

**Real Estate Commission
Meeting**

June 15, 2023

**Atwood Building
550 W 7th Avenue
Suite 1550
Anchorage**

Via Zoom

Call to Order

Roll Call

Traci Heaton

Elizabeth Schok

Chad Stigen

Devon Doran

Cheryl Markwood

Approval of Agenda

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING
June 15, 2023

Atwood Building 550 W. 7th Ave. Suite 1550
Anchorage, AK

ZOOM Info: Join meeting: <https://us02web.zoom.us/j/85483596656>

Meeting ID: 854 8359 6656 Passcode: 670152
Call-In: +1 (669)900- 6833 or (253)215-8782

Thursday, June 15, 2023

Note: There will be a break for lunch from 12 until 1 if deemed necessary.

- 9:00 a.m. 1. Call to Order Markwood
 a) Roll Call
 b) Approval of 6/15 Agenda
 c) Statements of Conflicts of Interest/ethics violations
2. Public Comments (est. time only; 9:15 am)
3. Review Meeting Minutes
 a) February 9, 2023
- 9:30 a.m. 4. Investigative Report Gabriel
 a) Statistical Report
 b) License Action – **Executive Session**
 Consent Agreement - 2022-000970
5. Licensng Issues – **Executive Session** Zimmerman
 a) Education Audit Issues
 2022-000980
 2022-000983
 2022-000984
 2022-001020
 b) Default Revocations
 2022-000854
 2022-000989
 c) Initial Applications Harris
 Broker by Endorsement (1)
 Salesperson by Exam (2)

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- | | | |
|----------|--|----------|
| 11:00 am | 6. Division Update | Robb |
| | a) Revenue/Expenditure Report, FY23/ 3 rd Qtr | |
| | 7. Old Business | Markwood |
| | a) FY 2023/2024 Strategic Plan – update | |
| | b) Property Management Committee update/discussion | |
| | c) AREC Consumer Disclosure w/addendum, form 08-4145
AREC Waiver form 08-4212, form revisions | Schok |
| | d) SOA Residential Real Property Disclosre Transfer Stat. | Harris |
| | e) Board Committees vs. Subcommittee vs Workgroups- new info | |
| | 8. New Business | Markwood |
| | a) 2023 Annual Report | |
| | b) PearsonVue Test Development - update | |
| | c) 2023 ARELLO Annual Conference –
Montreal, QC Canada, September 18-22, 2023 | |
| | 9. Executive Administrator’s Report | Harris |
| | a) Licensing/Education Report | |
| | b) Recovery Fund Report | |
| | 10. Commission Member Comments and Questions | |
| | Adjournment | |

REC Meeting Dates for 2023:
September 14 (In Person)
December 14

Statements of Conflict of Interest

State of Alaska
DEPARTMENT OF LAW

ETHICS INFORMATION FOR MEMBERS OF BOARDS & COMMISSIONS (AS 39.52)

Introduction

This is an introduction to AS 39.52, the *Alaska Executive Branch Ethics Act*. This guide is not a substitute for reading the law and its regulations. State board and commission members who have further questions should contact their board chair or staff.

The Ethics Act applies to all current and former executive branch public employees and *members of statutorily created boards and commissions*.

Scope of Ethics Act (AS 39.52.110)

Service on a state board or commission is a public trust. The Ethics Act prohibits substantial and material conflicts of interest. Further, board or commission members, and their immediate family, may not improperly benefit, financially or personally, from their actions as board or commission members. The Act does not, however, discourage independent pursuits, and it recognizes that minor and inconsequential conflicts of interest are unavoidable.

Misuse of Official Position (AS 39.52.120)

Members of boards or commissions may not use their positions for personal gain or to give an unwarranted benefit or treatment to any person. For example, board members may not:

- use their official positions to secure employment or contracts;
 - accept compensation from anyone other than the State for performing official duties;
 - use State time, equipment, property or facilities for their own personal or financial benefit or for partisan political purposes;
 - take or withhold official action on a matter in which they have a personal or financial interest; or
 - coerce subordinates for their personal or financial benefit.
- attempt to influence outcome of an administrative hearing by privately contacting the hearing officer.



Terry knew that a proposal that was before the board would harm Terry's business competitor. Instead of publicly disclosing the matter and requesting recusal, Terry voted on the proposal.



Board member Mick has board staff employee Bob type an article for him that Mick hopes to sell to an Alaskan magazine. Bob types the article on State time.

Improper Gifts (AS 39.52.130)

A board member may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. "Gifts" include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper, unless the giver is immediate family of the person receiving the gift.

A gift worth more than \$150 to a board member or the board member's immediate family must be reported within 30 days if:

- the board member can take official action that can affect the giver, or
- the gift is given to the board member because he or she is on a state board.

The receipt of a gift worth less than \$150 may be prohibited if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. Receipt of such a gift should be disclosed.

Any gift received from another government, regardless of value, must be reported; the board member will be advised as to the disposition of this gift.

A form for reporting gifts is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.

This restriction on gifts does not apply to lawful campaign contributions.



The commission is reviewing Roy's proposal for an expansion of his business. Roy invites all the board members out to dinner at an expensive restaurant. He says it will be okay, since he isn't excluding any of the members.



Jody receives a holiday gift every year from Sam. Jody was recently appointed to a state board, but Sam has no business that is before the board. Jody may accept the gift.

Improper Use or Disclosure of Information (AS 39.52.140)

No former or current member of a board may use or disclose any information acquired from participation on the board if that use or disclosure could result in a financial or personal benefit to the board member (or immediate family), unless that information has already been disseminated to the public. Board members are also prohibited from disclosing confidential information, unless authorized to do so.



Sheila has been on the board for several years. She feels she has learned a great deal of general information about how to have a successful business venture. So she sets up her own business and does well.



Delores has always advised and assisted the other doctors in her clinic on their continuing education requirements. After Delores is appointed to the medical board, she discloses this role to the board and continues to advise the doctors in her clinic.



Jim reviews a confidential investigation report in a licensing matter. He discusses the practitioner's violation with a colleague who is not a board member.

Improper Influence in State Grants, Contracts, Leases or Loans (AS 39.52.150)


A board member, or immediate family, may not apply for, or have an interest in a State grant, contract, lease, or loan, if the board awards or takes action to administer the State grant, contract, lease, or loan.


A board member (or immediate family) may apply for or be a party to a *competitively solicited* State grant, contract or lease, if the board as a body does not award or administer the grant, contract, or lease and so long as the board member does not take official action regarding the grant, contract, or lease.

A board member (or immediate family) may apply for and receive a State loan that is generally available to the public and has fixed eligibility standards, so long as the board member does not take (or withhold) official action affecting the loan's award or administration.

Board members must report to the board chair any personal or financial interest (or that of immediate family) in a State grant, contract, lease or loan that is awarded or administered by the agency the board member serves. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.*




 John sits on a board that awards state grants. John hasn't seen his daughter for nearly ten years so he figures that it doesn't matter when her grant application comes up before the board.

 The board wants to contract out for an analysis of the board's decisions over the last ten years. Board member Kim would like the contract since she has been on the board for ten years and feels she could do a good job.

Improper Representation (AS 39.52.160)

A board or commission member may not represent, advise, or assist a person in matters pending before the board or commission for compensation. A nonsalaried board or commission member may represent, advise, or assist in matters in which the member has an interest that is regulated by the member's own board or commission, if the member acts in accordance with AS 39.52.220 by disclosing the involvement in writing and on the public record, and refraining from all participation and voting on the matter. This section does not allow a board member to engage in any conduct that would violate a different section of the Ethics Act.


 Susan sits on the licensing board for her own profession. She will represent herself and her business partner in a licensing matter. She discloses this situation to the board and refrains from participation in the board's discussions and determinations regarding the matter.

Restriction on Employment After Leaving State Service (AS 39.52.180)

For two years after leaving a board, a former board member may not provide advice or work for compensation on any matter in which the former member personally and substantially participated while serving on the board. This prohibition applies to cases, proceedings, applications, contracts, legislative bills, regulations, and similar matters. This section does not prohibit a State agency from contracting directly with a former board member.

With the approval of the Attorney General, the board chair may waive the above prohibition if a determination is made that the public interest is not jeopardized.

Former members of the governing boards of public corporations and former members of boards and commissions that have regulation-adoption authority, except those covered by the centralized licensing provisions of AS 08.01, may not lobby for pay for one year.

 The board has arranged for an extensive study of the effects of the Department's programs. Andy, a board member, did most of the liaison work with the contractor selected by the board, including some negotiations about the scope of the study. Andy quits the board and goes to work for the contractor, working on the study of the effects of the Department's programs.



Andy takes the job, but specifies that he will have to work on another project.

Aiding a Violation Prohibited (AS 39.52.190)

Aiding another public officer to violate the Ethics Act is prohibited.

Agency Policies (AS 39.52.920)

Subject to the Attorney General's review, a board may adopt additional written policies further limiting personal or financial interests of board members.

Disclosure Procedures

DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS OR COMMISSIONS (AS 39.52.220)

A board member whose interests or activities could result in a violation of the Ethics Act if the member participates in board action must disclose the matter on the public record and in writing to the board chair who determines whether a violation exists. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.* If another board member objects to the chair's ruling or if the chair discloses a potential conflict, the board members at the meeting (excluding the involved member) vote on the matter. If the chair or the board determines a violation will occur, the member must refrain from deliberating, voting, or participating in the matter. For more information, see *Ethics Act Procedures for Boards and Commissions* available at the above noted web site.

When determining whether a board member's involvement in a matter may violate the Ethics Act, either the chair or the board or commission itself may request guidance from the Attorney General.

ATTORNEY GENERAL'S ADVICE (AS 39.52.240-250)

A board chair or a board itself may request a written advisory opinion from the Attorney General interpreting the Ethics Act. A former board member may also request a written advice from the Attorney General. These opinions are confidential. Versions of opinions without identifying information may be made available to the public.

REPORTS BY THIRD PARTIES (AS 39.52.230)

A third party may report a suspected violation of the Ethics Act by a board member in writing and under oath to the chair of a board or commission. The chair will give a copy to the board member and to the Attorney General and review the report to determine whether a violation may or does

exist. If the chair determines a violation exists, the board member will be asked to refrain from deliberating, voting, or participating in the matter.

Complaints, Hearings, and Enforcement

COMPLAINTS (AS 39.52.310-330)

Any person may file a complaint with the Attorney General about the conduct of a current or former board member. Complaints must be written and signed under oath. The Attorney General may also initiate complaints based on information provided by a board. A copy of the complaint will be sent to the board member who is the subject of the complaint and to the Personnel Board.

All complaints are reviewed by the Attorney General. If the Attorney General determines that the complaint does not warrant investigation, the complainant and the board member will be notified of the dismissal. The Attorney General may refer a complaint to the board member's chair for resolution.

After investigation, the Attorney General may dismiss a complaint for lack of probable cause to believe a violation occurred or recommend corrective action. The complainant and board member will be promptly notified of this decision.

Alternatively, if probable cause exists, the Attorney General may initiate a formal proceeding by serving the board or commission member with an accusation alleging a violation of the Ethics Act. Complaints or accusations may also be resolved by settlement with the subject.

CONFIDENTIALITY (AS 39.52.340)

Complaints and investigations prior to formal proceedings are confidential. If the Attorney General finds evidence of probable criminal activity, the appropriate law enforcement agency shall be notified.

HEARINGS (AS 39.52.350-360)

An accusation by the Attorney General of an alleged violation may result in a hearing. An administrative law judge from the state's Office of Administrative Hearings serves as hearing officer and determines the time, place and other matters. The parties to the proceeding are the Attorney General, acting as prosecutor, and the accused public officer, who may be represented by an attorney. Within 30 days after the hearing, the hearing officer files a report with the Personnel Board and provides a copy to the parties.

PERSONNEL BOARD ACTION (AS 39.52.370)

The Personnel Board reviews the hearing officer's report and is responsible for determining whether a violation occurred and for imposing penalties. An appeal may be filed by the board member in the Superior Court.

PENALTIES (AS 39.52.410-460)

When the Personnel Board determines a board member has violated the Ethics Act, it will order the member to refrain from voting, deliberating, or participating in the matter. The Personnel Board may also order restitution and may recommend that the board member be removed from the board or commission. If a recommendation of removal is made, the appointing authority will immediately remove the member.

If the Personnel Board finds that a former board member violated the Ethics Act, it will issue a public statement about the case and will ask the Attorney General to pursue appropriate additional legal remedies.

State grants, contracts, and leases awarded in violation of the Ethics Act are voidable. Loans given in violation of the Ethics Act may be made immediately payable.

Fees, gifts, or compensation received in violation of the Ethics Act may be recovered by the Attorney General.

The Personnel Board may impose a fine of up to \$5,000 for each violation of the Ethics Act. In addition, a board member may be required to pay up to twice the financial benefit received in violation of the Ethics Act.

Criminal penalties are in addition to the civil penalties listed above.

DEFINITIONS (AS 39.52.960)

Please keep the following definitions in mind:

Benefit - anything that is to a person's advantage regardless financial interest or from which a person hopes to gain in any way.

Board or Commission - a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad Corporation.

Designated Ethics Supervisor - the chair or acting chair of the board or commission for all board or commission members and for executive directors; for staff members, the executive director is the designated ethics supervisor.

Financial Interest - any property, ownership, management, professional, or private interest from which a board or commission member or the board or commission member's immediate family

receives or expects to receive a financial benefit. Holding a position in a business, such as officer, director, partner, or employee, also creates a financial interest in a business.

Immediate Family - spouse; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.

Official Action - advice, participation, or assistance, including, for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction, by a public officer.

Personal Interest - the interest or involvement of a board or commission member (or immediate family) in any organization or political party from which a person or organization receives a benefit.

For further information and disclosure forms, visit our Executive Branch Ethics web site or please contact:

State Ethics Attorney
Alaska Department of Law
1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501-5903
(907) 269-5100
attorney.general@alaska.gov

Revised 9/2013

The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

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Public Comments

Approval of Meeting Minutes

1
2 STATE OF ALASKA
3 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
4 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
5

6 REAL ESTATE COMMISSION
7 MEETING MINUTES
8

9 February 9, 2023
10

11 "These draft minutes were prepared by the staff of the Division of Corporations, Business
12 and Professional Licensing. They have not been reviewed or approved by the
13 Commission." By authority of AS 08.01.070(2), and in compliance with the provisions of
14 AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held
15 February 9, 2023, at the State of Alaska Atwood Building, 550 W. 7th Avenue, Suite 1550,
16 Anchorage, Alaska via Zoom.
17

18 **Thursday, February 9, 2023**

19 **Agenda Item 1 - Call to Order**

20 Chairperson Cheryl Markwood called the meeting to order at 9:05 a.m., at which time a
21 quorum was established.
22

23 Agenda Item 1(a) – Roll Call

24 Members Present via Zoom

25 Cheryl Markwood, Broker, Broker at Large, Chairperson
26 Traci Heaton, Associate Broker, 1st Judicial District
27 Devon Doran, Broker, 3rd Judicial District
28 Chad Stigen, Associate Broker, Broker at Large
29

30 Members Absent:

31 Elizabeth Schok, Associate Broker, 4th Judicial District
32

33 Staff Present:

34 Nancy Harris, Executive Administrator, REC
35 Kerry Givens, Project Assistant, REC
36 Erika Prieksat, Senior Investigator, CBPL
37 Anna Gabriel, Investigator, REC/APR
38 Holly Handley, Investigator, PHA
39 Melissa Dumas, Administrative Operations Manager, CBPL
40

41 Guests Present via Zoom:

42 Errol Champion, Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau
43

44 Ms. Markwood stated that Mr. Stigen would join the meeting shortly.
45

46 Agenda Item 1(b) - Approval of 2/9 Agenda

47 Commission members reviewed the agenda as presented.
48

On a motion made by Doran, seconded by Heaton, it was,

Resolved to approve the February 9, 2023, meeting agenda as presented.

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50 **All in favor. Motion passed.**

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Commission members Chad Stigen joined the meeting at 9:10 a.m.

Statements of Conflicts of Interest/Ethics Violations– 1(c)

There were no conflicts of interest statements or ethics violations to report.

Agenda Item 2 – Public Comments

Errol Champion, Chair of the Legislature and Real Estate Commission Committee for AK Realtors did not have anything to bring to the Commission regarding the legislature but that he was at the meeting to just observe.

He did give an update on the repeal of the property disclosure ordinance in Juneau. He stated that the AK Realtors were successful in the repeal of the property disclosure ordinance and property sales in Juneau do not have to be reported and it is off the books. He said that the AK Realtors have been talking about strengthening the definition of being a non-disclosure state with their concern that the first step of implementation of a transfer fee or sales tax. Realtors know that goes against good housing, keeping housing costs down, anything you can do to avoid increasing fees they think is viable and what Realtors will stand up for. There are currently only 10 states that do not require disclosure. The Realtors have looked at possibly a need to reinforce the fact that Alaska is a non-disclosure state and will remain a non-disclosure state as it relates to real property values.

Agenda Item 3 – Review of Meeting Minutes

Agenda Item 3(a) – December 8, 2022

On a motion made by Heaton, seconded by Doran, it was,

Resolved to approve the December 8, 2022, meeting minutes as presented.

All in favor; Motion passed.

Agenda Item 7 – Old Business

2023 Strategic Plan – 7(a)

Commission members reviewed, discussed, and made changes to the 2023 Strategic Plan.

Ms. Harris stated that she added #13, regulation 12 AAC 64.064(g) education requirements after initial licensure regarding broker/associate broker completion of post licensing education and #14, payment of commission/earnest money through title company.

Ms. Harris let the Commission members know that the Governor’s Admin Order has expired.

12 AAC 64.064(g) -Education Requirements after Initial License – 7(b)

Commission members discussed the regulation 12 AAC 64.064(g) and possible changes.

102 Ms. Doran suggested that a Salesperson would need to complete the required PLE before
103 they could become a Broker and open an office.

104
105
106 **Agenda Item 4 – Licensing Issues**

107 Licensing Issue – 4(b)

108 Commission members went into executive session to discuss the licensing issues.

109 Marilyn Zimmerman, paralegal for the CBPL joined the meeting.

110
111 **On a motion duly made by Heaton, seconded by Stigen, it was,**

112
113 **Resolved to go into executive session in accordance with the**
114 **provisions of AK Statute 44.62.310(c), for the purpose of discussing**
115 **subjects that tend to prejudice the reputation and character of any**
116 **person, provided the person may request a public discussion.**

117
118 **All in favor; Motion passed.**

119
120 *Commission went into executive session at 9:20 am.*

121 *Out of executive session at 9:30 am*

122
123
124 License Action- Case No. 2022-000852

125
126 **On a motion made by Doran, seconded by Stigen, it was,**

127
128 **Resolved to adopt the volunteer surrender in Case No. 2022-000852.**

129
130 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
131 absent.

132
133 *The Voluntary Surrender was adopted by the Commission in Case No. 2022-000852.*

134
135
136 **Agenda Item 5 – Investigative Report**

137 Statistical/Probation Report– 5(a)

138 Erika Prieksat, Senior Investigator, presented the investigation statistics report to the
139 Commission. She presented the investigative report for the reporting period of November
140 22, 2022, through January 24, 2023. There are 62 cases opened and 10 cases were
141 closed from the last report. She said quite a few cases are opened within a wide range
142 from 2020 to 2022. She gave a gentle reminder that if there are any cases that are
143 outstanding and need review and they have any questions about, they can reach out to
144 Anna, and she is also available for questions. she said they hope to get as many cases
145 wrapped up as possible.

146
147 Ms. Prieksat introduced Holly Handley to the Commission. She is the new investigator for
148 the Pharmacy Board. She is training and at the meeting to observe.

149
150
151

152 The Commission members had no questions for Ms. Prieksat regarding the investigative
153 report.

154

155 Ms. Markwood asked when Commission members are assigned a case is there an
156 expected time frame for review?

157

158 Ms. Prieksat said there is a 30-day goal for Board member review. Some cases may take
159 longer, if that is the case, she asked that they reach out and communicate that with Anna
160 Gabriel the REC investigator.

161

162

163 **Agenda Item 4 – Licensing Issues- cont'd**

164 Proposed Decision– 4(a) OAH No 22-0149-REC/Agency No 2021-000273

165 Administrative Law Judge Lebo joined the meeting. The Commission went into executive
166 session to discuss the proposed decision.

167

168 **On a motion duly made by Heaton, seconded by Doran, it was,**

169

170 **Resolved to go into executive session in accordance with the**
171 **provisions of AK Statute 44.62.310(c), for the purpose of discussing**
172 **subjects that tend to prejudice the reputation and character of any**
173 **person, provided the person may request a public discussion.**

174

175 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
176 absent.

177

178 **All in favor; Motion passed.**

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180

181 *Commission went into executive session at 9:40 am.*

182 *Out of executive session at 9:50 am*

183

184

185 Proposed Decision- OAH No 22-0149-REC/Agency No 2021-000273

186

187 **On a motion made by Doran, seconded by Stigen, it was,**

188

189 **Resolved to adopt decision for final action in the case of Agency No**
190 **2021-000273.**

191

192 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
193 absent.

194

195 *The Proposed Decision was adopted by the Commission in OAH No 22-0149-*
196 *REC/Agency No 2021-000273.*

197

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199 **Agenda Item 5 – Investigative Report- Cont'd**

200 Investigative Training– 5(b)

201 REC investigator Anna Gabriel joined the meeting to present the investigative training that
202 will be conducted in executive session.

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On a motion duly made by Heaton, seconded by Stigen, it was,

Resolved to go into executive session in accordance with the provisions of AK Statute 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion.

All in favor; Motion passed.

Commission went into executive session at 9:55 am.

Out of executive session at 10:30 am

The Commission recessed for break at 10:35 a.m.

The Commission reconvened at 10:45 a.m.

Agenda Item 7 – Old Business – Cont’d

12 AAC 64.064(g) -Education Requirements after Initial License – 7(b) – Cont’d

Commission members continued discussed the regulation 12 AAC 64.064(g) and what direction they wanted Ms. Doran to look into making revisions.

On a motion made by Stigen, seconded by Doran, it was,

Resolved to appoint Devon Doran as the Chair of the education requirements committee regarding the education requirements after initial license and broker supervision.

All in favor; Motion passed.

Agenda Item 6 – Division Update

Revenue/Expenditure Report, FY23/2nd Qtr. – 6(b)

Melissa Dumas, Administrative Operations Manager for the Division of Corporations, Business, and Professional Licensing, presented to the Commission the Revenue and Expenditures report for the FY2023 2st quarter, October through December 2022. She stated the current revenue was \$111,785. Expenditures totals were as follows: There were non-investigative expenditures of \$83,722 and investigative expenditures of \$109,107, for a total of \$192,829 direct expenditures. There were in- direct expenditures of \$93,896 place holder, (this includes internal administration, department, and statewide costs), leaving the total expenditures at \$286,725. There was a total ending cumulative surplus of \$1,145,465.

Ms. Dumas spoke about how the 4,062 number of licensees is calculated. This is determined from the license count and is taken from the statistical information which is located on the web page under division reports. The REC program is 3.89% of the total division, and REC saw 1% increase in licensure between FY 19 and FY22. She said that 4,062 is the number of licenses REC had at the end of FY 22, 3,680 at the end of the FY 21, 3,700 at the end of FY20 and 4,000 licensees in FY19.

255 Ms. Harris said that the REC completed their fee analysis after the last renewal and
256 decreased fees. This process is normally done before the renewal. She asked when we
257 will complete our next fee analysis and look at the recovery fund fee.

258
259 Ms. Dumas said the fee analysis was completed after the last renewal which is normally
260 done prior to renewals but there was not enough time to do it before and because REC
261 had a sizable surplus, they didn't want to wait another year to reduce fees. The fee
262 reduction for REC was effective February 12, 2023. She said that because the recovery
263 fee needed a fee increase but the Department was not increasing fees due to the
264 Governor's mandate to not increase fees, they requested \$75,000 in general fund to offset
265 what would be a needed fee increase for the recovery fund. These are general fund
266 dollars to keep the fund between that 250,000 - 500,000-dollar threshold that is required to
267 be in the Recovery fund. Ms. Dumas said that she did this through a budget request to the
268 Legislature, and it was approved by the Legislature through the budget process.

269
270

271 **Agenda Item 7 – Old Business – cont'd**

272 Property Management Committee update/discussion 7(c)
273 Commission tabled this agenda item until a later date.

274

275 Discuss status/goal of REC Consumer Disclosure –7(d)

276 Commission tabled this agenda item until a later date.

277

278 SOA Residential Real Property Disclosure Transfer Statement - 7(e)

279 Ms. Markwood stated that it was brought to her attention of a conflict in the definition of
280 residential real property between the statute AS 34.70.200(2) and AS 34.80.090. AS 34.70
281 refers to a single-family or two single family dwelling and AS 34.80 refers to a four plex.
282 Ms. Markwood did some research and found that the SOA Residential Real Property
283 Transfer Disclosure Statement form is specific to AS 34.70.200(2) and (3); however, the
284 form does not refer to AS 34.80.090.

285

286 The regulation specialist, Jun Maiquis, recommended to attach Title 34, Property as an
287 appendix and list title 34 in the document we provide.

288

289 The real estate industry is confused on the definition of residential real property and if a
290 disclosure needed for a 4-plex. Are they in compliance.

291

292 Legislation is required to make a change to a statute. The Commission discussed how to
293 make a statute change for the definition of residential real property.

294

295 **On a motion made by Heaton, seconded by Stigen, it was,**

296

297 **Resolved to appoint Devon Doran to represent the Commission to**
298 **reach out to the AK Association Legislative Committee to see if they**
299 **would assist us in initiating a change in the statute regarding the**
300 **definition of residential real property.**

301

302 **All in favor; Motion passed.**

303

304

305 **Agenda Item 8 – New Business**

306 2023 Legislative Guidance for CBPL Board & Commission Members – 8(a)

307 Ms. Harris provided to Commission members with an information sheet on guidance
308 during legislative session should the REC have a bill before the legislature. This is an
309 information sheet on the dos and don'ts during legislative session. There are currently no
310 bills before the legislature for REC this session.

311

312 POC for Legislative Matters– 8(b)

313 Ms. Harris provided information to the Commission regarding the requirement to select a
314 point of contact person to represent the Commission should they have a bill(s) before the
315 legislature. The Commission chose not to appoint a POC at this time because there are
316 currently no bills before the legislature for REC this session.

317

318 New Guidelines on Board Committees vs. Subcommittees vs. Workgroups – 8(c)

319 Commission members reviewed and discussed the new guidelines for Board committees
320 vs. subcommittees vs. workgroups. Ms. Markwood asked to have someone at the next
321 meeting to clarify

322

323 Temporary License – close out real estate office– 8(c)

324 Ms. Harris stated that Roger Porto the broker for Sundance Realty recently passed away
325 and his personal representative, Mark Choate, has requested that the Commission appoint
326 Michael Ban, an Associate Broker with Sundance Realty, as the acting/temporary Broker
327 for Sundance Realty while it goes through probate.

328

329 **On a motion made by Heaton, seconded by Stigen, it was,**

330

331 **Resolved to appoint Michael Ban as the personal representative and**
332 **acting broker for Sundance Realty while it goes through probate.**

333

334 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
335 absent.

336

337

338 **Agenda Item 9 – Executive Administrator's Report**

339 Licensing/Education Report/ Statistics – 9(a)

340 Ms. Harris presented the licensing report for February 9, 2023. She reported that between
341 November 23, 2022, through January 23, 2023, there were 33 new licenses issued; 3,000
342 active licensees with a 1/31/2024 expiration date; 3151 total number of licensees with an
343 1/31/2024 expiration date; 44 inactive licensees; 351 lapsed licenses with 44 of those for
344 non-compliance of PLE; 82 transfers; 49 licensees completed their PLE requirements; 3
345 license upgrades from salesperson to associate broker; 93 licensees in a license returned
346 status.

347

348 Education Statistics – 9(a)

349 Ms. Harris presented the education report for February 9, 2023. She reported that as of
350 January 24, 2023, there were 12 pre-licensing courses; 4 broker upgrade courses; 385
351 elective courses; 93 designated courses; and 77 post-licensing courses approved, with a
352 total of 482 courses approved. Ms. Harris stated there are currently 96 approved
353 instructors with 1 new instructor within the last quarter.

354

355 Recovery Fund Balance Report – 9(b)

356 Ms. Harris presented the Recovery Fund Report for the 2nd quarter, ending December 31,
357 2022. The Commission received a total of \$13,606 for license fees processed between
358 October and December leaving the current fund balance at \$328,509 and the end of year

359 fund balance of \$330,291. The projected balance for the end of the next fiscal year is
360 \$345,302.

361

362

363 **Agenda Item 10 – Commission Member Comments & Questions**

364 Mr. Stigen asked if the two Commission industry seats have been renewed. Ms.
365 Markwood stated that both her and Devon Doran have requested reappointment and there
366 are 2 public member seats still vacant.

367

368 Devon Doran had no comments.

369

370 Ms. Heaton said she would not be available to attend the meeting on June 8th. She
371 thanked Cheryl and Devon for extending their time on the Commission. She said she
372 believes it is valuable to have both of them on the Commission with their experience
373 because she still feels very new.

374

375 Commission members changed the June meeting date from June 8, 2023, to June 15,
376 2023.

377

378 Ms. Markwood thanked everyone for all their hard work on the Commission. She said she
379 knows that investigations are a huge part of serving as a commissioner and that is a huge
380 concern for everyone. She estimated that 80% of her work for the Commission is with
381 investigations. She appreciates everyone's hard work especially with the backlog. She
382 said she also appreciates Devon continuing to serve on the Commission with all her
383 experience. She asked staff to make sure the meeting link is placed on the REC website
384 so that it is easily accessed for anyone interested in attending the meeting.

385

386

387 **Agenda Item 11 – Adjournment**

388

389

390 **On a motion made by Doran, seconded by Stigen, it was,**

391

392 **Resolved to adjourn the meeting.**

393

394 **All in favor; Motion passed.**

395

396

397 Meeting adjourned at 11:56 pm.

398

399 The next meeting will be held June 15, 2023, via ZOOM.

400

401

402

Prepared and submitted by:
Real Estate Commission Staff

403

404

405

Approved:

406

407

408

409

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

410

411

Investigative Report



MEMORANDUM

DATE: May 30, 2023
 TO: Real Estate Commission
 THRU: Erika Prieksat, Chief Investigator *EP*
 FROM: Anna Gabriel, Investigator *AG*
 RE: Investigative Report for the June 15, 2023 Meeting

The following information was compiled as an investigative report to the Board for the period of January 25, 2023 thru May 30, 2023; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 48

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE ASSOCIATE BROKER			
2021-000465	Violation of licensing regulation	Complaint	06/03/2021
2022-000445	Violation of licensing regulation	Complaint	05/18/2022
2022-001045	Violation of licensing regulation	Complaint	10/24/2022
2022-001078	Violation of licensing regulation	Complaint	11/07/2022
2022-001082	Violation of licensing regulation	Complaint	11/08/2022
2021-000231	Advertising	Investigation	03/08/2023
REAL ESTATE BROKER			
2021-000772	Violation of licensing regulation	Complaint	08/26/2021
2021-001096	Violation of licensing regulation	Complaint	12/15/2021

2022-000087	Unlicensed practice or activity	Complaint	09/30/2021
2022-000468	Violation of licensing regulation	Complaint	05/24/2022
2022-000900	Violation of licensing regulation	Complaint	09/28/2022
2022-000975	Violation of licensing regulation	Complaint	10/06/2022
2022-001067	Continuing education	Complaint	10/26/2022
2023-000012	Violation of licensing regulation	Complaint	01/10/2023
2023-000278	Violation of licensing regulation	Complaint	04/11/2023
2020-000224	Criminal action - no conviction	Monitor	
2021-000185	Violation of licensing regulation	Investigation	03/08/2023
2021-000286	Violation of licensing regulation	Investigation	03/08/2023
2022-000970	Falsified application	Investigation	02/21/2023
2021-000267	Violation of licensing regulation	Litigation Initiated	09/16/2022

REAL ESTATE SALESPERSON

2023-000447	Violation of licensing regulation	Intake	05/23/2023
2021-000635	Real estate - other	Complaint	08/23/2021
2022-000051	Violation of licensing regulation	Complaint	01/19/2022
2022-000394	Violation of licensing regulation	Complaint	04/27/2022
2022-000473	Violation of licensing regulation	Complaint	06/08/2022
2022-000719	Violation of licensing regulation	Complaint	08/16/2022
2022-000732	Violation of licensing regulation	Complaint	08/04/2022
2022-000921	Violation of licensing regulation	Complaint	09/27/2022
2022-001076	Violation of licensing regulation	Complaint	11/07/2022
2022-001077	Violation of licensing regulation	Complaint	11/07/2022
2022-001171	Violation of licensing regulation	Complaint	12/14/2022
2023-000274	Violation of licensing regulation	Complaint	04/21/2023
2023-000277	Violation of licensing regulation	Complaint	04/07/2023
2022-000980	Continuing education	Monitor	
2022-000983	Continuing education	Monitor	
2022-000984	Continuing education	Monitor	
2022-001020	Continuing education	Monitor	

2020-000015	Fraud or misrepresentation	Investigation	06/15/2020
2020-000077	Fraud or misrepresentation	Investigation	06/11/2020
2021-000183	Violation of licensing regulation	Investigation	03/08/2023
2021-000269	License application problem	Investigation	03/08/2023
2021-000519	Fraud or misrepresentation	Investigation	02/17/2022
2022-000254	Violation of licensing regulation	Investigation	03/28/2023
2022-000849	Continuing education	Investigation	01/30/2023
2022-000854	Continuing education	Investigation	11/29/2022
2022-000981	Continuing education	Investigation	02/17/2023
2022-000982	Continuing education	Investigation	03/13/2023
2022-000989	Continuing education	Investigation	03/16/2023

Closed - 29

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE ASSOCIATE BROKER				
2023-000306	License application problem	Closed-Intake	04/20/2023	Review Complete
2021-000107	Unethical conduct	Closed-Complaint	03/21/2023	No Action - No Violation
2021-000238	Fraud or misrepresentation	Closed-Complaint	04/19/2023	No Action - No Violation
REAL ESTATE BROKER				
2023-000337	Real estate - other	Closed-Intake	05/01/2023	Other (See Abstract)
2021-000576	Unprofessional conduct	Closed-Complaint	04/20/2023	No Action - No Violation
2021-001179	Violation of licensing regulation	Closed-Complaint	05/22/2023	No Action - No Violation
2022-000074	Falsified application	Closed-Investigation	05/04/2023	No Action - Unfounded
REAL ESTATE SALESPERSON				
2023-000145	Unethical conduct	Closed-Intake	03/14/2023	Incomplete Complaint
2023-000179	License application problem	Closed-Intake	03/02/2023	Review Complete
2023-000286	Violation of licensing regulation	Closed-Intake	05/09/2023	Incomplete Complaint

2023-000309	License application problem	Closed-Intake	04/20/2023	Review Complete
2023-000324	Violation of licensing regulation	Closed-Intake	05/30/2023	Incomplete Complaint
2021-000106	Unethical conduct	Closed-Complaint	03/21/2023	No Action - No Violation
2021-000184	Violation of licensing regulation	Closed-Complaint	02/01/2023	No Action - Lack of Jurisdiction
2021-000448	Violation of licensing regulation	Closed-Complaint	04/03/2023	No Action - No Violation
2021-001144	Violation of licensing regulation	Closed-Complaint	02/10/2023	No Action - Insufficient Evidence
2022-000297	Violation of licensing regulation	Closed-Complaint	02/07/2023	No Action - Lack of Jurisdiction
2022-000715	Violation of licensing regulation	Closed-Complaint	05/01/2023	No Action - No Violation
2022-000790	Continuing education	Closed-Complaint	02/01/2023	No Action - No Violation
2022-000985	Continuing education	Closed-Complaint	05/08/2023	No Action - No Violation
2022-001065	Continuing education	Closed-Complaint	02/07/2023	No Action - No Violation
2023-000154	Violation of licensing regulation	Closed-Complaint	02/23/2023	No Action - Lack of Jurisdiction
2020-000110	Advertising	Closed-Investigation	01/30/2023	Advisement Letter
2021-000138	Unlicensed practice or activity	Closed-Investigation	04/20/2023	No Action - Insufficient Evidence
2021-000139	Unlicensed practice or activity	Closed-Investigation	04/20/2023	No Action - Insufficient Evidence
2021-000273	Falsified application	Closed-Investigation	03/13/2023	Application Denied
2022-000602	Contested license denial	Closed-Investigation	03/22/2023	Application Denied
2022-000852	Continuing education	Closed-Investigation	02/21/2023	License Action
2023-000441	License application problem	Closed-Investigation	05/26/2023	Advisement Letter

END OF REPORT

Licensing Issues

Education Audit Issues

Initial Applications

Division Update

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Real Estate Commission	FY 16	FY 17	Biennium	FY 18	FY 19	Biennium	FY 20	FY 21	Biennium	FY 22	FY 23 1st - 3rd QTR
	Revenue										
Revenue from License Fees	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 820,700	\$ 181,720
General Fund Received							\$ -	\$ -	\$ -	\$ 17,842	\$ -
Allowable Third Party Reimbursements	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ 2,500
TOTAL REVENUE	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 838,542	\$ 184,220
Expenditures											
Non Investigation Expenditures											
1000 - Personal Services	137,073	118,908	255,981	115,076	120,856	235,932	65,350	113,092	178,442	129,521	124,557
2000 - Travel	12,781	6,803	19,584	15,632	5,036	20,668	3,046	-	3,046	-	1,403
3000 - Services	26,599	14,085	40,684	13,683	9,813	23,496	19,306	4,687	23,993	12,219	3,567
4000 - Commodities	1,229	34	1,263	649	-	649	-	-	-	16	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	177,682	139,830	317,512	145,040	135,705	280,745	87,702	117,779	205,481	141,756	129,527
Investigation Expenditures											
1000-Personal Services	91,700	90,606	182,306	51,422	83,598	135,020	93,884	97,209	191,093	98,726	78,067
2000 - Travel	-	-	-	-	-	-	2,078	-	2,078	-	6,600
3023 - Expert Witness	-	4,922	4,922	-	-	-	-	450	450	-	-
3088 - Inter-Agency Legal	43,639	45,154	88,793	646	530	1,176	1,692	43,125	44,817	23,415	59,936
3094 - Inter-Agency Hearing/Mediation	6,929	19,603	26,532	-	3,689	3,689	-	2,799	2,799	6,467	19,403
3000 - Services other	-	-	-	-	958	958	1,010	390	1,400	517	1,760
4000 - Commodities	-	-	-	-	-	-	-	-	-	106	44
Total Investigation Expenditures	142,268	160,285	302,553	52,068	88,775	140,843	98,664	143,973	242,637	129,231	165,810
Total Direct Expenditures	319,950	300,115	620,065	197,108	224,480	421,588	186,366	261,752	448,118	270,987	295,337
Indirect Expenditures											
Internal Administrative Costs	95,730	87,001	182,731	108,746	110,362	219,108	108,667	101,425	210,092	112,583	84,437
Departmental Costs	54,735	58,811	113,546	53,154	57,353	110,507	37,533	39,972	77,505	46,517	34,888
Statewide Costs	20,226	23,348	43,574	18,608	20,811	39,419	20,978	28,864	49,842	28,689	21,517
Total Indirect Expenditures	170,691	169,160	339,851	180,508	188,526	369,034	167,178	170,261	337,439	187,789	140,842
TOTAL EXPENDITURES	\$ 490,641	\$ 469,275	\$ 959,916	\$ 377,616	\$ 413,006	\$ 790,622	\$ 353,544	\$ 432,013	\$ 785,557	\$ 458,776	\$ 436,179
Cumulative Surplus (Deficit)											
Beginning Cumulative Surplus (Deficit)	\$ 99,946	\$ 695,563		\$ 523,449	\$ 912,708		\$ 782,155	\$ 1,047,062		\$ 940,639	\$ 1,320,405
Annual Increase/(Decrease)	595,617	(172,114)		389,259	(130,553)		264,907	(106,423)		379,766	(251,959)
Ending Cumulative Surplus (Deficit)	\$ 695,563	\$ 523,449		\$ 912,708	\$ 782,155		\$ 1,047,062	\$ 940,639		\$ 1,320,405	\$ 1,068,446
Statistical Information											
Number of Licenses for Indirect calculation	3,066	3,558		4,129	4,041		3,771	3,680		4,062	
Additional information:	<ul style="list-style-type: none"> • Fee analysis required if the cumulative is less than zero; fee analysis recommended when the cumulative is less than current year expenditures; no fee increases needed if cumulative is over the current year expenses * • Most recent fee change: Fee change FY20 • Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and p 										

Appropriation Name (Ex)	(Multiple Items)
Sub Unit	(All)
PL Task Code	REC1

Sum of Budgetary Expenditures Object Name (Ex)	Object Type Name (Ex)				Grand Total
	1000 - Personal Services	2000 - Travel	3000 - Services	4000 - Commodities	
1011 - Regular Compensation	113,240.43				113,240.43
1014 - Overtime	1,242.58				1,242.58
1016 - Other Premium Pay	82.83				82.83
1021 - Allowances to Employees	193.99				193.99
1023 - Leave Taken	10,786.49				10,786.49
1028 - Alaska Supplemental Benefit	7,691.69				7,691.69
1029 - Public Employee's Retirement System Defined Benefits	16,456.76				16,456.76
1030 - Public Employee's Retirement System Defined Contribution	3,125.83				3,125.83
1034 - Public Employee's Retirement System Defined Cont Health Reim	2,130.84				2,130.84
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	648.87				648.87
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	8,713.07				8,713.07
1040 - Group Health Insurance	30,616.66				30,616.66
1042 - Worker's Compensation Insurance	1,003.59				1,003.59
1047 - Leave Cash In Employer Charge	2,654.86				2,654.86
1048 - Terminal Leave Employer Charge	2,194.89				2,194.89
1053 - Medicare Tax	1,728.54				1,728.54
1077 - ASEA Legal Trust	84.59				84.59
1079 - ASEA Injury Leave Usage	8.53				8.53
1080 - SU Legal Trst	19.35				19.35
2005 - In-State Non-Employee Airfare			799.52		799.52
2007 - In-State Non-Employee Lodging			166.88		166.88
2008 - In-State Non-Employee Meals and Incidentals			270.00		270.00
2010 - In-State Non-Employee Non-Taxable Reimbursement			166.88		166.88
2012 - Out-State Employee Airfare			2,063.58		2,063.58
2013 - Out-State Employee Surface Transportation			269.71		269.71
2014 - Out-State Employee Lodging			3,248.30		3,248.30
2015 - Out-State Employee Meals and Incidentals			2,410.51		2,410.51
2016 - Out-State Employee Reimbursable Travel Costs			1,108.00		1,108.00
2970 - Travel Cost Transfer			(2,500.00)		(2,500.00)
3000 - Training/Conferences				1,750.00	1,750.00
3002 - Memberships				780.00	780.00
3035 - Long Distance				23.34	23.34
3036 - Local/Equipment Charges				11.03	11.03
3045 - Postage				462.76	462.76
3046 - Advertising				1,204.57	1,204.57
3057 - Structure, Infrastructure and Land - Rentals/Leases				118.38	118.38
3085 - Inter-Agency Mail				385.98	385.98
3088 - Inter-Agency Legal				60,526.84	60,526.84
3094 - Inter-Agency Hearing/Mediation				19,402.80	19,402.80
4005 - Subscriptions				44.00	44.00
Grand Total	202,624.39	8,003.38	84,665.70	44.00	295,337.47

Old Business

2023 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Project Assistant, and 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?	Status/Notes
1. Protect the Consumer/Inform License	<p>With agreement of the appropriate departments, upload informational videos done by appropriate personnel on:</p> <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 <p>Additionally, provide best practice “white papers” on various topics as approved by the Commission for placement on our website.</p>	Commissioners, Staff & Investigator	Ongoing -Goal to have recorded presentation done & submitted to Chief Investigator for review/approval by the next year's Strategic Planning meeting
2. Protect the Consumer/Inform License	<p>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:</p> <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 regarding trust account and security deposit issues 	Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton	<p>Work in Progress – PM Committee continuing to develop best practices for REC consideration, several already approved & on Website.</p> <p>PM FAQs document is being drafted</p>
3. Protect the Consumer/Inform License	<p>Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include:</p> <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 <p>Expand the scope to include team educations, advertising, supervision, brokers role, and consumer protection.</p> <p>Provide a FAQ's (Frequently Asked Questions) to be approved by the Commission and then placed on our website.</p>	Commissioners Schok & Heaton to provide information to staff	<p>Previous Commission Completed a best practice document for Advertising approved & on website</p> <p>Reviewed and created Best Practices to include FAQ document. Approved by Commission at March 2022 meeting and placed on REC website under Team Resources.</p>

2023 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Project Assistant, and 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?	Status/Notes
4. 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 license. • Sharing of Information 	Commissioner Markwood & Staff	Completed for endorsement applicants through a regulation project. Commission reviewed proposed regulation and decided not to make any revisions at this time.
5. Protect the Consumer/Inform Licensees	Review all regulations & propose one major regulation change (cleanup) which will bring regulations into the 21 st century.	Commissioners & Staff	Complete – DOL review complete, signed by Lt. Governor and effective 9/2021
6. Commission Business/Inform Licensee	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.	Commissioners & Staff	Completed; proposed Department Regulations signed by Lt. Governor on 1/13/23, the proposed fee changes effective on 2/13/23. * Requires a Regulation Change
7. Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff	Completed by Commission at the September 15, 2021, REC meeting.
8. Commission Business/Inform Licensees	Create and proposed regulations as required per SB21 to allow for a Military Courtesy License for all license types: Salesperson, Associate Broker and Broker.	Commissioners & Staff	Completed through a regulation project adopted by Commission at June 2022 REC mtg., signed by Lt. Governor on 8/12/22 effective 9/11/22
9. Commission Business/Inform Licensees	Create guidelines for DCE topics	Commissioners & Staff	Completed by DCE Guideline Committee on 9/15/21
10. Commission Business/Inform Licensees	Review and make recommendations to the regulation 12 AAC 64.500(n) and form, regarding the request for CE credit for courses that are not approved by Commission staff.	Commissioners & Staff	Completed; proposed regulations signed by Lt Governor on 4/24/23, revisions were effective 5/24/23
11. Teams on Consumer Disclosure	Propose changes to the regulation 12 AAC 64.118, Consumer Disclosure with regards to teams.	Commissioners & Staff	In progress, Commission took no action on revised form at 12/9/22 meeting, will discuss most currently revised form at 6/15/23 REC meeting.
12. Update outdated or ineffective regulations	Identify and draft revisions for outdated or ineffective regulations by September 30, 2022, per the Governor's Administrative Order #335	Commissioners & Staff	Completed; proposed regulations signed by Lt Governor on 4/24/23, revisions for 12 AAC 060,061, 075, 125, and 500 were effective 5/24/23

2023 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Project Assistant, and 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?	Status/Notes
13. Commission Business/Inform Licensees	To review and revise 12 AAC 64.064 (g). Education requirements after initial licensure regarding broker/associate broker completion of post licensing education.	Commissioners & Staff	In progress, Commissioner Duran volunteered to work on revisions, will bring to Commission to discuss another REC meeting.
14. Commission Business/Inform Licensees	Payment of commissions/EM through title company's	Commissioners & Staff	
15. Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next licensing period 2024-2026 (notification to sponsors no later than October of odd numbered years (2023) of DCE topics for next renewal period.	Commissioners & Staff	
14. Commission Business/Inform Licensees	Create guidelines for DCE topics for licensing period 2024-2026	Commissioners & Staff	
17. Commission Business/Inform Licensee	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance for 2024-2026	Commissioners & Staff	

Last Edited 5/30/2023

Property Management Committee
update/discussion



THE STATE
of

ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing

Real Estate Commission

550 West 7th Avenue, Suite 1500, Anchorage, AK 99501

Phone: (907) 269-8160

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Website: ProfessionalLicense.Alaska.Gov/RealEstateCommission

Alaska Real Estate Commission Consumer Disclosure

This is not a contract. This disclosure outlines the obligations of the Licensee to the Consumer and does not obligate the Consumer to the Licensee. This disclosure outlines the duties of the types of licensee relationships identified by Alaska State law. (AS 08.88.600 - 08.88.695). The Consumer understands that they will be working with the Licensee under the relationship initialed below:

Specific Assistance	Representation
<p>The Consumer is receiving Specific Assistance without Representation. The Licensee does not represent the Consumer. Rather, the licensee is simply responding to requests for information, and the licensee may "Represent" another party in the transaction while providing you with Specific Assistance. Unless you and the Licensee agree otherwise, information you provide the licensee is not confidential. Duties owed to the consumer by a licensee include:</p> <ol style="list-style-type: none"> Exercise of reasonable skill and care; Honest and good faith dealing; Timely presentation of all written communications; Disclosing all material information know by a license regarding the physical condition of a property; and Timely accounting of all money and property received by a licensee. <p>Consumer Initials: _____ / _____ Date: _____</p>	<p>The Licensee represents only the Consumer(s) listed in this disclosure unless otherwise agreed to in writing by all consumers in a transaction. Duties owed to a consumer by a licensee include:</p> <ol style="list-style-type: none"> All duties owed by a Licensee providing Specific Assistance; Not intentionally taking actions which are adverse or detrimental to a consumer; Timely disclosure of conflicts of interest to a consumer; Advising a consumer to seek independent expert advice if a matter is outside the expertise of a licensee; Not disclosing confidential information during or after representation without written consent of the consumer unless required by law; and Making a good faith and continuous effort. <p>Consumer Initials: _____ / _____ Date: _____</p>

Neutral Licensee

Alaska Law allows for a Licensee to assist the seller/lessor AND the buyer/lessee in a real estate transaction. It is understood that a Neutral Licensee is NOT Representing either party and duties are limited. Duties owed to a consumer by a Neutral Licensee include:

- All duties owed by a licensee providing Specific Assistance;
- Duties a, b, c, d, and e, owed by a licensee providing Representation; and
- Not disclosing the terms or the amount of money a consumer is willing to pay or accept for a property if different than what a consumer has offered or accepted for a property.

Consumer Initials: _____ / _____ Date: _____ **(Must attach Waiver of Rights to be Represented)**

Acknowledgement: The below Consumer(s) has read the information provided in the Alaska Real Estate Disclosure and understands the different types of relationships available by an Alaska Real Estate Licensee.

Brokerage Name:			
Licensee Name:	Signature:	Date:	
Consumer Name:	Signature:	Date:	
Consumer Name:	Signature:	Date:	

An addendum ___ IS ___ IS NOT attached. If more than one Licensee is involved, a Consumer Disclosure Addendum shall be attached naming all licensees and specifying the relationship.

– THIS CONSUMER DISCLOSURE IS NOT A CONTRACT –



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Alaska Real Estate Commission Consumer Disclosure Addendum

This form shall be attached to the Alaska Real Estate Commission Consumer Disclosure if there is more than one Licensee relationship with the Consumer, in a single transaction.

****Relationship MUST be indicated for each Licensee listed below.**

Specific Assistance without Representation = S
Representation = R
Neutral Licensee Relationship = N

Additional Licensees			Relationship		
Name	Signature	Date	S	R	N

TEAMS: If the aforementioned licensee(s) are a part of a team, the team name shall be listed below. The consumer understands that the team below is NOT acting as a brokerage.

Team Name:	
-------------------	--

Acknowledgement: The below consumer(s) has read the information provided in the Alaska Real Estate Disclosure and understands the different types of relationships available by an Alaskan Real Estate Licensee. The consumer(s) further understands that the duties owed by a Licensee are limited by the relationship indicated.

Consumer Name:		Signature:		Date:	
Consumer Name:		Signature:		Date:	

– THIS CONSUMER DISCLOSURE IS NOT A CONTRACT –



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Alaska Real Estate Commission Waiver of Right to Be Represented

The Consumer understands that all rights to be Represented by the Licensee are being waived. The Consumer is receiving Specific Assistance in a Neutral capacity. A Waiver of Right to be Represented MUST be signed BEFORE the Licensee acts in a Neutral capacity. The Seller/Lessor may preauthorize the Licensee to act in a Neutral capacity by signing this disclosure prior to a buyer/lessee's interest. The Licensee must have all parties sign a Waiver of Right to be Represented before showing the property to a Represented Buyer/Lessee and acting in a Neutral capacity. The following is an outline of duties owed by a Neutral Licensee to Consumers:

Neutral Licensee

The Licensee will be providing services to both sides in a real estate transaction for a specific property. A Neutral Licensee does not "Represent" either consumer. A Licensee in a Neutral capacity owes both parties the following duties:

- a. Exercise of reasonable skill and care;
- b. Honest and good faith dealing;
- c. Timely presentation of all written communications;
- d. Disclosing all material information know by a license regarding the physical condition of a property;
- e. Timely accounting of all money and property received by a licensee;
- f. Not intentionally take actions which are adverse or detrimental to a consumer;
- g. Timely disclosure of conflicts of interest to a consumer;
- h. Advising a consumer to seek independent expert advice if a matter is outside the expertise of a licensee;
- i. Not disclosing consumer confidential information during or after representation without written consent of the consumer unless required by law; and
- j. Not disclosing the terms or the amount of money a consumer is willing to pay or accept for a property if different than what the consumer has offered or accepted for a property.

Consumer Initials: _____ / _____ Date: _____

Additional Authorization

This additional authorization allows the Neutral Licensee to engage in the following conduct in a good faith effort to assist in reaching the final agreement in a real estate transaction:

- a. Analyzing, providing information on, or reporting the merits of the transaction to each party;
- b. Discussing the price, terms, or conditions that each party would or should offer or accept; or
- c. Suggesting compromises in the parties' respective bargaining positions.

Consumer Initials: _____ / _____ Date: _____

Acknowledgement: The below consumer(s) has read the information provided in the Alaska Real Estate Disclosure and understands the different types of relationships available by an Alaska Real Estate Licensee. The Consumer is waiving rights to be Represented and authorizes the below licensee to act in a Neutral capacity.

Licensee Name:		Signature:		Date:	
Consumer Name:		Signature:		Date:	
Consumer Name:		Signature:		Date:	

– THIS CONSUMER DISCLOSURE IS NOT A CONTRACT –

Information on the definition of “residential property” on the SOA Residential Real Property Transfer Disclosure Statement form, #08-4229

It has come to the attention of the Commission that there is a discrepancy in the definition of “residential real property” in AS Title 34, Property.

The State of Alaska Residential Real Property Transfer Disclosure Statement form, #08-4229, that is required for disclosure when selling a home includes the definition of residential property as a “single-family dwelling or two single-family dwellings in one building” cited in AS 34.70.200(3). However, residential real property is defined differently in AS 34.80.090(6) as “one to four attached or detached dwelling units or any number of units if the units are in a common interest community created under AS 34.08”.

The regulation specialist, Jun Maiquis, suggested that the Commission could add Title 34 as an appendix to the document/form.

The real estate industry is confused as to what the correct definition is for residential property and if a disclosure form should be completed for a four-plex.

The Commission did appoint one of the members at the last meeting to reach out to the AK Association with assistance in making changes to the definition.

With the conflict of the definition of residential real property between AS 34.70.200(3) and 34.80.090(6) the Commission would need to have legislation to correct/resolve conflict. Can the Commission even request changes through the legislature process to Title 34 since it is not within their purview?

AS 34.70.200. Definitions.

In this chapter,

- (1) "disclosure statement" means the disclosure statement required by AS [34.70.010](#) ;
- (2) "real property" includes a unit in real property subject to AS [34.07](#) or AS [34.08](#);
- (3) "residential real property" means real property whose primary purpose is to provide a single-family dwelling, or two single-family dwellings in one building;
- (4) "transfer" means transfers by sale, exchange, installment land sale contract, lease with an option to purchase, other option to purchase, or a ground lease coupled with improvements.

AS 34.80.090. Definitions.

- (6) "residential real property" means real property on which there are one to four attached or detached dwelling units, or any number of apartments if the apartments are in a horizontal property regime formed under AS [34.07](#) or any number of units if the units are in a common interest community created under AS [34.08](#);



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State of Alaska Residential Real Property Transfer Disclosure Statement

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

AS 34.70.010 requires that before a Transferee/Buyer (hereafter referred to as Buyer) makes a written offer of residential real property, the Transferor/Seller (hereafter referred to as Seller) must deliver a completed written disclosure form. This disclosure statement is in compliance with AS 34.70.010. It concerns the residential real property* located in the Recording District, Judicial District, State of Alaska as listed below.

Recording District:	
Legal Description:	
Property Address/ City/Other:	

*Residential real property means any single-family dwelling, or two single family dwelling units under one roof, or any individual unit in a multi-unit structure or common interest ownership community whose primary purpose is to provide housing. AS 34.70.200(2) and (3).

Exemption for First Sale: Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Waiver by Agreement: Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing. Signing this waiver does not affect other obligations for disclosure.

Violation or Failure to Comply: A person who negligently violates or fails to perform a duty required by AS 34.70.010 - AS 34.70.200 is liable to the Buyer for actual damages suffered by the Buyer as a result of the violation or failure. If the person willfully violates or fails to perform a duty required by AS 34.70.010 -AS 34.70.200, the Seller is liable to the Buyer for up to three times the actual damages. In addition to the damages, a court may also award the Buyer costs and attorney fees to the extent allowed under the rules of court.

AS 34.70.020 provides that if a disclosure statement or material amendment is delivered to the transferee after the transferee has made a written offer, the transferee may terminate the offer by delivering a written notice of termination to the transferor or the transferor's licensee within three days after the disclosure statement or amendment is delivered in person or within six days after the disclosure statement or amendment is delivered by deposit in the mail.

AS 34.70.040(b) provides that if an item that must be completed in the disclosure statement is unknown or is unavailable to the Seller, and if the Seller or Seller's agent has made a reasonable effort to ascertain the information, the Seller may make an approximation based on the best information available to the Seller or Seller's agent. It must be reasonable, clearly labeled as an approximation, and not used to avoid the disclosure requirements of AS 34.70.010 – AS 34.70.200.

All disclosures made in this statement are required to be made in good faith (AS 34.70.060). The Seller must disclose defects or other conditions in the real property, or the real property interest being transferred. The Seller does not need to include a search of the public records, nor does it require a professional inspection of the property.

If the information supplied in this disclosure statement becomes inaccurate as a result of an act or agreement after the disclosure statement is delivered to the Buyer, the Seller is required to deliver an amendment to the disclosure statement to the Buyer. An addendum/amendment form for that purpose may be attached to this disclosure statement.

Upon delivery to a buyer, any inspection/reports generated by a purchase agreement of this property automatically becomes an addendum/amendment to the property disclosure.

<u>Seller's Initials</u>	<u>Date</u>	<u>Property Address</u>	<u>Buyer's Initials</u>	<u>Date</u>
--------------------------	-------------	-------------------------	-------------------------	-------------

Board Committees,
Subcommittees,
& Work Groups

From: [Chambers, Sara C \(CED\)](#)
To: [Carabajal, Renee R \(CED\)](#); [Pace, Jeanne M \(CED\)](#); [Givens, Kery L \(CED\)](#); [Carabajal, Renee R \(CED\)](#); [Adams, Marlo M \(CED\)](#); [Baranov-Kaderman, Sydney \(CED\)](#); [Saviers, Glenn A \(CED\)](#); [Robb, Sylvan S \(CED\)](#); [Whitcomb, Wanda E \(CED\)](#); [Spencer, Cynthia R \(CED\)](#); [Bay, Thomas L \(CED\)](#); [Bowman, Reid T \(CED\)](#); [Rvals, Terry D \(CED\)](#); [Dinardi, Ruth S \(CED\)](#); [Edwards-Smith, David J \(CED\)](#); [Norberg, Natalie M \(CED\)](#); [Walker Linderman, Tessa C \(CED\)](#); [Carabajal, Ashley L \(CED\)](#); [Bowles, Michael P \(CED\)](#); [Ryan, Sheri J \(CED\)](#); [Bugayong, Logan A \(CED\)](#); [Hondolero, Corissa A \(CED\)](#); [Sather, Sara E \(CED\)](#); [Harris, Nancy A \(CED\)](#); [Davis, Stefanie L \(CED\)](#)
Subject: UPDATE: Guidance on board committees/subcommittees/working groups
Date: Friday, April 14, 2023 3:49:49 PM

Hello, CBPL board liaisons. Happy Friday! I know you have been awaiting this update on **public notice requirements**, so I'm sending to you in writing now but plan to have further discussions in upcoming training sessions with you and your board members.

Below are some examples of types of "subunits" of governmental bodies that we frequently see our boards create. These subunits are not defined as "committees," "workgroups," etc. in state law; however, they all essentially serve the same purpose: To defer to a smaller or different group the deliberation of a matter that will come before the board for action. Because the board has deliberately sought out a specific set of advisors to research and recommend an outcome, the public has a right to know and observe this deliberation.

Here's a tool to help determine when public notice may be needed. The facts of the situation matter, so if there is any doubt, please let me know so we can work through it ahead of time.

1. Committees of the board

- a. Are comprised exclusively of board members
- b. Are usually formed as standing committees to work through regular or recurring business of the board prior to presentation for board action
- c. Are advisory and do not act on behalf of the board
- d. **Must be publicly noticed in the same manner as a board meeting**

Examples: AELS Outreach Committee – meets periodically to discuss ongoing stakeholder outreach; AELS Legislative Liaison Committee – meets periodically to discuss ongoing legislation or legislative proposals affecting the board

2. Subcommittees of the board

- a. Are comprised exclusively of board members
- b. Are usually not standing committees—they serve to examine a short-term or finite issue or problem, like a task force
- c. Should be created by the board and include clear objectives and timelines for completion of their work
- d. Are advisory and do not act on behalf of the board
- e. **Must be publicly noticed in the same manner as a board meeting**

Example: REC Teams Disclosure Subcommittee – met several times to work on updates to the forms and regulations relating to legal disclosures

3. Workgroups of the board

- a. May include public persons
- b. Serve to examine a short-term or finite issue or problem, like a task force

- c. Should be created by the board and include clear objectives and timelines for completion of their work
- d. Are advisory and do not act on behalf of the board
- e. Do not require public notice unless two or more members are serving on the workgroup
- f. May be publicly noticed if public comment is solicited or if the group desires a highly transparent process; best to post on the board's web page

Example: GUI Concession Program Workgroup – meets regularly through 2023 with representatives from other state agencies and industry to develop plans for legislative proposal in 2024

This is not exhaustive guidance and cannot cover every situation when the Open Meeting Act may apply. For example:

- Multiple board members emailing each other about matters that will come before the board may constitute a meeting.
- Multiple board members working on board business but “laundering” it through staff may constitute a meeting.

To put this guidance into context, here is a link to the [Open Meetings Act \(AS 44.62.310 – AS 44.62.319\)](#). **Please let me know if you have any questions or concerns** so you are supported.

Sincerely,

Sara Chambers

*Boards and Regulations Advisor
Alaska Department of Commerce, Community, and Economic Development
sara.chambers@alaska.gov*

New Business

Department of Commerce, Community
and Economic Development

Division of Corporations, Business
and Professional Licensing

Annual Report

Fiscal Year 2023



Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, Alaska 99811-0806
Email: License@Alaska.Gov

FY 2023 Annual Report

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FY 2023 Annual Report

Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires

FY 2023 Annual Report

Identification of Staff

-
Department of Commerce, Community & Economic Development
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P.O. Box 110806
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FY 2023 Annual Report

Identification of Staff

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FY 2023 Annual Report

Identification of Staff (continued)

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FY 2023 Annual Report

Narrative Statement

FY 2023 Annual Report

Budget Recommendations for FY 2024

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
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other: Total Estimated Cost:			

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

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

FY 2023 Annual Report

Budget Recommendations for FY 2024 (continued)

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
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other: Total Estimated Cost:			

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

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

FY 2023 Annual Report

Budget Recommendations for FY 2024 (continued)

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

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: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Conference: <input type="checkbox"/> Other Describe "Other" (break out all sections):				
Net Total:				

FY 2023 Annual Report

Budget Recommendations for FY 2024 (continued)

Non-Travel Budget Requests

- Not Applicable
- Resources
- Examinations
- Membership
- Training
- Other

Product or Service	Provider	Cost Per Event

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

Non-Travel Budget Requests

- Not Applicable
- Resources
- Examinations
- Membership
- Training
- Other

Product or Service	Provider	Cost Per Event

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

Non-Travel Budget Requests

- Not Applicable
- Resources
- Examinations
- Membership
- Training
- Other

Product or Service	Provider	Cost Per Event

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

FY 2023 Annual Report

Budget Recommendations for FY 2024 (continued)

Other Items with a Fiscal Impact

Not Applicable

Cost Per Event:

Number of Events:

Product or Service	Provider	Cost Per Event

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

Other Items with a Fiscal Impact

Not Applicable

Cost Per Event:

Number of Events:

Product or Service	Provider	Cost Per Event

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

Other Items with a Fiscal Impact

Not Applicable

Cost Per Event:

Number of Events:

Product or Service	Provider	Cost Per Event

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

FY 2023 Annual Report

Legislative Recommendations - Proposed Legislation for FY 2024

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed legislation:

FY 2023 Annual Report

Regulation Recommendations - Proposed Regulations for FY 2024

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed regulations:

FY 2023 Annual Report

Goals and Objectives

Part I

FY 2023's goals and objectives and how they were met:

FY 2023 Annual Report

Goals and Objectives (continued)

Part I (continued)

FY 2023's goals and objectives and how they were met:

FY 2023 Annual Report

Goals and Objectives (continued)

Part II

FY 2024's goals and objectives, and proposed methods to achieve them.

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

FY 2023 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit:

Board Sunset Date:

Audit Recommendation:

Action Taken:

Next Steps:

Completed: No Yes

If yes, date completed:

Audit Recommendation:

Action Taken:

Next Steps:

Completed: No Yes

If yes, date completed:

Audit Recommendation:

Action Taken:

Next Steps:

Completed: No Yes

If yes, date completed:

PearsonVue Test Development - update

Events & Conferences

2023 Annual Conference



Montreal, QC, Canada
September 18–22, 2023

Register Here

by 8/2/2023

[General](#)

[Schedule](#)

[Sponsors](#)

[Accommodations](#)

[Additional Info](#)

[Registration Fees](#)

[Login for more](#)

Schedule

Meeting time zone: **Eastern Daylight Time** (US/Eastern time)

Monday September 18		Arrival Day Welcome Reception
2:00–8:00 pm	Hospitality Desk	
4:30–5:30 pm	New Member Reception	
5:30–8:30 pm	Welcome Reception	
Tuesday September 19		Offsite Reception
7:00–8:00 am	Breakfast	
8:00 am–12:00 pm	Sessions Including Roundtables, Committee Meetings, General Sessions	
12:00–1:30 pm	Lunch On Your Own	
1:30–5:00 pm	Sessions Including Roundtables, Committee Meetings, General Sessions	
5:30–8:30 pm	Offsite Reception	
Wednesday September 20		
7:00–8:00 am	Breakfast	
8:00 am–12:00 pm	Sessions Including Roundtables, Committee Meetings, General Sessions	
12:00–1:30 pm	Lunch On Your Own	
1:30–5:00 pm	Sessions Including Roundtables, Committee Meetings, General Sessions	
Thursday September 21		Board of Directors & Installation Celebration
7:00–8:00 am	Breakfast	
8:00 am–12:00 pm	Sessions Including Roundtables, Committee Meetings, General Sessions	
12:00–1:30 pm	Lunch On Your Own	
1:30–5:00 pm	Sessions Including General Assembly & Board of Directors Meeting	
6:00–9:00 pm	Installation Reception	
Friday September 22		Departures Commissioner College

Executive Administrator's Report

LICENSING REPORT

June 15th, 2023

New Licensees: 2/10/2023 to 5/31/2023	87
Total Number of <u>Active</u> Licensees with 1/31/2024 exp	3025
Total Number of Licensees with 1/31/2024 exp	3252

ACTIVE: 1/31/24 exp	Dec	Feb	June
Broker	407	408	409
Associate Broker	396	393	407
Salesperson	2,222	2,199	2,209
Total Active:	3,025	3,000	3,025

INACTIVE: 1/31/24 exp	Dec	Feb	June
Broker	3	4	3
Associate Broker	6	7	9
Salesperson	23	33	46
Total Inactive:	32	44	58

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/24			
	Dec	Feb	June
Broker	0	0	0
Associate Broker	0	0	0
Salesperson	0	14	45
Total:	0	14	45

Initial Licenses issued Qrtly:	Oct - Dec 21	Jan - Mar 22	Apr - Jun 22
		44	106
	July - Sept	Oct - Dec	Apr - June 23
	67	55	49

Transfers:	Dec	Feb	June
	54	82	92

PLE Completed:	Dec	Feb	June
	32	49	82

Upgrades:	Endorsement:
S - AB = 13 / S - B= 1	S= 3 / AB= 1 / B= 1

In this reporting period	Dec	Feb	June
License Returned	60	93	121
Probation License	0	0	0
Suspended	0	0	0
Revoked	0	0	0
Surrendered	0	0	1

INACTIVE: 1/31/22 exp	Dec	Feb	June
Broker	4	4	3
Associate Broker	5	5	5
Salesperson	53	52	34
Total Inactive:	62	61	42

LAPSED: 1/31/22 exp	Dec	Feb	June
Broker	35	35	34
Associate Broker	32	32	32
Salesperson	287	284	282
Total Lapsed:	354	351	348

*includes licensees that are active, inactive, lic rtdnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2024 expiration date

EDUCATION REPORT
June 15th, 2023
(as of 5/31/2023)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	11
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	395
Designated Continuing Education (DCE)	100
DCE & ECE	-28
PLE & ECE	-62
Post Licensing Education (PLE)	77
	Total: 497

13 initial courses approved between 2/9/23 and 5/31/23

Instructor

Permanent	95
<u>New Instructor</u>	3
<ul style="list-style-type: none"> • Lara Madden – Eagle River • Steven Bohannon - Eagle River • Addie Owens - Florida 	
Temporary Instructor	0

Statement of Net Positions
Real Estate Recovery Fund
March 31, 2023

	Actuals							Projected		
	For the Fiscal Year Ending June 30, 2015	For the Fiscal Year Ending June 30, 2016	For the Fiscal Year Ending June 30, 2017	For the Fiscal Year Ending June 30, 2018	For the Fiscal Year Ending June 30, 2019	For the Fiscal Year Ending June 30, 2020	For the Fiscal Year Ending June 30, 2021	For the Fiscal Year Ending June 30, 2022	For the Fiscal Year Ending June 30, 2023	For the Fiscal Year Ending June 30, 2024
ASSETS										
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 329,830	\$ 394,847
Total Assets	<u>454,264</u>	<u>465,770</u>	<u>392,207</u>	<u>394,514</u>	<u>277,675</u>	<u>334,205</u>	<u>264,101</u>	<u>317,389</u>	<u>329,830</u>	<u>394,847</u>
LIABILITIES										
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	7,690	19,380
Total Liabilities	<u>7,211</u>	<u>(30)</u>	<u>1,517</u>	<u>(10,691)</u>	<u>11,230</u>	<u>4,857</u>	<u>18,129</u>	<u>19,380</u>	<u>7,690</u>	<u>19,380</u>
FUND BALANCES										
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	322,140	375,467
Total Fund Balance	<u>447,053</u>	<u>465,800</u>	<u>390,691</u>	<u>405,205</u>	<u>266,445</u>	<u>329,348</u>	<u>245,972</u>	<u>298,008</u>	<u>322,140</u>	<u>375,467</u>
Total Liabilities and Fund Balances	<u>\$ 454,264</u>	<u>\$ 465,770</u>	<u>\$ 392,207</u>	<u>\$ 394,514</u>	<u>\$ 277,675</u>	<u>\$ 334,205</u>	<u>\$ 264,101</u>	<u>\$ 317,389</u>	<u>\$ 329,830</u>	<u>\$ 394,847</u>
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16 <u>\$ 460,017</u>	Average of 6/30/16 & 6/30/17 <u>\$ 428,988</u>	Average of 6/30/17 & 6/30/18 <u>\$ 393,361</u>	Average of 6/30/18 & 6/30/19 <u>\$ 336,095</u>	Average of 6/30/19 & 6/30/20 <u>\$ 305,940</u>	Average of 6/30/20 & 6/30/21 <u>\$ 299,153</u>	Average of 6/30/21 & 6/30/22 <u>\$ 290,745</u>	Average of 6/30/22 & 6/30/23 <u>\$ 323,609</u>	Average of 6/30/23 & 6/30/24 <u>\$ 362,339</u>

Note: Per the State Comprehensive Annual Financial Report the State "funds are reported using modified accrual accounting which measures cash and other financial assets that can be readily converted to cash".

Note: The total Liabilities is year to date
For FY24 Liabilities projected using FY22

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through March 31, 2023
and
Projected for Fiscal Years Ending June 30, 2023 and June 30, 2024

	Actuals												Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Quarter Ended 6/30/22	For the Quarter Ended 9/30/22	For the Quarter Ended 12/31/22	For the Quarter Ended 3/31/23	For the Quarter Ended 6/30/23	For the Fiscal Year Ended 6/30/23	For the Fiscal Year Ended 6/30/24
REVENUES														
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	55,065	101,260	13,170	11,625	12,630	- (1)	55,065 (1)	101,260
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,580)	720	1,981	3,582	- (2)	7,854 (2)	7,000
Prior Year Adjustments								(150)				-		
								-						
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	55,374	96,530	13,890	13,606	16,212	-	62,919	108,260
EXPENDITURES														
Personal Services	113,145	112,763	115,097	134,846	126,366	118,457	125,468	43,240	2,770	11,823	24,248	- (3)	50,468 (3)	43,240
Travel	0	-	-	-	-	-	0	0					0	0
Commodities	0	89	-	617	-	-	0	0					0	0
Services - Non-claims	732	5,085	13	10	5,000	497	9	2					9	2
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	0	0					0	0
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	144,253	125,477	43,243	2,770	11,823	24,248	-	50,477	43,243
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	11,120	1,783	(8,037)	-	12,441	65,017
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	11,120	1,783	(8,037)	-	12,441	65,017
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	328,509	330,291	322,255	317,389	329,830
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	328,509	330,291	322,255	322,255	\$ 329,830	\$ 394,847

(1) For FY23, licenses and permits revenue projected to be the same as FY21.

(2) Projecting through FY23 based on FY21 rate of earnings.

For FY23, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend

(3) 100% of their time on Real Estate Recovery Fund related tasks. GF allocation \$75K reduction to PS.

Statement of Cash Flows
Real Estate Recovery Fund
March 31, 2023

	Actuals								Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22	For the Fiscal Year Ended 6/30/23	For the Fiscal Year Ended 6/30/24
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 193,865 ⁽¹⁾	\$ 55,065 ⁽¹⁾	\$ 101,260 ⁽¹⁾	\$ 55,065	\$ 101,260
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(118,457) ⁽²⁾	\$ (125,468) ⁽²⁾	\$ (43,240) ⁽²⁾	(50,468)	(43,240)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	- ⁽³⁾	- ⁽³⁾	-	-
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	(2)	(9)	(2)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	49,612	(70,412)	58,017	4,588	58,017
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	6,918 ⁽³⁾	309 ⁽³⁾	(4,730) ⁽³⁾	7,854	7,000
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,730)	7,854	7,000
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	12,441	65,017
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	329,830
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 329,830	\$ 394,847

(1) For FY23, licenses and permits revenue projected to be the same as FY21.
(2) Projecting through FY23 based on FY21 rate of earnings.
(3) For FY23, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks. GF allocation \$75K reduction to PS.

Commission Members Comments & Questions

Adjournment