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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 June 15, 2023
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12 By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62,
13 Article 6, a scheduled meeting of the Real Estate Commission was held June 15, 2023,
14 Anchorage, Alaska via Zoom.
15

16 **Thursday, June 15, 2023**

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

18 Chairperson Cheryl Markwood called the meeting to order at 9:05 a.m., at which time a
19 quorum was established.
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21 Agenda Item 1(a) – Roll Call

22 Members Present via Zoom

23 Cheryl Markwood, Broker, Broker at Large, Chairperson

24 Traci Heaton, Associate Broker, 1st Judicial District

25 Devon Doran, Broker, 3rd Judicial District

26 Elizabeth Schok, Associate Broker, 4th Judicial District
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28 Members Absent:

29 Chad Stigen, Associate Broker, Broker at Large
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31 Staff Present:

32 Nancy Harris, Executive Administrator, REC

33 Kerry Givens, Project Assistant, REC

34 Anna Gabriel, Investigator, REC/APR

35 Marilyn Zimmerman, Paralegal, CBPL

36 Julienne Kim, Paralegal, CBPL

37 Renee Carabajal, Program Coordinator 2, CBPL
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39 Guests Present via Zoom:

40 Traci Barickman, Broker, Educator, Elite Real Estate, Palmer

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

42 Crystal Pitt, member of the public

43 Erika DeWeese, Salesperson, Ski to Sear Properties, Girdwood

44 Dorian Post, Applicant, Broker, Peoples Company of Indianola, NE
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47 Agenda Item 1(b) - Approval of 6/15 Agenda

48 Commission members reviewed the agenda as presented.
49

50 Ms. Markwood added 2 items to the agenda. Under agenda item 5(a), Licensing Issues,
51 after case #2022-001020 add case #2022-000982. Add under agenda item 9, Executive
52 Administrator Report, as 9(c), Alaska Commission Postsecondary Education (ACPE).

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54 There were no other additions to the agenda.

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

Resolved to approve the June 15, 2023, meeting agenda as amended.

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No objections. Motion passed.

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

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

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Agenda Item 2 – Public Comments

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The question was asked what exactly are instructors/educators not in compliance of? Ms. Barickman said they are not in compliance with the AK Postsecondary Education statutes and regulations. Real Estate instructors and educators are considered an institution because they teach post-secondary education, no matter how, and that puts them under ACPE. She said there is a \$5,000 fine for non-compliance, so she encourages anyone who receives a letter to comply. She reiterated that she would be more than happy to help anyone with the application and any questions.

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Errol Champion, Chair of the Legislature and Real Estate Commission Committee for AK Realtors updated the Commission on pending legislation. Mr. Champion stated that the legislation the AK Realtors are following this year was significant yet did not move forward to become law. The first bill was HB134. He stated if this bill is adopted it would modify title 29 that would preclude or prevent borough, city, or state government from implementing a transfer fee on the sale of real property. AK continues to be a non-disclosure state. Several years ago, Juneau went after the disclosure of real property and tried to require a fee. Mr. Champion said that it has been their experience and as shown and in other states, 36 states now require a transfer disclosure fee, and soon after comes more fees, taxes, or some sort of revenue for government.

99 He said this bill was filed in anticipation that this may happen in AK, and they want to close
100 that door before there was any effort by local government or the state to implement or levy
101 a fee. He said he doesn't believe there is strong objection to the bill.
102

103 The second bill was HB 184. This bill is an effort to approve the ability of short-term
104 housing. This bill, if adopted, would require the registration of any entity that is involved in
105 short term rentals. There has even been some attempt that an entity couldn't own more
106 than 2 short term rentals. He said he believed there is not a lot of support for this bill. If it
107 was adopted, it would be difficult to monitor.
108

109 Ms. Markwood asked Mr. Champion what is the industry's thoughts regarding Airbnb's?
110 Has it been brought to their attention and do they have any position on it?
111

112 Mr. Champion said they have not taken an official action or position on that issue, but the
113 conversation has always been let the marketplace function. Trying to supervise it or put
114 some kind of controls on it, is not something they are going to support. It has just been a
115 conversation, but no formal action has been taken. He hears that it is coming, at least in
116 some state. The talk here is more of a source of revenue. Airbnb's and short-term rentals
117 were not subject to motel and hotel bed taxes, so communities are losing a lot of revenue.
118 The general mood in the state is that we do not need more taxes or cost to do business.
119 He said nothing is going on currently and they will certainly oppose it. Until they see
120 something formally advance, they are not going to initiate a conversation.
121

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123 **Agenda Item 3 – Review of Meeting Minutes**

124 **Agenda Item 3(a) – February 9, 2023**

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

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128 **Resolved to approve the February 9, 2023, meeting minutes as**
129 **presented.**

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131 **No objections: Motion passed.**

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134 **Agenda Item 4 – Investigative Report**

135 **Statistical– 4(a)**

136 Anna Gabriel, REC Investigator, presented the investigation statistics report to the
137 Commission. She presented the investigative report for the reporting period of January 25,
138 2023, through May 30, 2023. She stated there are 48 cases opened, 29 cases were
139 closed, and 6 new cases received from the last report.
140

141 Marilyn Zimmerman, paralegal for the CBPL joined the meeting at 9:30 am.
142

143 **License Action – 4(b) Consent Agreement 2022-000970**

144 Commission members went into executive session to discuss the consent agreement and
145 licensing issues from agenda item 5.
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147 **On a motion duly made by Heaton, seconded by Doran, it was,**

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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 9:32 am.
Out of executive session at 11:17 am*

Agenda Item 5 –Licensing Issues
Education Audit Issues – 5(a)

Case No. 2022-000980

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

Resolved to approve the consent agreement in Case No. 2022-000980.

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

The Consent Agreement was adopted by the Commission in Case No. 2022-000980.

Case No. 2022-000983

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

Resolved to approve the consent agreement in Case No. 2022-000983.

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

The Consent Agreement was adopted by the Commission in Case No.2022-000983.

Case No. 2022-000984

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

Resolved to approve the consent agreement in Case No. 2022-000984.

197 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes, Stigen-
198 absent.

199

200 *The Consent Agreement was adopted by the Commission in Case No. 2022-000984.*

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203 Case No. 2022-001020

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206 **On a motion made by Doran, seconded by Schok, it was,**

207

208 **Resolved to approve the consent agreement in Case No. 2022-001020.**

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210 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes, Stigen-
211 absent.

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213

214 *The Consent Agreement was adopted by the Commission in Case No. 2022-001020.*

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217 Case No. 2022-000982

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

220

221 **Resolved to approve the consent agreement in Case No. 2022-000982.**

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223 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes, Stigen-
224 absent.

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227 *The Consent Agreement was adopted by the Commission in Case No. 2022-000982.*

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230 Default Revocations – 5(b)

231 Case No. 2022-000854

232

233 **On a motion made by Doran, seconded by Schok, it was,**

234

235 **Resolved to approve and adopt the Order of Default Revocation of the**
236 **salesperson license for Case No. 2022-000854.**

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238 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.

239

240 *The Default Revocation was adopted by the Commission in Case No. 2022-000854.*

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243 Case No. 2022-000989

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245 **On a motion made by Doran, seconded by Heaton, it was,**
246
247 **Resolved to approve and adopt the Order of Default Revocation of the**
248 **salesperson license for Case No. 2022-000989.**
249

250 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.
251

252 *The Default Revocation was adopted by the Commission in Case No. 2022-000989.*
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254 Initial Applications – 5(c)-
255 Broker by Endorsement, License #188507
256

257 **On a motion made by Doran, seconded by Schok, it was,**
258
259 **Resolved to deny the broker by endorsement application for Doran**
260 **Post, proposed license #188507, for failure to disclose prior**
261 **disciplinary actions in another state as stated by 12 AAC 64.160 and**
262 **further supported by AS 88.88.401.**
263

264 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.
265

266 *The Broker application by endorsement for Doran Post was denied.*
267

268
269 Consent Agreement 2022-000970
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272 **On a motion made by Doran, seconded by Schok, it was,**
273
274 **Resolved to deny the consent agreement for Case No. 2022-000970.**
275

276 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.
277

278 *The Consent Agreement was denied by the Commission in Case No. 2022-000970.*
279

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281 Salesperson by Exam-
282 License #207026
283

284 **On a motion made by Doran, seconded by Heaton, it was,**
285
286 **Resolved to deny the salesperson application for Amy Sirmans,**
287 **proposed license #207026, as supported by AS 08.88.171(c), as seven**
288 **years has not passed since a felony conviction.**
289

290 **Roll call vote:** Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.
291

292 *The salesperson application for Amy Sirmans was denied.*

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License #208150

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

Resolved to deny the salesperson application for Sean Sullivan, proposed license #208150, as supported by AS 08.88.171(c), as seven years has not passed since the person has completed of the sentence imposed upon conviction.

Roll call vote: Doran-yes, Heaton- yes, Schok- yes, Markwood- yes.

The Salesperson application by examination for Sean Sullivan was denied.

Agenda Item 6 – Division Update

Revenue/Expenditure Report, FY23/3rd Qtr. – 6(b)

Renee Carabajal, Program Coordinator 2, CBPL for the Division of Corporations, Business, and Professional Licensing, presented to the Commission the Revenue and Expenditures report for the FY2023 3rd quarter. She stated the current revenue was \$184,220. There were non-investigative expenditures of \$129,527 and investigative expenditures of \$165,810, for a total of \$295,337 direct expenditures. There were in- direct expenditures of \$140,842 (this includes internal administration, department, and statewide costs), leaving the total expenditures at \$436,179. There was a total ending cumulative surplus of \$1,068,446.

Agenda Item 7 – Old Business

2023/2024 Strategic Plan – 7(a)

Commission members reviewed, discussed, and made changes to the 2023 Strategic Plan. The Commission members agreed to removed items from strategic plan with a revision 5/31/23: items #1, 2, 4-6, 8-10, 12, Add: review and revise 12 AAC 64.064, information for payment of Commission through Title Company, to review and determine DCE topics for 2024-2026 licensing period, DCE guidelines for DCE topics for 2024-2026, fee adjustment 2024 -2026 licensing period, and review and make recommendations re: Airbnb questions.

The Commission discussed Airbnb and how the Commission may address this topic in the future. They asked that staff gather questions to take to the Department of Law regarding Airbnb to bring to the Commission for discussion at a future meeting.

Property Management Committee update – 7(b)

Ms. Markwood asked the Commission to dismantle the Property Management Committee (PMC). She stated that the PMC has completed the goals that were set for them. The committee did several best practices and white papers that have been placed on the REC website for direction and help with questions many property managers and the public had. Ms. Markwood stated that the committee’s Chair did a great job, but it has been dormant

341 for at least six months, and she believes it is time for it to be dismantled. She said if there
342 are issues that need to be addressed with regards to property management in the future, a
343 new committee can be formed.
344

345 There were no objections from the other Commission members. The Property
346 Management Committee was dismantled.
347

348 The Commission recessed for break at 12:20 a.m.
349 The Commission reconvened at 12:31 a.m.
350

351 Discuss status/goal of REC Consumer Disclosure form - 7(c)

352 The Commission reviewed and discussed the REC Consumer Disclosure form that
353 Commission member Schok and Heaton worked on and made revisions. They made
354 revisions and reformatted the Consumer Disclosure and created a second page and made
355 formatting changes only to the Waiver of Right of Representation form.
356

357 Ms. Markwood clarified that this would replace the current Consumer Disclosure
358 information page with a one-page Consumer Disclosure with an Addendum if more than
359 one licensee is involved.
360

361 Ms. Heaton went over some of the items that were changed: a single page Consumer
362 Disclosure form unless there is more than one licensee involved, specifically mark the
363 bottom of page 1 so you know there is a second page if more than one licensee is
364 involved (you know if there or is not an Addendum), there is a place for a team name if a
365 team is involved, and the Waiver of Right to be Represented was only reformatted so it
366 looks similar to the Consumer Disclosure.
367

368 Commission changes to 08-4145 AREC Consumer Disclosure

369 1) Header be smaller or take out 1-2 lines such as phone, email, or website.

370 2) Under Specific Assistance box adding:

371 NOTE: If the consumer transitions to Representation, the relationship CANNOT revert to
372 Specific Assistance.

373 3) Adding in another sentence at the end of Acknowledgement. For full description of
374 Licensee Relations refer to Sec 08.88.600-695.

375 4) On page two for the disclosure addendum adding in two more lines for additional
376 licensees.

377 5) after the 2nd sentence in Teams box add definition of teams.
378

379 There were no changes to for 08-4212 AREC Waiver of Right to be Represented.
380

381

382 **On a motion made by Schok, seconded by Heaton, it was,**
383

384 **Resolved to move forward regulations 12 AAC 64.118, Consumer**
385 **Disclosure form and 12 AAC 64.119 the Waiver of Right to be**
386 **Represented as revised to the regulation's specialist, and out for**
387 **public comment accepting written comments only, and out for 30**
388 **days.**

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All in favor. No objections: Motion passed.

SOA Residential Real Property Disclosure Transfer Statement - 7(d)

Commission members review and discuss the conflict of the definition of residential real property found on the Residential Real Property Transfer Disclosure Statement and AS 34.80.090.

It has come to the attention of the Commission that there is a discrepancy in the definition of “residential real property” in the Alaska statute, 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 34.80.090”.

Ms. Harris stated that the Commission can make a statutory change to fix the discrepancy in the definition of “residential real property” found in AS 34.70 and 34.80 or they can do a regulation change to 12 AAC 64.930 and add a section (b) to include the conflicting definition of residential real property as outlined in AS 34.80.090 so that it covers both definitions.

The Commission would like to do a revise regulation 12 AAC 64.930, Property Disclosure Form, by adding to section (b), after AS 34.70.200, “and AS 34.80.90.

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

Resolved to move forward regulation 12 AAC 64.930, Property Disclosure form, as revised to the regulation’s specialist, and out for public comment accepting written comments only, and out for 30 days.

No objections: Motion passed.

Board Committees vs. Subcommittee vs. Workgroups- 7(e)

Ms. Harris spoke to the latest information sheet with regards to Board Committees vs Subcommittees vs Workgroups. The bottom line is that it is best that all meetings be public noticed.

Subcommittees of the board –

-Are comprised exclusively of board members.

-Must be publicly notices in the same manner as a board meeting.

Committees of the board –

- 437 -Are comprised exclusively of board members.
438 -Must be publicly notices in the same manner as a board meeting.

- 439
440 Workgroups of the board –
441 -May include public members.
442 -Does not require public notice unless two or more members are serving on the
443 workgroup.
444 -May be publicly noticed if public comment is solicited or if the group desires a highly
445 transparent process; best to post on the board’s web page.

446
447 Ms. Harris stated the bottom line is that all committee, subcommittee, or workgroups need
448 to be public noticed.

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451 **Agenda Item 8 – New Business**

452 2023 Annual Report– 8(a)

453 Commission members reviewed and discussed the 2023 REC Annual Report and made
454 several changes.

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456

457 **On a motion made by Doran, seconded by Schok, it was,**

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Resolved to approve the 2023 Annual Report as amended.

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No objections: Motion passed.

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464 PearsonVue Test Development - update– 8(b)

465 Ms. Harris gave the Commission an update on test development with the testing service
466 PearsonVue during the end of May. She said several AK educators are selected to assist
467 PearsonVue with test development to review exam information to ensure the exam is
468 relevant and up to date. Ms. Harris said it was good time spent and she appreciated all the
469 educators’ time and hard work.

470
471

471 2023 ARELLO Annual Conference, Montreal, QC Canada, September 18-22,2023 – 8(c)

472 Ms. Harris asked the Commission for their approval for her to attend the 2023 ARELLO
473 Conference on September 18-22, 2023, in Montreal QC Canada.

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476 **On a motion made by Heaton, seconded by Schok, it was,**

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**Resolved to approve for Ms. Harris to attend the 2023 ARELLO
conference in Montreal QC Canada.**

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No objections: Motion passed.

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483 **Agenda Item 9 – Executive Administrator’s Report**

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

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486 Mr. Givens presented the licensing report for June 15, 2023, to the Commission. He
487 reported that between February 10, 2023, through May 31, 2023, there were 87 new
488 licenses issued; 3,025 active licensees, 3252 total number of licensees with an 1/31/2024
489 expiration date; 58 inactive licensees with a 1/31/2024 expiration date; 45 lapsed licenses
490 due to non-compliance of PLE; 92 transfers; 82 licensees completed their PLE
491 requirements; 13 license upgrades from salesperson to associate broker and 1 license
492 upgrade from salesperson to broker and 121 licensees in a license returned status.

493

494 Education Statistics

495 Mr. Givens presented the education report for June 15, 2023. He reported that as of May
496 31, 2023, there were 11 pre-licensing courses; 4 broker upgrade courses; 395 elective
497 courses (ECE) and 100 designated courses (DCE), the elective (ECE) and designated
498 (DCE) courses have some overlap, so the initial numbers 395 and 100 accordingly, are
499 adjusted by the combined DCE and ECE with a reduction of 28, and 62, and 77 Post
500 Licensing course. with a total of 497 approved courses. There are 95 permanent
501 instructors and 3 new instructors, 2 from Eagle River and one from Florida.

502

503 Recovery Fund Balance Report – 9(b)

504 Ms. Harris presented the Recovery Fund Report for the 3rd quarter, ending March 31,
505 2023. The Commission received a total of \$12,630 mostly from license fees processed
506 between January and March 31, with total revenues of \$16,212 and expenditures at
507 \$24,248. The current fund balance was \$330,291 with an end of year fund balance of
508 \$322,255. The projected balance for the end of the fiscal year is \$329,830.

509

510 Alaska Commission on Postsecondary Education – 9(c)

511 Ms. Harris spoke to the Commission regarding AK Commission on Postsecondary
512 Education (ACPE). She said it had come to her attention that all real estate
513 instructors/educators will be required to apply for an exemption from institutional
514 authorization through Alaska Postsecondary Education (ACPE) and will receive an email
515 and letter regarding compliance. She wanted the Commission to be aware of this and
516 asked for approval to send a list serv out to notify the instructors/educators of this
517 requirement.

518

519 Staff to send a listserv and email to education sponsors regarding ACPE letter and
520 compliance.

521

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523 Agenda Item 10 – Commission Member Comments & Questions

524 Ms. Heaton stated that the September REC meeting is at the same time as the Realtor
525 convention and asked if the date could be changed. Ms. Heaton said she was excited that
526 the consumer disclosure was well received, and she was looking forward to the public
527 comments and hopes there will be a good response.

528

529 Commission members changed the September meeting date from September 14, 2023, to
530 September 7, 2023, to allow the Commission members to attend the realtor convention.

531

532 Devon Doran thanked the Commissioners for their hard work.

533

534 Ms. Schok said it was great to work with Traci Heaton on the consumer disclosure, she did
535 a beautiful job, and she also hopes the revisions to the Consumer Disclosure will be well
536 received. She thanked everyone for all their hard work.

537
538 Ms. Markwood thanked everyone for all their hard work on the Commission today and
539 thanked everyone on all their input and hard work that was done on the Consumer
540 Disclosure form. It was an amazing job! She said she appreciated everyone's hard work
541 on the Commission dealing with big caseloads with investigations, as well as their regular
542 jobs. She appreciated the collaboration and being able to talk and work through the
543 issues. She said she is looking forward to reviewing the matrix at the next meeting and
544 loves how the Commission is trying to streamline things. When we are no longer on the
545 Commission, the people that will follow behind them will have a more streamlined way of
546 handling the business affairs of the Commission, which is important.

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549 **Agenda Item 11 – Adjournment**

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551 **On a motion made by Schok, seconded by Doran, it was,**

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553 **Resolved to adjourn the meeting.**

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555 **No objections: Motion passed.**

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558 Meeting adjourned at 1:43 pm.

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560 The next meeting will be held September 7, 2023, in person.

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Prepared and submitted by:
Real Estate Commission Staff

Approved:



Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission