

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
REAL ESTATE COMMISSION**

**MINUTES OF MEETING
December 29, 2006**

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Real Estate Commission was held December 29, 2006, Atwood Building, 550 W. 7th Ave., Ste 1860, Anchorage, Alaska.

Friday, December 29, 2006

Agenda Item 1 Call to Order

Chairman Gene DuVal called the meeting to order at 10:17 a.m.

Roll Call

Members present constituting a quorum were:

Barbara Ramsey, Associate Broker, 3rd Judicial District
Gene DuVal, Associate Broker, 4th Judicial District
Roger Stone, Broker, 1st Judicial District
Rita Wilson, Associate Broker, Broker at Large
Bradley Fluetsch, Public Member

Members absent (excused):

Tim Worthen, Public Member
David B. Somers, Broker at Large, Vice Chairman

Staff Present:

Sharon Walsh, Executive Administrator
Nancy Harris, Licensing Examiner

Approval of Agenda

The Commission members reviewed the agenda and discussed the changes. Mr. DuVal asked that item #3, Fairbanks Neighborhood Housing letter regarding property management, be moved up to item #2b on the agenda.

On a motion duly made by Fluetsch, seconded by Ramsey, it was

RESOLVED to accept the agenda as amended.

All in favor. Motion passed.

Agenda Item 2 12 AAC 64.990. Public Official

Commission members reviewed and discussed the definition of public official as presented.

On a motion duly made by Ramsey, seconded by Wilson it was

RESOLVED that 12 AAC 64.990 Definitions item (8), added to read: Public Official is to be defined as an appointed or elected state or municipality officer; or a state or municipality employee but does not include a subcontractor.

**Roll call vote: Ramsey, yea; Fluetsch, nay; DuVal, yea, Stone, yea, Wilson, yea.
4 members in favor, 1 member against.**

Motion passed.

Fairbanks Neighborhood Housing email

Ms. Walsh read the email from Fairbanks Neighborhood Housing for the record.

Sharon, Fairbanks Neighborhood Housing Services is a managing partner in a 24 unit tax credit rental development called Raven Estates in Fairbanks. I was hoping you could clarify for me the need for a broker license on staff in order to manage this development. As per our conversation we are a non profit organization and it would be hard to find qualifications of this magnitude for the salary in which we can afford. We have members on our board of directors who are licensed brokers. Would this be compliant if the need is there? Thank you for your time in this matter.

Commission members discussed the issue as presented.

Commission members asked staff to direct Ms. Laure Burk, to statute 08.88.900 Exceptions, item #12, a secretary or receptionist in a real estate office accepting rent or association fees and providing a written receipt for the rent or fees when a tenant or community association member delivers the rent or fees to the real estate office.

Commission members agreed that this individual must have a licensed property manager.

12 AAC 64.570 Licensee owned real estate (new regulation)

Commission members reviewed and discussed the newly proposed regulation for real estate owned by a licensee as presented.

A motion was made by Fleustch to table this issue.

Motion fails due to lack of a second.

On a motion duly made by Ramsey, seconded by Stone it was

RESOLVED to adopt the proposed regulations for property management.

Commission members discussed the motion on the table.

Article 9
Property Management

12 AAC 64.570- Licensee owned real estate

- (1) A licensee may employ another broker/property manager to perform management for properties a licensee owns. In that event the licensee/owner's broker is not required to keep records/files of rental agreements/rental transactions.
- (2) A licensee who owns real estate property which is self managed:
 - (a) in addition to the duties outlined in AS 08.88.615 (a)(1)(2)(4)(5), (b) (2), must also:
 - 1) disclose to each prospective lessee/tenant:
 - a. the consumer pamphlet as outlined in AS 08.88.615(a)(6-8)
 - b. The licensee's ownership as outlined in AS 08.88.391
 - 2) Provide the real estate licensee's broker with the following for each property owned
 - a. Ownership position and percentage
 - b. Copies of all rental agreements
 - c. Update the broker when a change occurs to (a) or (c) above
 - d. Security deposits and pre paid rents to be held in broker's trust account in compliance with 12 AAC 64.200
 - e. Written request to refund a security deposit
 - 3) Comply with 12 AAC 64.560, Landlord Tenant Act
 - b) May collect rents and other incidental income
 - a. Such income is not subject to 12 AAC 64.200
 - b. May be paid directly to the licensee as the lessor
- (3) The duration of the relationship between the licensee and the lessee to comply with AS 08.88.660.
- (4) The Commission may, under AS 08.88.071, impose a disciplinary sanction for violation of this section, and a claim may be filed by a private person under AS 08.88.460 if violation constituted fraud, misrepresentation or deceit and the person suffered a loss as a result of the violation.
- (5) In event a property is owned by a corporation, limited liability company or other such legal entity in which a licensee has a 5 %

interest or more the licensee is subject to this section. If more than one licensee has an ownership interest in a rental property each licensee is subject to this section.

Quorum lost at 11:30 a.m.

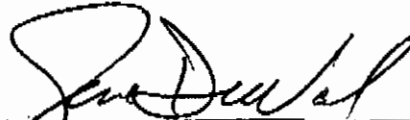
Motion fails due to loss of a quorum.

Commission members will receive a mail ballot to vote on the verbiage of the proposed Property Management regulation 12 AAC 64.570.

Quorum was not restored and meeting was adjourned at 11:51 a.m.

Prepared and submitted by Division Staff.

Approved:



Gene DiVal, Chairperson
Real Estate Commission

Date: 3/22/07