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3 STATE OF ALASKA  
4 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT  
5 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING  
6

7 REAL ESTATE COMMISSION  
8 WORK MEETING  
9 MEETING MINUTES  
10

11 February 26, 2025  
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13 By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62,  
14 Article 6, a scheduled work meeting of the Real Estate Commission was held February 26,  
15 2025, Anchorage AK, via Zoom.  
16

17 **Wednesday, February 26, 2025**

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

20 Chairperson Cheryl Markwood called the meeting to order at 1:31 pm.  
21 No quorum needed for a work meeting.  
22

23 Ms. Markwood stated that this is a meeting where we will be working on general tasks,  
24 collaboration of ideas and subject matters that have become important to the Real Estate  
25 Commission. This work group does not have decision-making authority.  
26

27 **Present via Zoom**

28 Cheryl Markwood, Commission member, Broker, Broker at Large, Chairperson, Fairbanks

29 Elizabeth Schok, Commission member, Associate Broker, 4<sup>th</sup> Judicial District, Fairbanks

30 Traci Heaton, Broker, Commission member 1<sup>st</sup> Judicial District, Juneau

31 Devon Doran, Broker, Commission member 3<sup>rd</sup> Judicial District, Wasilla

32 Jimi Cash, Commission member, public seat

33 Susan Wilcox, Commission member, public seat

34 Angie Tallant, Broker, Somers, Sotheby's International, Fairbanks

35 Francisca Tracy, Compliance Analyst, The CE Shop, PA

36 Gene DuVal, Associate Broker, Broker Associates of Fairbanks

37 Jerry Royse, Broker and RE Educator, Royse & Associates, Anchorage

38 Julie Marshall, Broker, FSBO Systems Alaska, Anchorage

39 Michael Barnhill, Compliance Auditor, Legislative Audit Division, Juneau

40 Nichole Rodriguez, Auditor, Legislative Audit Division, Juneau

41 Renee Foster, Broker, Foster Realty, Fairbanks

42 Tracy Schachle, Broker, The Real Estate Group AK, LLC, Fairbanks

43 Jarrett Chambers, Salesperson, Chambers Real Estate Services, Anchorage

44 Melissa Ford, Broker, Nome Sweet Homes, Nome

45 Cassandra Raun, Salesperson, Coldwell Banker Endeavor Realty, Anchorage

46 Paddy Coan, Associate Broker, Keller Williams Alaska Group, Anchorage

47 Heather Ferguson (Lambert), Salesperson, Century 21 Gold Rush, Fairbanks

48 Jason Olds, Division Director, Air Quality, Department of Environmental Conservation,  
49 Juneau

50

51 Nick Czarnecki, Environmental Program Manager 2, Department of Environmental

52 Conservation Anchorage  
53

54 **Staff Present:**

Nancy Harris, Executive Administrator, Real Estate Commission (REC)

55 Kery Givens, Licensing Examiner 2, Real Estate Commission (REC)  
56 Lorina Rogers, Licensing Examiner 3, Board of Real Estate Appraisers (APR)  
57 Stephanie Davis, Regulation Specialist, CBPL  
58

59 Approval of Agenda

60 Ms. Markwood asked to add 2 items to the agenda. Add agenda item 4(h)- Teams  
61 Advertising and item 4(i)- Administrative Code (18 AAC 50.081) conflict with REC  
62 regulations (12 AAC 64.600 – 695).  
63

64 Ms. Harris stated that the team's information was added to 4(f)-Advertising.  
65

66 Ms. Markwood asked if there was any opposition to the agenda as amended. There was  
67 no opposition, agenda was approved.  
68

69 Agenda Item 2 – Introductions

70 Ms. Markwood introduced all Commission members that were in attendance via ZOOM.  
71

72 Ms. Harris introduced staff and all other individuals in attendance via ZOOM.  
73

74 Agenda Item 3 – Public Comment

75 Michael Barnhill, auditor with Legislative Audit office introduced himself and Nicole  
76 Rodriguez. He stated they are from legislative audit and are conducting the sunset audit  
77 with the REC for next couple of months He thanked everyone that they have spoken to for  
78 their cooperation.  
79

80 Julie Marshall, broker in Anchorage. She stated she is just dropped in to listen to the  
81 meeting.  
82

83 Agenda Item 4– topics for review and discussion.

84 4(a) -12 AAC 64.063(a)(2) - Minimum Education Requirements for Licensure

85 Mr. Givens presented the proposed regulation for review and discussion. The key changes  
86 to this regulation included the requirement of a 6-hour Alaska Law course taken within 18  
87 months and modifying the 30-hour Broker Pre-Licensing course to increase Alaska Law  
88 instruction from 3 hours to 6 hours. This included the adjustment of the hours in 12 AAC  
89 64.063(b) to decrease hours in other topics.  
90

- 91 • Recommendation by Mr. Royse was to decrease hours in 12 AAC 64.063(b)(1),  
92 broker supervision requirements and record keeping to 2 hours and 12 AAC  
93 64.063(b)(2) trust accounting procedures decrease to 2 hours.  
94

95 4(b)- 12 AAC 64.064(g) - Education Requirements after Initial License

96 Mr. Givens presented the proposed regulation for review and discussion. This proposal  
97 provides a pathway for licensees to either remain in lapse status, downgrade to a  
98 Salesperson license, or reinstate Broker/Associate Broker license, due to non-compliance  
99 of Post Licensing Education.  
100

- 101 • There were no recommendations.  
102  
103

104 4(c) - 12 AAC 64.066 - Temporary Military Courtesy License

105 Ms. Harris presented the proposed regulation for review and discussion. When this  
106 regulation was created several requirements for licensing were not included. This change  
107 would require an applicant to submit an employing broker form, a completed 6 hour AK  
108 Law course and verification of E & O Insurance. Ms. Harris stated that there is a new  
109 application process for active military personnel and spouses of active duty military  
110 personnel for a license that may replace the current temporary license application. Ms.  
111 Markwood had some concerns regarding possible contradiction of applications.

112

- 113 • Recommendation to bring back to the March meeting with more information  
114 regarding both military applications to ensure there is no contradictions or  
115 duplication of licensing.

116

117 4(d) - 12 AAC 64.075(f) - Employment and Transfer

118 Mr. Givens presented the proposed regulation for review and discussion. This proposal  
119 will give the brokerage 10 days after they submit office change application to continue  
120 business with requested changes while waiting REC staff to complete change and amend  
121 update/license.

122

- 123 • Recommendation to add the time as 10 business days unless extended by the  
124 Real Estate Commission.

125

126

127 4(e) - 12 AAC 64.110(a) and (b). Requirements for Establishing and Maintaining an Office

128 Ms. Harris presented the proposed regulation for review and discussion. This would clarify  
129 the requirement that a brokerage's principal office must be a physical location within the  
130 state. This recommendation was recommended at a prior work meeting. This change  
131 would add the word "physical" to the regulation to revise regulation to "physical principal  
132 office".

133

- 134 • Recommendation for staff to bring back information to the March meeting  
135 regarding what other jurisdictions are doing with virtual and physical offices. What  
136 is the definition of brokerage?

137

138

139 4(f) - 12 AAC 64.130(8) - Advertising –size of text of office name vs team name

140 Ms. Heaton and Ms. Schok presented their list of requirements of teams from other  
141 jurisdictions for discussion and recommendations.

142

143 Points discussed:

- 144 • Brokerage name and logo be more prominent and/or at least larger than team  
145 name or 50% larger than brokerage name
- 146 • Define team, 3 or more
- 147 • Define brokerage
- 148 • Prohibition of using realty, real estate, realtors, company, associate, firm, or group
- 149 • Team leader required to be Associate Broker or at least completed broker training
- 150 • Include alternative names into regulations; have alternative name to go with  
151 licensee when transferring to other brokerages
- 152 • Replace current Teams best practice with a do's and don'ts of teams similar to  
153 Maryland REC's Do's and Don'ts

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- Recommendation- Ms. Heaton and Ms. Schok continue to research on teams and bring back recommendations to the Commission.

4(g)(1)- 12 AAC 64.065(5)(c)- License Required for Employees, Directors, Agents and Officers

Ms. Harris presented the proposed regulation for review and discussion. This proposal is to update the regulation by replacing the word “corporation” with “entity” to include all business structures.

- There were no recommendations.

4(g)(2) -12 AAC 64.078(b)(2) -Temporary Absence of Broker of Record

Mr. Givens presented the proposed regulation for review and discussion. This revision is to clarify the word “person’s”. This change would replace the word “person’s” with the verbiage “substitute broker’s currently” registered office.

- There were no recommendations.

4(h) – DEC 18 AAC 50.081 vs REC regulations 12 AAC 64.600 – 695.

Jason Olds, Director of Division of Air Quality with the Department of Environmental Conservation (DEC) and Nick Czarnecki, Environmental Program Manager also with DEC, Air Quality, started the discussion regarding the DEC regulation 18 AAC 50.081 that was implemented due to the state plan requirement that initiated this regulation. He said he is here to answer any questions to assist with implementation of regulation 18 AAC 50.081. He is seeking collaboration and anything they can do to make these requirements less burdensome and easier on real estate licensees.

Ms. Tallant gave an overview on the regulation 18 AAC 50.081 that was adopted in April 2024.

- The DEC regulation went through the hearing process and public comment period in September 2024 and is linked to the SIP (State Implementation Plan) plan with the EPA on the air quality issues that the Fairbanks and North Pole area has been facing since 2011.
- This regulation is specific to the non-attainment area which is Fairbanks and the North Pole areas. This could be statewide but is currently only in the Fairbanks and North Pole areas.
- The EPA opened their SIP comment period when licenses were noticed on January 21, 2025, regarding to the regulation change that mandated that they would be back to ensure compliance of woodstoves regulations,
- Currently in the Fairbanks area real estate licensees use a DEC form for disclosure on every real estate transaction so that the sellers and buyers are made of aware of the DEC requirement.
- This would also require compliance of a home energy ratings that are to be done prior to listing the house. The one issue is that there are only a few energy raters in the Fairbanks and that is not enough for 2,000 transactions that are done annually. This would bottle neck the process for consumers, and it is cost prohibitive with an energy rating currently \$600 to \$1200.

- 203       • The way the regulation was written it states that energy rating would need to be  
204 done prior to listing, and the real estate licensee would forward that information on  
205 to DEC, and it must be disclosed at the time the house is put on the market. There  
206 are many ways this will affect the Fairbanks real estate market:
- 207           ○ There is the disclosure of energy rating
  - 208           ○ Buyer wanting to negotiate energy upgrades from a report that is just only  
209 required for DEC and not for the transaction
  - 210           ○ Real estate licensees regulated through the AREC now will have additional  
211 requirements/licensee duties to adhere to under a different entity.
- 212

213 Discussion continued regarding the current process of the SIP and regulation 18 AAC  
214 50.081 and how and why these were implemented by DEC.

215

216 Concerns and questions from the real estate industry.

- 217       • How would these regulations be implemented?
  - 218       • Is the DEC regulation 18 AAC 50.081 in conflict with the RE statutes and  
219 regulations?
  - 220       • How do we ensure that real estate licensees are following the current real estate  
221 statutes and regulations and the DEC regulation 18 AAC 50.081.
  - 222       • Is this similar to the lead paint disclosure? Will there be a form to be completed by  
223 the buyer and seller?
  - 224       • How is the real estate licensee protected?
  - 225       • How does a real estate license ensure a buyer or seller have completed the  
226 requirement and if they do not, is the licensee's license in jeopardy?
  - 227       • What is the penalty for the licensee if they do not comply with the regulation?
  - 228       • Can this DEC regulation be revised?
  - 229       • Verbiage could be added to the property disclosure transfer statement regarding  
230 the energy rating and inform the seller or buyer of DEC requirements.
- 231

232 DEC information and response.

233

- 234       • In their 2019 and 2020 submittals, DEC dismissed these regulations and this  
235 potential control measure because it was technically unfeasible. They said it was  
236 unfeasible because they did not have the authority to mandate real estate  
237 licensees. EPA's response was DEC did have the authority and must use that  
238 authority. They were told that they could not use that as the reason to dismiss  
239 these regulations.
- 240
- 241       • The compliance that DCE is looking for is informing the buyer or seller of their  
242 obligations. That is the limit of the agent's responsibility as DEC looks to implement  
243 these requirements. The existing forms that are used in the non-attainment area  
244 currently, DEC is not receiving copies of those. That is something they would ask  
245 for. DEC is not trying to hold up any real estate transactions.
- 246
- 247       • 18 AAC 50.081. The intent behind the way this regulation was worded, it reads that  
248 the agent shall ensure compliance, and then it continues to define what ensure  
249 compliance means. The agent must inform the seller, or buyer, as applicable. It is  
250 based on doing exactly that, inform. Section (c) says that if an agent has complied  
251 with (b), which is just to inform the seller, then the agent may not be liable for

252 failure to disclose. This was the intent to ensure that this was an information-based  
253 piece. It wasn't to put the entire burden of compliance with air quality regulations  
254 onto the real estate community. It was to ensure that this information was  
255 conveyed to the buyers and sellers.

- 256
- 257 • This regulation was modeled after the lead paint disclosure with regards to  
258 authority, but they need something mailed to them regarding the status and  
259 registration requirements that go with the home. The registration requirement has  
260 been in existence in their regulations for some time, with a debate of enforceability  
261 as well, that is where these revisions come from. The only new piece of 18 AAC  
262 50.081 is the energy rating.
  - 263
  - 264 • The wording is set in regulation at this point. Any revisions would be though the  
265 110L, the preferred pathway. That is another process that addresses the regulation  
266 and could be revised but it would have to be accepted and meet the requirements  
267 of 110L.
  - 268
  - 269 • A 110L is a reference from the Clean Air Act, it is called Anti-backsliding. There is  
270 planning to clean the air and actual cleaning of the air. With regards to the State  
271 Implementation Plan, everything is just a plan. Cleaning the air comes later and it  
272 is covered by the plan, and essentially the 110L. Provisions out of the Clean Air act  
273 are where DEC will have to demonstrate that a change to their plan or regulations  
274 that are adopted in that plan don't backslide or don't cause them to delay reaching  
275 attainment. Because of that public health emergency, they are required to  
276 implement requirements that are to reach "expeditious attainment" as fast as  
277 possible in the earliest year possible. They are supposed to have the air cleaned.  
278 They have been delayed in doing that, because of moderate plans and everything  
279 that they have done previously didn't go far enough. Then the regulations become  
280 more onerous than their current plan. In 2027, they will be back here doing this  
281 again. if not, it's the EPA and a Federal implementation plan where they will have  
282 to adopt their plan, or else they will not be relieved from sanctions. Therefore, they  
283 must ensure that the changes they make don't backslide.

284

285 The recommendations from the work meeting will be brought forward to the March 20,  
286 2025, REC meeting for the Commission's consideration.

287

288 Ms. Heaton thanked everyone for taking the time to attend this meeting. She said these  
289 work meetings are very helpful with great input and assist the Commission make the most  
290 of their time and move forward with changes.

291

292 Ms. Markwood thanked everyone for their attendance and discussion at this work meeting.

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294 Meeting adjourned at 4:15 pm.

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296 Prepared and submitted by:  
297 Real Estate Commission Staff

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299 Approved:

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Cheryl Markwood  
REC Chairperson  
Alaska Real Estate Commission