considerable time and effort to implement and remains a long-term goal of the Commission.

7) Long-Term Goal: Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21st century.

- This goal is in the final stages of the regulations project process, and should be completed by July 2021.

8) Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement.

- This has been a long-term goal for the Commission that has been worked on by several past Commission members. The project was recently re-assigned to another Commission member, who has reviewed & made changes to the form, which will be brought to the June 2021 meeting for consideration & discussion.

9) Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.

- This goal will be addressed within the next few months, as the Commission prepares to move into a renewal cycle over the next fiscal year.

10) Review and make recommendations regarding DCE Education Topics for the next renewal cycle.

- This goal will be addressed over the next fiscal year, possibly through the creation of an Education Committee.

**Real Estate Commission
Fiscal Year 2021 Annual Report**

Sunset Audit Recommendations

Date of Last Legislative Audit: June 15, 2017

Board Sunset Date: June 30, 2026

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|------------------------------|---|
| Audit Recommendation: | The audit recommends the DCPBL Chief Investigator continue to improve oversight to ensure cases are actively investigated and completed timely. |
| Action Taken: | The Chief Investigator has new procedures in place to ensure that the timeliness of cases, complaints, and in-take matters are addressed through quarterly reporting. |
| Next Steps: | Continue monitoring cases in quarterly reports from the Investigator to the Real Estate Commission at their quarterly meetings. |
| Date Completed: | Ongoing |