

State of Alaska
Department of Community
&
Economic Development

Division of Occupational Licensing

Real Estate Commission
FY 02 Annual Report

Clarence Bolden, Chairperson
Gail Dossman Tolliver
Tom Freeman
Jeannie Johnson
Lottie Michael, Vice Chairperson
Susan Rainey
Larry Spencer

Rosanne Alexander
Executive Administrator

REC 2002 Annual Report

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Legislative Recommendations



**Department of Community
and Economic Development**

Division of Occupational Licensing

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June 30, 2002

Ms. Catherine Reardon, Director
Division of Occupational Licensing
P. O. Box 11806
Juneau, Alaska 99801-0806

Dear Ms. Reardon:

Enclosed is the annual report of the Real Estate Commission for FY 2002 to meet statutory requirements under AS 08.01. I am happy to have served as the first public member of the Commission, and want to thank my fellow members for their trust and for their cooperation and support throughout the year. My tenure began immediately following the awful events of September 11, 2001. In the ensuing months, the Commission pursued its goals with the kind of vigor that characterized the nation's attitude.

Chief among the Commission's accomplishments was the implementation of the new disclosure statement, the completion of the landlord/tenant booklet review, a successful, orderly renewal of all licenses and the work of an education committee that is providing valuable recommendations based on comprehensive research.

I appreciate the work of the Commission members, particularly those who served as liaisons in our various endeavors. It was my honor to have been chosen to serve the state in such an enriching way during Fiscal Year 2002.

Yours truly,

Clarence Bolden, Chairperson
Real Estate Commission

REAL ESTATE COMMISSION MEMBERS

As of June 30, 2002

Name & Mailing Address E-mail Address	Phone, Judicial District Work Home	Fax	Term Expires
CLARENCE BOLDEN 1234 Hillcrest Drive Anchorage, AK 99503 plttinc@gci.net clarencbolden1234@msn.com	279-3456 Public Member 279-3456 454-2491 (Kodiak)	279-0444	1/31/2004
GAIL DOSSMAN TOLLIVER 646 King Arthur Circle Anchorage, AK 99518 creole@alaska.net	563-5500 AB, 3 rd Judicial District	338-0585 762-3189	1/31/2003
TOM FREEMAN 2011 Tasha Drive Anchorage, Alaska 99502 ltfreeman@worldnet.att.net	344-1871 Public Member		3/1/2003
JEANNIE JOHNSON 1621 Second Street Douglas, AK 99824 skylark@alaska.net	364-2121 Broker, 1 st Judicial District	364-3570 364-3520	3/1/2005
LOTTIE MICHAEL 3000 A Street, Suite 200 Anchorage, AK 99503 lottiemichael@gci.net	563-7733 AB, At large	274-9157 561-8929	1/31/2004
SUSAN RAINEY 2000 Realty 300 First Avenue Fairbanks, AK 99701 srainey@mosquitonet.com	474-2000 474-2143 dir. AB, 4 th Judicial District	474-2000	3/1/2005
LARRY SPENCER 175 S. Franklin St, #330 Juneau, AK 99801 lspencer@spencerrealty.alaska.com	463-4111 Broker, At Large	463-3782 463-4122	1/31/2003

Real Estate Commission Staff

FY 2002

Name and Mailing Address e-mail address	Phone	Fax
Catherine Reardon, Director Division of Occupational Licensing P. O. Box 110806 Juneau, Alaska 99811-8006 <u>Catherine_Reardon@commerce.state.ak.us</u>	465-2538	465-2974
Rosanne Alexander, Executive Administrator 3601 C Street, Suite 722 Anchorage, AK 99603 <u>Rosanne_Alexander@dced.state.ak.us</u>	269-8197	269-8196
Anthony Marriage, Publication Specialist 3601 C Street, Suite 722 Anchorage, AK 99503 <u>Tony_Marriage@dced.state.ak.us</u>	269-8168	269-8196
Investigator position vacant		
Michelle Mandel, Licensing Examiner 3601 C Street, Suite 722 Anchorage, AK 99503 <u>Michelle-Mandel@dced.state.ak.us</u>	269-8162	269-8196

FISCAL YEAR 2002

PROGRAM: Real Estate Commission AS 08.88 ; 12 AAC 64

Name of Individual Completing Report: Michelle Mandel Date: 06/27/02

<u>CATEGORY</u>	<u>NEW - ISSUED DURING FY02</u>	<u>TOTAL AS OF 6/27/02</u>	<u>NOTES</u>
A. Current Active Licenses, Permits, Endorsements, Courtesy Licenses, Apprentice/Student Permits, etc. (List type and if issued by examination or credential, as applicable)			
1. <u>Salesperson</u>	<u>224</u>	<u>1097</u>	<u>Exam</u>
2. <u>Associate Broker</u>	<u>1</u>	<u>364</u>	<u>New - Endorse.</u>
3. <u>Broker</u>	<u>5</u>	<u>457</u>	<u>New - Endorse.</u>
4. <u>Limited</u>	<u>0</u>	<u>9</u>	
5. <u>Temporary - CSED/School</u>	<u>0</u>	<u>4</u>	
6. _____			
7. _____			
8. _____			
9. _____			
10. _____			
TOTAL	<u>230</u>	<u>1931</u>	
B. Current Inactive Licenses (Only Medical, Dental, CPA, and Real Estate)			
1. <u>Salesperson</u>	<u>↓</u>	<u>14</u>	<u>Inactive licensees</u>
2. <u>Associate Broker</u>	<u>↓</u>	<u>3</u>	<u>who didn't renew</u>
3. <u>Broker</u>	<u>↓</u>	<u>1</u>	<u>lapsed after</u>
4. _____	<u>↓</u>		<u>01/31/2002</u>
5. _____	<u>↓</u>		
TOTAL	<u>56</u>	<u>18</u>	

<u>CATEGORY</u>	<u>NEW - ISSUED DURING FY02</u>	<u>TOTAL AS OF 6/27/02</u>	<u>NOTES</u>
AWOL			
C. Retired Licenses			
1. <u>All lic. Types (lost contact w/ broker)</u>	<u>83</u>	<u>11</u>	<u>AWOL licensees</u>
2. _____	_____	_____	<u>who didn't renew</u>
3. _____	_____	_____	<u>lapsed after</u>
4. _____	_____	_____	<u>01/31/2002</u>
5. _____	_____	_____	_____
TOTAL	_____	_____	_____

D. Disciplined or Conditioned (Suspended, Revoked, Surrendered, Probation, Limited, Continuing Education Enforcement, etc.)			
1. <u>Suspended</u>	<u>0</u>	<u>0</u>	_____
2. <u>Active Probation</u>	<u>1</u>	<u>1</u>	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
TOTAL	<u>1</u>	<u>1</u>	_____

E. Other action taken during fiscal year for which a fee was required
(License verifications processed, roster requests, name changes, etc.)

<u>TYPE OF ACTION</u>	<u>NUMBER PROCESSED</u>
1. License Verifications	<u>21</u>
2. Certified Copies of Files	<u>5</u>
3. Name Changes	<u>2</u>
4. Roster Requests	<u>7</u>
5. Wall Certificates	<u>0</u>
6. Applications Received	<u>233</u>
7. Transfers	<u>221</u>
8. <u>Reactivations</u>	<u>19</u>
9. <u>Reinstatements (before 1/31/2002)</u>	<u>11</u>
10. <u>Reinstatements (after 1/31/2002)</u>	<u>24</u>
11. <u>Waiver Letters</u>	<u>23</u>
12. <u>Landlord-Tenant Books sold</u>	<u>58</u>

F. Examination Dates

(List each examination administration separately. Subdivide if more than one exam is given in administration.)

EXAM TYPE	LOCATION	DATE	CANDIDATES	NO. PASSED	NO. FAILED
Computerized					
examination is					
administered by					
contracted testing					
service (ASI)					

G. Board Meetings and Teleconferences

DATE	LOCATION (indicate if teleconference)
September 12 - 14, 2001	Denali Park
January 10 - 11, 2002	Anchorage
April 18 - 19, 2002	Juneau
June 4 - 5, 2002	Anchorage
July 10, 2001	Anchorage (teleconference)

Additional teleconferences Landlord/tenant Committee (3)
Education Committee (6)

**Real Estate Commission
Surety Fund Claim and License Violation Statistics
Fiscal Year 2002**

Surety Fund

Opened	5
In process/Forwarded to hearing officer	4
Withdrawn prior to hearing	1
Current open Surety Fund Cases, awaiting hearing, report of findings, adjudication or held in abeyance	6
Total of Claims paid in FY 2002	\$20, 554.72

License Violations

Opened	37
Closed	27
Dismissed	1
Accusations filed	1
Disciplinary Action	10
License surrenders	1
Memorandum of Agreement	1

**REC FY 2002 Annual Report
Statistical Education Report**

Course Type	Approved
Prelicensing	8
Broker Training	4
Continuing Education (CE, elective)	114
Required Continuing Education (RCE)	14
	Total Approved
	140

Instructors Approved	Initial Approval	Recertification	Total
Permanent	14	29	44
Temporary	6	4	11
		Total Approved	55

**REC LICENSING EXAMINATION
PASS/FAIL RATES FY 2002**

ALASKA REAL ESTATE PASSING RATE REPORT
FROM 07/01/2001 THROUGH 06/30/2002

AKSUMRPT
JUL/02/2002

SALSPERSON	PASSED	FAILED	TOTAL	%PASSING
NEW CANDIDATES				
July	14	8	22	62
August	6	6	12	47
September	6	13	19	32
October	15	5	20	69
November	13	10	23	59
December	13	5	18	69
January	10	11	21	53
February	13	9	22	56
March	13	10	23	53
April	22	15	37	59
May	13	14	27	42
June	5	10	15	32
SUB TOTALS	143	116	259	57

REPEAT CANDIDATES	PASSED	FAILED	TOTAL	%PASSING
July	5	7	12	36
August	8	8	16	51
September	6	8	14	29
October	7	5	12	60
November	4	6	10	47
December	4	6	10	49
January	7	10	17	34
February	7	10	17	46
March	8	11	19	43
April	12	16	28	45
May	12	10	22	55
June	7	10	17	48
SUB TOTALS	97	107	194	45

TOTAL FOR YEAR 230 223 453 54

BROKER	PASSED	FAILED	TOTAL	%PASSING
NEW CANDIDATES				
July	2	1	3	50
September	0	2	2	0
October	1	1	2	33
November	2	1	3	50
December	4	3	7	64
January	3	1	4	70
March	2	3	5	40
April	2	3	5	20
May	2	0	2	100
June	1	2	3	17
SUB TOTALS	19	17	36	52

REPEAT CANDIDATES	PASSED	FAILED	TOTAL	%PASSING
July	0	2	2	0
August	3	0	3	100
September	1	1	2	33
October	1	1	2	33
November	1	0	1	100
December	1	1	2	33
January	3	2	5	47
February	1	1	2	67
March	1	4	5	7
April	2	0	2	100
June	3	0	3	100
SUB TOTALS	17	12	29	54

TOTAL FOR YEAR 36 29 66 53

AKASKA REAL ESTATE PASSING RATE REPORT
FROM 07/01/2001 THROUGH 06/30/2002

AKSUMRPT
JUL/02/2002

SALESPERSON

NEW CANDIDATES	PASSED	FAILED	TOTAL	% PASSING
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February	13	9	22	58
March	13	10	23	53
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TOTAL FOR YEAR 230 223 463 54

BROKER

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December	1	1	2	33
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February	1	1	2	67
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May				
June	3	0	3	100
SUB TOTALS	17	12	29	54

TOTAL FOR YEAR 36 29 65 53

Real Estate Commission FY 2002 Goals as amended

Short Term

Complete the regulatory project for the revision of the Residential Real Estate Commission Property Transfer Disclosure Statement; statewide distribution and training of the form.

Publish an updated broker's manual.

Other

Define supervision of licensees, especially where "home offices" are concerned
Sponsor training workshops for certified instructors and for licensees.

Continue to make wider use of the Commission's web site, especially through the publication of forms.

Print an updated landlord/tenant book.

Consider a regulation change regarding vicarious liability of brokers in Surety Fund proceedings.

Enhance collection of license penalties and surety fund reimbursement through direct liens on Permanent Fund dividends and through confessions of judgement.

Amend the 2002 goals to include beginning the process of on-line renewals for the 2004 renewal deadline.

REC Accomplishments, FY 2002

Based on the Commission's Goals and Objectives for FY: 2002, the following accomplishments are reported:

Education

The Commission currently certified more than 100 courses for the enlightenment and enrichment of its licensees. The education committee continued to function very well under the leadership of Peggy Ann McConnochie and with the guidance of Commission liaison Lottie Michael during the past fiscal year. Although courses are offered in many areas of real estate practice, there continued to be a dearth of instructor availability for property management and commercial real estate courses. Generally, response to the course offerings appears good, with the administrator having received several anecdotal reports over the past year regarding the apparent high quality of several of our courses and instructors.

Staff

The staff at the Commission office has changed since last reporting period. Bob Butcher came aboard as investigator upon the resignation of Tom Stanley in March. Mr. Butcher left for a new job in June and at the end of the year the position was vacant, with Senior Investigator Quinten Warren handling real estate investigation on an interim basis.

The physical work environment has changed as well. The staff has moved up in the world – now occupying offices on the 15th floor of the Atwood Building downtown. Visitor parking just across the street has minimized inconvenience for our licensees.

Funding

Commission members monitored real estate budgets throughout FY 2002. Fees for licensure and surety fund maintenance were adjusted through regulation in the fall of 2001, resulting in a total licensing fee of \$345 per licensee. The decrease in licensee numbers did not materialize as anticipated and assist to the fulfillment of our budget obligations.

Communication

In keeping with the wishes of the Commission for the dissemination of more information to licensees, the executive administrator was able to make eight separate presentations at local offices and to independent brokers. The general topic of license law compliance and, in particular, changes in the Real Property Transfer Disclosure Statement were discussed.

Surety Fund

Following the trend of the last few years, only 5 Surety Fund cases were opened in FY 2002. One of the five has been withdrawn. The Surety Fund continues to support the employment of the Commission's publication specialist, who this year coordinated the printing of the Department of Law publication synthesizing the Landlord and Tenant Law (AS 34.03.010-360) as well as the Disclosure Statement, the revised Statutes and Regulations booklet and modifications to our website.

Other

At the end of FY 2002, the Commission had again attempted work on the broker manual revision. Jeannie Johnson has agreed to act as liaison with other brokers in soliciting opinion regarding supervision and other issues. Jeannie will contact brokers statewide to participate in a Commission sponsored round table discussion among brokers at the Alaska Association of Realtors convention in Fairbanks in September.

The Residential Real Property Transfer Disclosure Statement with its most recent revisions began to be used near the beginning of the fiscal year. The Commission adopted regulation changes in Title 12 of the Alaska Administrative Code, dealing with applications, employment and transfer and licensee termination.

After lengthy revision, re-write, consultation discussion and deliberation, the Commission, under the leadership of Commission liaison Larry Spencer, completed its review of the landlord/tenant synopsis. Several months' work by a group of property managers resulted in this first comprehensive update since 1998.

**Real Estate Commission
Travel Request
FY 2002**

A.	Regular Board Meetings – In-state	FY 2002	FY2003
	Number of meetings required by statute	1	1
	Number of meetings requested	4	4

Locations:

Fall	Denali	Fairbanks
Winter	Anchorage	Anchorage
Spring	Juneau	Anchorage
Summer	Anchorage	Fairbanks

Executive Administrator to AAR Convention Fairbanks

- B. Out-of-state Travel
- | | |
|---|-----------------|
| FY 2003 ARELLO Annual Conference | Rapid City, SD |
| Executive Administrator from RESF funds | |
| REC member(s) from REA funds | |
| | |
| FY 2003 ARELLO Western District Conference | Kansas City, MO |
| Executive Administrator or designee from RESF funds | |
| REC member from REA funds | |

REC 2002 Proposed Legislation and Regulations

Statutes

No Legislative changes are anticipated. However, an Agency Task Force has recently been formed to review the statute regarding agency disclosure. This entity could initiate and ask support for modification to statutes and or regulations regarding such disclosure.

Requirement for post licensure education.

Initiation of statutory language that would define broker responsibility in the case of a supervised salesperson's wrongdoing.

Regulations

Enhanced comprehensive implementation of the revised Residential Real Property Transfer Disclosure Statement with modification to include disclosure of the presence of toxic molds and disclosure of responsibility for determining proximity of agricultural endeavors.

Definitions and other guidance regarding licensee use of the Internet.