

Department of Commerce, Community
and Economic Development

Division of Corporations, Business
and Professional Licensing

Real Estate Commission

Annual Report

Fiscal Year 2024



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

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This report is required under Alaska Statute 08.01.070(10).

**Real Estate Commission
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Board Membership (as of the Date This Report was Approved)

Date of Final Board Approval: 3/20/2024

| <u>Commission Member</u> | <u>Date Appointed</u> | <u>Term Expires</u> |
|---|-----------------------|---------------------|
| Cheryl Markwood, Broker Broker At Large Fairbanks | 3/1/2019 | 3/1/2027 |
| Traci Heaton, Associate Broker, Vice Chair 1 st Judicial District Juneau | 3/1/2021 | 3/1/2025 |
| Chad Stigen, Associate Broker Associate Broker/Broker At Large Palmer | 6/30/2021 | 3/1/2025 |
| Devon Doran, Broker 3 rd Judicial District Wasilla | 10/22/2021 | 3/1/2027 |
| Elizabeth Schok, Associate Broker 4 th Judicial District Fairbanks | 3/1/2021 | 3/1/2025 |
| Vacant Public Member | | |
| Vacant Public Member | | |

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Accomplishments

- Updated the SOA Residential Real Property Transfer Disclosure Statement
- Establish a Team Committee to address the increasing prevalence of teams within our industry.
- Updated and submitted the AK Consumer Disclosure, 12 AAC 64.118, AK Waiver of Right to Be Represented, 12 AAC 64. 119, for public comment, adding a section on teams and improving consistency with other forms.
- Consistently reviewed and updated the REC Strategic Plan to ensure alignment with our goals.
- Launched the Disciplinary Matrix to streamline and standardize disciplinary actions.
- In 2023, successfully closed 50 cases, through challenges remain in addressing backlog from 2022. Prompt case review by Commission members and increased collaboration with investigators are recommended for efficiency and support.
- Formed an education committee to update the required DCE Education topics for the 2024-2026 licensing period.
- Through the Department, reviewed the upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance for 2024-2026 and made a recommendation to decrease fees.
- Revised several regulations:
 - 12 AAC 64.60, Applications for Licensure re: license history
 - 12 AAC 64.06, License by Endorsement, re: license history
 - 12 AAC 64.075, Employment and Transfer, re: license certificate
 - 12 AAC 64.125, Supervision for main and branch offices
 - 12 AAC 64.500(n), Continuing Education Requirement s, re: outside education
- Scheduled and conducted 3 REC meetings with 1 person meeting, 3 teleconferences for consideration of investigative matters, 1 education committee meeting for discussion and recommendation of 2024-2026 DCE topics and guidelines.
- Executive Administrator attended the 2023 ARELLO Annual Conference in September in Montreal, Canada.
- Sent a Letter of Support to Governor Dunleavy in support of HB314 and SB225. This legislation would remove investigation, hearing, and legal costs from the regulatory costs that are currently covered by professional license fees per AS 08.010.065. This change would better support Alaska’s licensed professionals, to include real estate licensees.
- Reviewed and updated Disciplinary Matrix.

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Activities

- Schedule and conduct 4 Commission meetings with 1 meeting as a in person meeting.
- Conduct an education committee meeting to review and make recommendations for revision regulations specific to education, 12 AAC 64. 064(g)
- Schedule and conduct at least one subcommittee meeting to review, define and make recommendations for regulation revisions re: Broker Supervision.
- Conduct at least one workgroup meeting to discuss list of regulations that need to be revised due to industry needs and/or requested by staff
- Continue through the process to complete the proposed regulations:
 - 12 AAC 64.064(g) - Education Requirements after Initial License
 - 12 AAC 64.118, Consumer Disclosure form, to include teams
 - 12 AAC 64. 119, Wavier of Right to be Represented.
 - 12 AAC 64.930, Property Disclosure Form. Residential Real Property Transfer Disclosure Statement
- Continue to work on the objective on the 2024 AK RE Strategic Plan and add items as needed.

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Needs

- Support in expediting the regulatory change process through the departments of regulation and publication.
Why- Needs to be expedited between the Commissions evaluation and request to go out for public comment to when it actually goes out for public comment. This time is too long and places a burden on the Commission members, the real estate licensees and the public.
- Assistance in recruiting for the two Public Member positions, currently challenging to fill due to the restriction against financial involvement in the industry. This limitation prevents industry experts such as bankers, mortgage advisors, inspectors, engineers, contactors, and maintenance advisors from applying.
Why – The longer the delay in filling the 2 vacant seats limits the industry experts and the efficiency of the Commission.
- Propose changes to regulation 12 AAC 64.064(g) - Education Requirements after Initial License, regarding the broker/associate broker completion of post licensing education.
Why - To clarify this regulation for brokers and associate broker when they do not complete their required post licensing education. Brokers are held at a higher standard.
- Initiate review and recommendation regarding DCD Education Topics and guidelines for the next renewal cycle at the December 2024 meeting in order to meet the October 1st 2025 deadline per 12 AAC 64.500(d).
Why – To get a head start and have more time for the education committee to meet more than once to review and discuss education topics and guidelines for the next licensing period, 2026- 2028.
- Review licensing renewal cycle fee and recovery fund balances and make a recommendation to the department as needed and to stay within the licensing and recovery fund balance requirements.
Why - To ensure the REC is staying within the required licensing and recovery fund balances.
- Schedule and conduct a public noticed work meeting to review, discuss for possible FAQs, Best Practice, and/or new/revised regulations for topics:
 - Office Change process
 - change of broker
 - change of associate broker in charge (ABIC)
 - change of office name
 - change of ownership
 - Broker termination by owner who is a salesperson or is not licensed
 - Audit of E & O Insurance
 - Broker Supervision – licensees not responding to client
 - Transaction coordinators
 - HOA (Community Associations)

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Needs

Why - Due to changes in industry and with issues that have come up with staff that need to be addressed for clarity and efficiency for licensees and staff.

- To schedule 4 REC meetings in September, December, March, and June, with the September 2024 meeting to be an in-person meeting to be conducted in Anchorage.

Why - To continue the efficiency of the REC and as a standard practice.

- Request the Commission send the Executive Administrator to the 2024 ARELLO Annual Conference to be held in Chicago, IL, September 23-26, 2024.

Why – 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 can help the Commission see how other jurisdictions are handling some of the same issues, through regulation, education, and licensing.

- The Association of Real Estate License Law Officials (ARELLO) membership, with a cost of \$780.00

Why- ARELLO membership offers the Commission members access to education, investigation information, and licensing resources. It also provides the Commission with access to a nationwide disciplinary database to all Commission members.

- Instructor Development/Train the Trainer Workshop, to be announced, with a cost not over \$5,000.

Why – This is 8 hours of specific training for current instructors or individuals who would like to be an instructor but do not have the experience. Per regulation 12 AAC 64. 440(h), this workshop can be substituted for experience.