

Department of Commerce, Community
and Economic Development

Division of Corporations, Business
and Professional Licensing

Real Estate Commission

Annual Report

Fiscal Year 2023



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

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**Real Estate Commission
FY 2023 Annual Report**

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Identification of the Board

| Board Member | Duty Station | Date Appointed | Term Expires |
|---|---------------------|-----------------------|---------------------|
| Cheryl Markwood, Chair Broker/Broker At Large | Fairbanks | March 1, 2019 | March 1, 2027 |
| Chad Stigen Associate Broker/Broker At Large | Palmer | June 30, 2021 | March 1, 2025 |
| Traci Heaton Associate Broker, 1st Judicial District | Juneau | March 1, 2021 | March 1, 2025 |
| Devon Doran Broker/3rd Judicial District | Wasilla | October 22, 2021 | March 1, 2027 |
| Elizabeth Schok Broker, 4th Judicial District | Fairbanks | March 1, 2021 | March 1, 2025 |
| Vacant Public Member | | | |
| Vacant Public Member | | | |

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Identification of Staff

Jun Maiquis – Regulations Specialist II

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Nancy Harris – Executive Administrator

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Kery Givens – Project Assistant

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Sara Sather – Licensing Examiner

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Identification of Staff (continued)

Greg Francois – Chief Investigator

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Anna Gabriel – Investigator

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Narrative Statement

The mission of the Alaska Real Estate Commission ("Commission") is to protect the public interest by licensing practitioners and enforcing the established standards, to promote professional excellence in the real estate industry, and to support and encourage licensees to do the same.

The Alaska Real Estate Commission consists of 7 members who were appointed by the Governor and approved by the Legislature; of the 7 members, 5 are real estate brokers or associate brokers licensed in Alaska for at least 3 years, and 2 are public members (currently vacant). The industry members represent each judicial district and one Broker At-Large.

The Commission's Executive Administrator and staff continue to work diligently to process initial license applications, transfers, reinstatements, inactivation/reactivation applications, new real estate office and office changes, and instructor applications, as well as monitor licensees with Post Licensing Education requirements, and review and approve courses.

The investigator for the Real Estate Commission continues to do an outstanding job processing cases and keeping up with complaints, as well as working through prior cases that are in progress.

The Commission continues to be ambitious in fulfilling its goals on their strategic plan, which has become a useful tool in reviewing our goals and accomplishments. We continue to focus on providing better information to licensees and communicating with the public through the website. The Commission continues to create committees to review, produce, and provide best practices on important industry topics and issues.

The Real Estate Commission accomplishments during Fiscal Year (FY) 2023:

- The Teams Committee continued to review and propose changes to regulation 12 AAC 64.118, Consumer Disclosure, with regards to teams. The Commission also continues to revise these regulations with the real estate industry's input and support through the regulation and public comment process.
- Through the Department, reviewed upcoming licensing fees and recommended a decrease in licensing fees for 2023.
- Identified and revised outdated or ineffective regulations per Governor Dunleavy's Administrative Order 335. The Commission revised regulations regarding broker supervision, transfer of license, how license histories are received from other jurisdictions, and approval of outside education completed for a professional designation.
- Maintained a Recovery Fund Balance above the minimum required per AS 08.88.455 of \$250,000, yet under the maximum of \$500,000. The balance at the end of FY2023 was \$329,830.
- Continued to identify and revise regulations that are ineffective and outdated to give licensees guidelines to help them practice real estate effectively.

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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 |
|---|-----------|---------|--------------------|
| September 14, 2023 | Anchorage | 7 | 2 |
| <input checked="" type="checkbox"/> Airfare: | | | \$ 700.00 |
| <input checked="" type="checkbox"/> Hotel: | | | \$ 600.00 |
| <input checked="" type="checkbox"/> Ground: | | | \$ 146.00 |
| <input checked="" type="checkbox"/> Other (Please Specify): | | | \$ 80.00 |
| Total Estimated Cost: | | | \$ 1,526.00 |

| Board Meeting Date | Location | # Board | # Staff |
|--|----------------------|---------|----------------|
| December 14, 2023 | Anchorage (Via Zoom) | 7 | 2 |
| <input type="checkbox"/> Airfare: | | | |
| <input type="checkbox"/> Hotel: | | | |
| <input type="checkbox"/> Ground: | | | |
| <input type="checkbox"/> Other (Please Specify): | | | |
| Total Estimated Cost: | | | \$ 0.00 |

| Board Meeting Date | Location | # Board | # Staff |
|--|----------------------|---------|----------------|
| March 2024 - TBD | Anchorage (Via Zoom) | 7 | 2 |
| <input type="checkbox"/> Airfare: | | | |
| <input type="checkbox"/> Hotel: | | | |
| <input type="checkbox"/> Ground: | | | |
| <input type="checkbox"/> Other (Please Specify): | | | |
| Total Estimated Cost: | | | \$ 0.00 |

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Budget Recommendations for FY 2024 (continued)

| Board Meeting Date | Location | # Board | # Staff |
|--|----------------------|----------------|----------------|
| June 2024 - TBD | Anchorage (Via Zoom) | 7 | 2 |
| <input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other (Please Specify): | | | |
| Total Estimated Cost: | | | \$ 0.00 |

| Travel Required to Perform Examinations | | | |
|--|-----------------|----------------|----------------|
| <input checked="" type="checkbox"/> Not Applicable | | | |
| Date | Location | # Board | # Staff |
| | | | |
| Description of meeting and its role in supporting the mission of the Board: | | | |
| <input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Conference: <input type="checkbox"/> Other (Please Specify): | | | |
| Total Estimated Cost: | | | \$ 0.00 |

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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 |
|------------------------|----------------------|---------|---------|
| 2023 Annual Conference | Montreal, QC, Canada | 0 | 1 |

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

2023 Annual ARELLO Conference. One staff member to attend the Association of Real Estate License Law Officials (ARELLO) annual conference. Attending this conference would allow for the staff member that attends to bring back to the Commission information regarding current trends and issues in the real estate industry in the US and CAN. This information would provide the Commission with concepts on how other jurisdictions are handling those issues through regulation, education, and licensing.

| Expenditure | License Fees (RSS) | Third-Party Reimbursement | Third-Party Direct Booked | Total |
|---|--------------------|---------------------------|---------------------------|-------------|
| <input checked="" type="checkbox"/> Airfare: | \$ 1,500.00 | | | \$ 1,500.00 |
| <input checked="" type="checkbox"/> Hotel: | \$ 1,420.00 | | | \$ 1,420.00 |
| <input checked="" type="checkbox"/> Ground: | \$ 100.00 | | | \$ 100.00 |
| <input checked="" type="checkbox"/> Conference: | \$ 630.00 | | | \$ 630.00 |
| <input checked="" type="checkbox"/> Other: | \$ 137.00 | | | \$ 137.00 |
| Describe "Other" (break out all sections): | | | | |
| Net Total: | \$ 3,787.00 | \$ 0.00 | \$ 0.00 | \$ 3,787.00 |

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Budget Recommendations for FY 2024 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

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

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

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

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

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

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

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

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

| Product or Service | Provider | Cost Per Event |
|---|----------|----------------|
| Video on How to Present the Consumer Disclosure | TBD | \$ 0.00 |

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

Video on how to present the Consumer Disclosure; will assist licensees and the industry in ensuring compliance with Alaska laws.

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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:

Summary of FY 2024 Fiscal Requests:

| | |
|--|---------------------|
| Board Meetings and Teleconferences: | \$ 1,526.00 |
| Travel for Exams: | \$ 0.00 |
| Out-of-State and Additional In-State Travel: | \$ 3,787.00 |
| Dues, Memberships, Resources, Training: | \$ 5,780.00 |
| Total Potential Third-Party Offsets: | \$ 0.00 |
| Other: | \$ 0.00 |
| Total Requested: | \$ 11,093.00 |

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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:

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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:

12 AAC 64.118, Consumer Disclosure. Revise form to include teams.

12 AAC 64.119, Waiver of Right to be Represented. Revise form to include teams.

12 AAC 64.064(g) - Education requirements after initial licensure. Regarding broker/associate broker completion of post licensing education.

12 AAC 64. 930(b) - Property Disclosure Form. Clarify the definition of residential real property.

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Goals and Objectives

Part I

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

1. Refine and rework current processes to increase the speed of actions to keep outside licensees or non-licensees from transacting business for which an Alaska real estate license or broker's license is required. Then, provide this information on the Commission website.

Completed. The Commission, with the aid of the investigations team, has been able to address this item through proper training on how to handle these matters when they are reported, and ensuring these cases are processed efficiently and timely. The former backlog of unlicensed practice cases was resolved, and the processes moving forward have been streamlined.

2. Long-Term Goal: Assist staff to clear up the following issues: How required education, for those who apply for license by endorsement, is defined and verified, how "inactive status" is logged/started & the notification to the affected licensee, define & simplify the criteria for getting or upgrading license, and sharing of information.

Completed/Discontinued. Commission reviewed a proposed revision to regulation 12 AAC 64.059(c)(5) and (f)(5), the education requirements of endorsement applicants but decided not to make any revisions at this time. The Commission staff continue to share information to the real estate industry through their website and list serv. The issues with inactive status and the criteria for the upgrade of license will be discontinued and may be reevaluated in the future.

3. Review and consider a regulation change to 12 AAC 64.059(c)(5) and (f)(5), Review of License Applications.

Discontinued. The Commission decided not to revise regulations. Applicants need to show they have been currently working and if they do not have the education outlined in regulation, they will be required to complete either 40 hours of Alaska-approved salesperson pre-licensing or 30 hours of broker upgrade education.

4. Propose changes to 12 AAC 64.118, Consumer Disclosure, with regards to teams.

In process. The Commission reviewed changes and regulation went out of public comment. The Commission decided to remove this regulation from the total project to make more revisions and put out for public comment again. The Commission took no action on revised form at 12/9/22 meeting. The Commission discussed at 2/9/23 meeting and decided to continue to work on form. The regulations went out for public comment again.

5. Through the Department, review upcoming licensing/renewal cycle fee adjustment for 2022-2024 to conform with the recovery fund balance.

Completed. Regulations signed by Lt. Governor on 1/12/23. The proposed fee changes were effective on 2/13/23.

6. Review and make recommendations to 12 AAC 64.500(n) and associated form, regarding the request for continuing education (CE) credit for courses that are not approved by Commission staff.

Completed. Regulations signed by Lt. Governor on 4/24/23. The proposed fee changes will be effective on 5/24/23. Additionally, Regulation 12 AAC 64.500(h) was revised, adopted by the Commission at the March 2023 meeting, and the changes became effective 5/24/23.

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Goals and Objectives (continued)

Part I

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

7. Identify and draft revisions for outdated or ineffective regulations by September 30, 2022 per the Governor's Administrative Order #335.

Completed. The Commission adopted regulations changes for 12 AAC 64.060, 061, 075, and 500 at the March 2023 meeting. The changes became effective on 5/24/23.

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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:

1. Propose changes to 12 AAC 64.118, Consumer Disclosure, with regards to teams. The Commission has reviewed changes and public comments, and decided to remove this regulation from the former project to allow for more revisions and additional public comment.
2. Review and revise 12 AAC 64.064(g), Education Requirements After Initial Licensure, regarding broker/associate broker completion of post licensing. This goal is in progress. Commissioner Doran is revising the regulation and will bring the draft changes to the Commission to discuss.
3. Review and make recommendations regarding DCE Education Topics and guidelines for the next renewal cycle at the September 2023 meeting in order to meet the October 1st deadline per 12 AAC 64.500(d).
4. Review licensing renewal cycle fee and recovery fund balances and make adjustments as needed to conform with the recovery fund balance.
5. Payment of commissions/EM through title companies. This goal is in process. This issue was brought through public comment. The Commission will take this issue into consideration.

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Sunset Audit Recommendations

Date of Last Legislative Audit: 6/15/2017

Board Sunset Date: 6/30/2026

Audit Recommendation:

The Division of Corporations, Business, and Professional Licensing chief investigator should continue to improve oversight to ensure cases are actively investigated and completed timely.

Action Taken:

The chief investigator has new procedures in place to ensure that the timeliness of cases, complaints, and intake matters are addressed through quarterly reporting.

Next Steps:

Continue monitoring cases in quarterly reports from the Investigator to the Real Estate Commission at their quarterly meetings.

Complete : No Yes **If yes, date completed:**