

**Real Estate Commission
Meeting**

December 16, 2020

**Atwood Building
550 W 7th Avenue
Suite 1550
(ZOOM ONLY)**

Anchorage

Call to Order

Approval of Agenda

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT DIVISION OF
CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

December 16, 2020
Atwood Building 550 W. 7th Ave.
Suite 1550 (ZOOM ONLY)
Anchorage, AK

Email realestatecommission@alaska.gov for ZOOM information

Wednesday, December 16, 2020

Note: There will be a break for lunch from 12 until 1.
Division Update will start at 1:00 pm.

- 9:00 a.m. 1. Call to Order McConnochie
- a) Roll Call
 - b) Approval of 12/16 Agenda
 - c) Statements of Conflicts of Interest
2. Public Comments (est. time only; 9:10 am)
3. Meeting Minutes
- a) September 23, 2020
4. Investigative Report
- a) Probation Report Prieksat
 - b) Statistical Report Miller
 - c) CE Investigative Matters: (EXECUTIVE SESSION) Zimmerman
 - Case #2020-000836
 - Case #2020-000912
 - Case #2020-000913
5. Committee Reports
- a) Property Management Committee Nelson/Taggart
6. Old Business
- a) AREC Property Transfer Disclosure Form Re-Write Markwood/Pruhs
 - b) Regulation Revisions – Status Update Consalo
 - c) Disciplinary Matrix Review
 - d) 2020 AREC Strategic Plan Review McConnochie
7. New Business
- a) Advertising FAQ Nelson
 - b) Discussion Re: Possible Advertising Regulation Changes Project
 - c) Election of Vice Chair & Education Liaison McConnochie
 - d) 2021 Meeting Dates

STATE OF ALASKA
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-
- | | | |
|-----------|--|---------|
| 1:00 p.m. | 8. Division Update | Walsh |
| | a) REC Revenues and Expenditures Report
(2020 4 th Quarter & 2021 1 st Quarter) | |
| | 9. Executive Administrator's Report | |
| | a) Education Statistics | Harris |
| | b) Licensing Statistics | Consalo |
| | c) Current Office Procedures | |
| | d) RISC E&O Claims Report | |
| | e) Recovery Fund Balance Report | |
| | f) Application Matters: (EXECUTIVE SESSION) | |
| | - Julie Burns, License #166982 | |
| | - Alicia Hinzman, License #168456 | |
| | 10. Commission Member Comments and Questions | |
| | 11. Adjournment | |

Please report any Ethics violations to Shyla Consalo or Nancy Harris.

Next Meeting: March 2021 (Date TBD)

Statements of Conflict of Interest

Oral Comments & Public Comments

Approval of Meeting Minutes

1
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 September 23, 2020
10

11 “These draft minutes were prepared by the staff of the Division of Corporations, Business
12 and Professional Licensing. They have not been reviewed or approved by the
13 Commission.” By authority of AS 08.01.070(2), and in compliance with the provisions of
14 AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held
15 September 23, 2020, at the State of Alaska Atwood Building, 550 W. 7th Avenue, Suite
16 1550, via Zoom, Anchorage, Alaska.
17

18
19 **Wednesday, September 23, 2020**

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

21 Chairperson PeggyAnn McConnochie called the meeting to order at 9:10 a.m., at which
22 time a quorum was established.
23

24 **Roll Call – 1(a)**

25 **Members Present via Zoom**

26 PeggyAnn McConnochie, Broker, 1st Judicial District, Chairperson
27 Margaret Nelson, Broker, Broker at Large, Vice Chairperson
28 David Pruhs, Broker, 4th Judicial District
29 Cheryl Markwood, Broker, Broker at Large
30

31 **Excused Absent:**

32 Samuel Goldman, Broker, 3rd Judicial District
33 Jaime Matthews, Public Member
34 Jesse Sumner, Public Member
35

36 **Staff Present:**

37 Shyla Consalo, Executive Administrator
38 Nancy Harris, Project Assistant
39

40 **Staff Present via Zoom:**

41 Autumn Roark, REC Investigator
42 Ryan Gill, Investigator – REC Probation Monitor
43 Amber Whaley, Senior Investigator
44 Marilyn Zimmerman, Paralegal
45

46 **Guests Present via Zoom:**

47 Errol Champion, Broker, Coldwell Banker Race Realty, Juneau
48 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
49 Renae Miller, Broker, MARC Realty, Anchorage
50 Timothy Vereide, Associate Broker, Jack White Real Estate, Wasilla
51 Kristi Mock, Associate Broker, Keller Williams Realty Alaska – The Kristin Cole Team
52 Laura McMillon, Compliance Administrator, The CE Shop
53 Sue Brogan, Chief Operating Officer, United Way of Anchorage
54 Julie Burns, Public Member
55

56 Approval of Agenda – 1(b)

57 Commission Members reviewed the meeting agenda.

58
59 **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**

60
61 **RESOLVED to approve the meeting agenda for September 23, 2020, as**
62 **amended.**

63
64 Ms. Consalo asked for an additional item to be added to the agenda. Additional
65 investigative matter, case #2020-000783 was added to agenda item 4(d).

66
67 **All in favor; Motion passed.**

68
69 Statements of Conflicts of Interest – 1(c)

70 There were no conflicts of interests.

71
72
73 **Agenda Item 2 – Public Comments**

74 Errol Champion, Broker with Coldwell Banker Race Realty, gave public comment on a
75 couple of topics. Mr. Champion wanted to remind everyone that next week is the annual
76 statewide convention for Alaska Realtors – it will be a Zoom conference, Wednesday
77 through Saturday. Another item that has come up is the city & borough of Juneau's legal
78 departments have drafted an ordinance that will authorize the city to acquire the collection
79 of transaction prices. This is the first time this request has ever been undertaken in Alaska.
80 The latest opinion from legislative legal is that home rule cities probably have the right or
81 authority to do this. Alaska Realtors and most of in this business have resisted such
82 legislation, and Alaska remains one of 11 states that does not allow for the disclosure of
83 transaction prices. The main reason surrounding the deep concern about this is once
84 transaction prices are known, that's the first step toward tracking transaction fees,
85 implementing a sales tax, or some other form of a revenue source. Mr. Champion stated
86 he's not seen the draft ordinance, but there will be several hearings on it. Be assured that
87 Alaska Realtors is going to express their misgivings about such an effort, but the
88 Commission should be aware that the city of Juneau is attempting to do this.

89
90 Ms. McConnochie thanked Mr. Champion for bringing the information to the Commission's
91 attention and asked if there were any more public comments. No one came forward and
92 the public comment period was closed.

93
94
95 **Agenda Item 3 - Approval of Meeting Minutes**

96 June 17, 2020 Meeting Minutes – 3(a)

97
98 **On a motion duly made by Ms. Markwood, seconded by Ms. Nelson, it was**

99
100 **RESOLVED to approve the June 17, 2020 meeting minutes.**

101
102 **All in favor; Motion passed.**

103
104 **Agenda Item 5 – Committee Reports**

105 Property Management Committee – 5(a)

106 Ms. Taggart, Chair of the Property Management Committee, stated they have been
107 making large headways at the meetings & in the development of drafting best practices.

108 Ms. Taggart briefly explained the five goals of the Committee: Clarity and best practices on

109 security deposits and management of client accounts; advocacy for education of all
110 property and association management; audit of Alaska of real estate property
111 management and association regulations to bring up the standards to today's practice;
112 research what other states have done in property management and association
113 management, specifically through ARELLO and Florida; and connecting property and
114 association management resources to the public.

115
116 Ms. Taggart presented the Commission with best practices for property management
117 reporting, and would like it to be posted to the REC website for their consideration.

118
119 Ms. McConnochie thanked Ms. Taggart for the report, and the excellent job the Committee
120 is doing. She expressed concern on the "Definitions" section of the document regarding
121 using the term "customer" verses "client". Ms. McConnochie explained that if she's talking
122 about somebody she worked for, such as a landlord or homeowner's association board,
123 the proper term would be client or representation. Ms. Taggart agreed and stated that
124 could be changed to whatever the Commission agreed the appropriate term should be.

125
126 Ms. Markwood stated she appreciated Ms. Taggart and Ms. Nelson's hard work on the
127 document, and all the Committee participation working on the document. She thinks it's a
128 great start, and she's proud to stand behind it. She also agreed with the recommended
129 edit to the "Definitions" section.

130
131 Ms. Nelson recommended the document be approved with the amendment to change
132 "Customer" under the "Definitions" section to "Customer/Client".

133
134 **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**

135
136 **RESOLVED to adopt the Property Management Committee's best**
137 **practices for property management reporting to be published on the**
138 **REC website, as amended.**

139
140 **All in favor; Motion passed.**

141
142
143 **Agenda Item 4 – Investigative Report**

144 **Probation Report – 4(a)**

145 Ryan Gill, REC Probation Monitor, presented the probation report to the Commission.
146 There are 3 licensees on probation, 1 licensee released from probation, and 1 licensee
147 surrendered their license since the last report. Everyone on probation is currently in
148 compliance.

149
150 **Statistical Report – 4(b)**

151 Autumn Miller, REC Investigator, presented the investigation statistics for the reporting
152 period of June 5, 2020 through September 9, 2020. There are 33 open matters and 22
153 matters were closed from the last report.

154 Ms. Markwood asked what "Monitor" status meant. Ms. Miller explained it usually means
155 the case is in litigation or is pending additional action/information – typically when it
156 involves an open criminal investigation from another agency.

157
158 Ms. Nelson commended the staff for doing a good job on keeping the cases moving
159 forward on all the complaints and investigations. She thinks everyone is doing a great job,
160 and she really appreciates all the hard work. Ms. McConnochie echoed Ms. Nelson's
161 gratitude.

162

163 Fine Matrix – Status Update – 4(c)

164 Ms. Whaley stated investigations role in developing or updating a disciplinary matrix for a
165 Board is to provide the historical case precedents to review, so the violation patterns can
166 be seen and what actions – be it a disciplinary or non-disciplinary action – were used to
167 resolve the matters. The Commission will then work with the Executive Administrator to
168 draft and compose the matrix. Once the document is in its final stages, investigations will
169 review it for accuracy/consistency. Then, it will need to be sent to the Department of Law
170 for final review/approval before the document can be adopted. Ms. Whaley stated case
171 precedent was pulled from January 1, 2016 to present, and will give the Commission a
172 good foundation to move forward with drafting the document.

173

174 Ms. Consalo informed the Commission she received the case precedent documents from
175 Ms. Whaley, and her plan was to plug the information in to the new matrix. Once the draft
176 matrix is complete, Ms. Consalo will sent the matrix and the case precedent document to
177 the Commission members for review/additional input. Ms. Consalo's goal is to have this
178 information sent out to the Commission members for review by the date of the next
179 meeting.

180

181 Ms. McConnochie asked Ms. Whaley if she could talk about the difference between civil
182 penalties (imposition of civil fine) and consent agreements. Ms. Whaley explained that an
183 imposition of civil fine is a license action that is only a fine. They are typically used for
184 minor offenses or technical violations, and are not reportable to outside agencies. A
185 consent agreement is a conglomeration of multiple terms such as probation, continuing
186 education, civil fine, and a reprimand. It's essentially a combination of several different
187 disciplinary actions into one, and is reportable to outside agencies. Historically, the
188 Commission has used consent agreements to resolve violations in the past; however, the
189 Commission has adopted the ability to use an imposition of civil fine, so, it is a tool the
190 Commission has in their arsenal.

191

192 Ms. McConnochie asked Ms. Whaley what the benefit would be in using an imposition of
193 civil fine verses a consent agreement. Ms. Whaley explained the benefit of using an
194 imposition of civil fine is that it allows the Commission to have another option when
195 recommending cases for disciplinary action. It's a lesser form of discipline compared to a
196 consent agreement, and can be used for cases where the violation is considered minor.

197

198 Ms. McConnochie asked if the Commission began to use the imposition of civil fine as a
199 recommendation in future cases, would they be able to set this new case precedent
200 without causing any issues. Ms. Whaley confirmed that the Commission's past case
201 precedents were primarily consent agreements; however, if the Commission wants to start
202 implementing a lesser utilized tool to resolve certain violations moving forward, then they
203 can certainly do that. Taking into account on how cases have resolved in in in the past, the
204 Commission can evolve and determine, that in certain instances, an imposition of civil fine
205 would be an appropriate resolution moving forward. For instance, when the investigator
206 sends a review form to fill out on a case, and the reviewing Commission member is citing
207 applicable violations and deciding on a recommendation to resolve the violations, if the
208 recommendation is an imposition of civil fine but falls outside of case precedent, that is
209 okay. The reviewing Commission member can still move forward with the recommendation
210 as long as they provide a detailed explanation as to why they're deviating from case
211 precedent. Investigations just needs a good justification to move forward. If this is
212 something the Commission is thinking about implementing into their draft disciplinary
213 matrix, that would be something they would need to review and discuss as a group. Ms.
214 Whaley also clarified that because an imposition of civil fine is a formal disciplinary action,

215 it would have to be presented to the entire Commission for approval (just like a consent
216 agreement).

217
218

219 **Agenda Item 6 – Old Business**

220 AREC Property Transfer Disclosure Form – 6(a)

221 Mr. Pruhs had to leave the meeting early and was unable to comment on the progress of
222 this project; however, Ms. McConnochie asked if any of the other Commission members
223 would be interested in assisting Mr. Pruhs with this project. Both Ms. Markwood and Ms.
224 Nelson volunteered to assist Mr. Pruhs, in hopes to have a draft of the recommended
225 changes for everyone to review at the December meeting.

226
227

228 **Agenda Item 2 – Public Comments**

229 Ms. McConnochie was informed there was another member of the public who wanted to
230 make a public comment during the public comment period, but had technical difficulties
231 and was unable to participate. Ms. McConnochie agreed to re-open the public comment
232 period to allow for the additional public comment.

233

234 Sue Brogan, Chief Operating Officer for United Way of Anchorage, provided public
235 comment on their distribution of COVID-19 funds for rent and mortgage assistance. She
236 reported that they've had over 3,600 transactions, meaning a lot of people have been
237 helped. Further, more funds have just been made available, and they want to partner with
238 landlords and property managers to look at and make sure all their tenants are receiving
239 assistance. A household can be helped up to three times or up to \$3,000. Ms. Brogan
240 asked if Ms. Taggart had anything to add.

241

242 Ms. Taggart stated landlords and property managers have been trying to connect tenants
243 to resources, but it has been a challenge. There are many funds out there, but trying to get
244 the funds, the tenants, the landlords, and the property managers to connect is a big
245 challenge right now. For example, Alaska Legal Services had a 30 - 45% influx in their
246 phone calls, just from landlords and tenants. They're only able to answer one out of four
247 phone calls, because it's that many calls coming in for help. One idea was to see if
248 property managers could take some of the information from United Way and send out the
249 information through the ListServ to connect the licensees that are property managers. The
250 hope is to help merge several property managers in different areas, and put all a list of
251 their resources together to connect property managers statewide.

252

253 Ms. McConnochie asked Ms. Taggart for clarification on what she is asking from the
254 Commission. She asked Ms. Taggart if she was asking the Commission to distribute a
255 collaborated information piece of resources for property managers in the ListServ. Ms.
256 Taggart confirmed that is what she was requesting.

257

258 Ms. Markwood asked if the 3,600 individuals helped were strictly from the Anchorage area.
259 Ms. Brogan confirmed they were. Ms. Markwood then state she's grateful that there are
260 CARES funds available for tenants and landlords. She has been the recipient of numerous
261 CARES funds for tenants trying to stay in their homes, and it's been a challenge for
262 everybody. She then asked Ms. Brogan if owners of condos were able to receive funds
263 towards their HOA dues. Ms. Brogan was unsure of the answer, but stated she would find
264 out and get the answer to Ms. Taggart to share with everyone. Ms. Markwood further
265 stated she thinks the collaboration is a great idea, and she doesn't have any problem
266 helping get the information out to tenants and landlords in all areas of the state.

267

268 Ms. Nelson stated she also thinks the collaboration is a great idea, and agreed with having
269 the information be a statewide resource. There are a lot of people in need, and any way
270 the Commission can assist is a great thing. She appreciates the efforts of Ms. Taggart and
271 Ms. Brogan putting the information together.

272
273 Ms. McConnochie thanked Ms. Brogan and Ms. Taggart for bringing this to the
274 Commission's attention, and the willingness to collaborate and draft a message for the
275 Commission to consider & disseminate via a ListServ announcement.

276
277

278 **Agenda Item 7 – New Business**

279 **Licensed/Unlicensed Assistants in Different Jurisdictions – 7(a)**

280 Ms. McConnochie presented the findings of her research into how other jurisdictions dealt
281 with both licensed and unlicensed assistants. The unlicensed assistants were dealt with
282 the same way Alaska does in almost every single jurisdiction. They have a complete list of
283 things you cannot do; what you must have a license for; and in almost every single case,
284 licensed assistants are required to apply and meet the same criteria individuals who are
285 licensed. The one thing she thought was interesting were advertising regulations.
286 Washington State has an information brochure pamphlet, in which they go through and
287 talk about the types of advertising requirements they have for teams or assistants. The
288 bottom line was ensuring the brokerage name is always prominent in any advertisements -
289 they were specific with font sizes, etc. Ms. McConnochie proposed to have a discussion to
290 see if the Commission wants to follow along with something similar to what Washington
291 State has done by putting together some frequently asked questions or best practices on
292 how licensees should deal with advertising.

293

294 Ms. Nelson stated she really liked seeing this information and thanked Ms. McConnochie
295 for putting it together. She has started to prepare her own examples of what not to do, and
296 expressed she would be happy to assist Ms. McConnochie in putting together a best
297 practices document.

298

299 **Progress on 2020 Strategic Plan & New Items to Cover – 7(b)**

300 Ms. McConnochie commended the Commission for the excellent job they were doing in
301 completing so many tasks on the Strategic Plan to date. Ms. McConnochie asked Ms.
302 Consalo to give an update on application processing, the timeline associated with that,
303 and the expedited process available to military members & their spouses.

304

305 Ms. Consalo explained that, in the past, it took a bit longer to process applications. Part of
306 the reason for that was because the Commission was short staffed. The internal Division
307 policy/goal is to process license applications within 10 days of receipt. Ms. Consalo has
308 been able clear the inbox, so now when applications/documents are received, she is able
309 to process them within the same week they are received (as long as the application is
310 complete and not missing items). Regarding the expedited military application processing
311 request, Ms. McConnochie expressed to Ms. Consalo that she wasn't aware there was a
312 section dedicated to military and military spouses seeking licensure on the Division's
313 website. Within that link, there's a lot of information for military members & their spouses
314 regarding different specialty type licenses that they can apply for, and there is also a form
315 they can fill out for any licensing Board to expedite the processing of their application. The
316 applicant would complete the expedited request form with their application, and essentially
317 it places their application at the top of the list. Ms. Consalo explained that because she's
318 been able to turn around things so quickly, the expedited request form form isn't
319 particularly necessary on the Commission side of licensing; however, it is there, and it is
320 available for military members & their spouses who are applying for licensure.

321

322 Ms. McConnochie thanked Ms. Consalo for her efforts in turning license applications
323 around so quickly, and educating the Commission on the special provisions available to
324 military applicants & their spouses. Ms. McConnochie requested Ms. Consalo provide this
325 information in the next ListServ announcement. Ms. McConnochie then suggested the
326 next item on the Strategic Plan that could be worked on is the bullet point under the
327 "Inform licensees" section referring to criminal history and what constitutes a valid reason
328 a license will not be given/upgraded and the timing since conviction or completion of a
329 sentence. All agreed this would be a good next topic to start working on.

330

331

332 Break at 10:15 a.m.

333 Reconvened at 10:24 a.m.

334

335

336 **Agenda Item 8 – Executive Administrator’s Report**

337 **Education Statistics – 8(a)**

338 Ms. Harris presented the education report for September 23, 2020. She reported that as of
339 September 15, 2020, there were 12 pre-licensing courses; 4 broker upgrade courses; 302
340 elective courses; 33 designated courses; and 69 post-licensing courses approved, with a
341 total of 420 courses approved. Ms. Harris stated there are currently 63 approved
342 instructors.

343

344 **Licensing Statistics – 8(b)**

345 Ms. Consalo presented the licensing report for September 23, 2020. She reported that as
346 of September 14, 2020, there were 2,680 active licensees; 46 inactive licensees; 375
347 lapsed licenses with 4 of those for non-compliance of PLE; there were 279 transfers; 77
348 licensees who completed their PLE requirements; 7 license upgrades from salesperson to
349 associate broker; 3 license upgrades from salesperson to broker; 1 licensee on probation;
350 and 1 license was surrendered.

351

352 **RISC E&O Claims Report – 8(c)**

353 Ms. Consalo presented the report for RISC E&O claims for their second quarter (Apr –
354 Jun). Total closed claims were \$3,000, and the total open claims were \$2,000, for a total of
355 \$5,000 in claims for the second quarter. These claims were the same claims/cases
356 reported in the first quarter report, so there were no new claims opened in the second
357 quarter.

358

359 **Recovery Fund Balance Report – 8(d)**

360 The Commission reviewed the Recovery Fund Balance Report as presented.
361 Ms. Consalo presented the Recovery Fund Report for the fourth quarter, ending June 30,
362 2020. The Commission received a total of \$12,765 for license fees processed between
363 April and June, leaving the current total fund balance at \$327,850. The projected balance
364 for the end of the fiscal year is \$327,850 with an average 2-year licensing cycle fund
365 balance of \$302,763.

366

367

368 **Agenda Item 9 – Commission Member Comments & Questions**

369 There were no additional comments or questions.

370

371 Due to Mr. Pruhs having to leave the meeting early, and the inability of the Commission to
372 vote on three matters, the Commission agreed to recess, and reconvene at 6:00 p.m. to
373 vote on those matters.

374
375 The Commission recessed at 10:31 a.m.

376
377
378 **Wednesday, September 23, 2020**

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

380 Chairperson PeggyAnn McConnochie called the meeting to order at 6:08 p.m., at which
381 time a quorum was established.

382
383 **Roll Call – 1(a)**

384 **Members Present via Zoom**

385 PeggyAnn McConnochie, Broker, 1st Judicial District, Chairperson
386 Margaret Nelson, Broker, Broker at Large, Vice Chairperson
387 David Pruhs, Broker, 4th Judicial District
388 Cheryl Markwood, Broker, Broker at Large

389
390 **Excused Absent:**

391 Samuel Goldman, Broker, 3rd Judicial District
392 Jaime Matthews, Public Member
393 Jesse Sumner, Public Member

394
395 **Staff Present:**

396 Shyla Consalo, Executive Administrator

397
398 **Staff Present via Zoom:**

399 Marilyn Zimmerman, Paralegal

400
401
402 **Guests Present via Zoom:**

403 Errol Champion, Broker, Coldwell Banker Race Realty, Juneau
404 Julie Burns, Public Member

405
406
407 **Agenda Item 6 – Old Business**

408 **Proposed Regulation Revisions for Major Regulation Project – 6(b)**

409 Ms. Consalo explained there were four additional updates made to the proposed
410 regulation changes since they were last reviewed at the June 2020 meeting. 12 AAC
411 64.059(d)(1)(b) and (d)(5) would be updated to reflect the correct age and amount of time
412 needed to qualify for a broker's license. 12 AAC 64.130 & 135 would be updated to say
413 "licensee" verses "agent". There were no questions regarding those updates, and there
414 were no additional changes recommended.

415
416 **On a motion duly made by Mr. Pruhs, seconded by Ms. Markwood, it was**

417
418 **RESOLVED to approve the proposed regulation changes for public**
419 **comment, as presented.**

420
421 **All in favor; Motion passed.**

422
423
424 **Agenda Item 4 – Investigative Report**

425 **CE Investigative Matters – 4(d)**

426 **On a motion duly made by Ms. Nelson, seconded by Mr. Pruhs, it was**

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RESOLVED to go into Executive Session in accordance with AS 44.62.310(c) for the purpose of discussing subjects that tend to prejudice the reputation and character of any person.

All in favor; Motion passed.

The Commission went into Executive Session at 6:10 p.m.

On a motion duly made by Ms. Nelson, seconded by Mr. Pruhs, it was

RESOLVED to come out of Executive Session.

The Commission came out of Executive Session at 6:20 p.m.

On a motion duly made by Ms. Markwood, seconded by Mr. Pruhs, it was

RESOLVED to accept the Consent Agreement in case #2020-000782.

Roll call vote: Ms. Markwood – yes, Ms. Nelson- yes, Mr. Pruhs – yes, and Ms. McConnochie – yes.

Motion passed.

The Commission accepted the Consent Agreement in case #2020-000782.

On a motion duly made by Ms. Markwood, seconded by Mr. Pruhs, it was

RESOLVED to accept the Consent Agreement in case #2020-000783.

Roll call vote: Ms. Markwood – yes, Ms. Nelson- yes, Mr. Pruhs – yes, and Ms. McConnochie – yes.

Motion passed.

The Commission accepted the Consent Agreement in case #2020-000783.

Agenda Item 10 – Adjournment

On a motion duly made by Mr. Pruhs, seconded by Ms. Markwood, it was

RESOLVED to adjourn.

All in favor; Motion passed.

Meeting adjourned at 6:22 p.m.

The next meeting will be held December 16, 2020 in Anchorage.

Real Estate Commission
Meeting Minutes
September 23, 2020
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Approved:

PeggyAnn McConnochie
REC Chairperson
Alaska Real Estate Commission

Investigative Report



PROBATION REPORT

DATE: December 01, 2020
TO: Alaska Real Estate Commission
THRU: Erika Prieksat, Senior Investigator *EP*
FROM: Ryan Gill, Investigator/Probation Monitor
SUBJECT: Probation Report for the December 16, 2020 Commission Meeting

The following is a complete list of individuals on probation for this Commission. There are currently **two (2)** individuals being monitored on probation. Since the last probation report, **one (1)** probation case was terminated. All individuals are in compliance with their agreements.

<u>NAME</u>	<u>CASE NUMBER</u>	<u>PROBATION START</u>	<u>PROBATION END</u>
Frank Zellers	2019-000873	07/24/2019	01/24/2021
Carrie Butler	2020-000644	06/17/2020	06/17/2021

PROBATIONS TERMINATED

<u>NAME</u>	<u>CASE NUMBER</u>	<u>PROBATION START</u>	<u>PROBATION END</u>
Finis Shelden	2016-001317	11/08/2017	11/08/2020

END OF REPORT



THE STATE
of **ALASKA**

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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MEMORANDUM

DATE: November 30, 2020
TO: Real Estate Commission
THRU: Greg Francois, Chief Investigator *GF*
FROM: Autumn Miller, Investigator
RE: Investigative Report for the December 16, 2020 Meeting

The following information was compiled as an investigative report to the Board for the period of September 10, 2020 thru November 30, 2020; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegal in Juneau, regarding continuing education audits and license action resulting from those matters are not covered in this report.

OPEN - 36

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE ASSOCIATE BROKER			
2020-000703	Misrepresentation	Closed-Complaint	
2020-000806	Violation of licensing regulation	Complaint	10/08/20
REAL ESTATE BROKER			
2020-001011	Fraud or misrepresentation	Intake	11/02/20
2020-001078	Violation of licensing regulation	Intake	11/23/20
2020-000406	Financial scam	Complaint	07/15/20
2020-000722	Violation of licensing regulation	Complaint	08/27/20
2020-000875	Breach of fiduciary duty	Complaint	10/23/20
2020-000894	Violation of licensing regulation	Complaint	10/26/20
2020-000901	Violation of licensing regulation	Complaint	09/29/20

2020-000947	Breach of fiduciary duty	Complaint	11/03/20
2016-000807	Fraud or misrepresentation	Monitor	
2016-000949	Fraud or misrepresentation	Monitor	
2017-000602	Fraud or misrepresentation	Monitor	
2020-000224	Criminal action - no conviction	Monitor	
2018-001411	Violation of licensing regulation	Investigation	02/21/19
2019-000210	Supervision	Investigation	01/09/20
2020-000078	Supervision	Investigation	06/11/20
2020-000118	Falsified application	Investigation	03/09/20

REAL ESTATE SALESPERSON

2018-001085	Fraud or misrepresentation	Litigation Initiated	
2020-000978	Violation of licensing regulation	Closed-Intake	
2019-000403	Fraud or misrepresentation	Litigation Initiated	
2019-000421	Fraud or misrepresentation	Litigation Initiated	
2020-001035	Violation of licensing regulation	Intake	11/05/20
2020-001069	Fraud or misrepresentation	Intake	11/19/20
2020-001076	Advertising	Intake	11/23/20
2020-000132	Fraud or misrepresentation	Complaint	02/13/20
2020-000534	Fraud or misrepresentation	Complaint	07/23/20
2020-000938	Unlicensed practice or activity	Complaint	11/03/20
2020-001020	Fraud or misrepresentation	Complaint	11/03/20
2019-001288	Criminal action - no conviction	Monitor	
2019-000209	Violation of licensing regulation	Investigation	01/09/20
2019-001263	Unlicensed practice or activity	Investigation	08/24/20
2020-000015	Fraud or misrepresentation	Investigation	06/15/20
2020-000077	Fraud or misrepresentation	Investigation	06/11/20
2020-000110	Advertising	Investigation	05/06/20
2020-000164	Falsified application	Investigation	03/11/20

Closed - 15

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE ASSOCIATE BROKER				
2020-000548	Fraud or misrepresentation	Closed-Complaint	11/03/20	No Action - No Violation

REAL ESTATE BROKER

2020-000819	Breach of fiduciary duty	Closed-Intake	10/01/20	Incomplete Complaint
2020-000859	Breach of fiduciary duty	Closed-Intake	10/26/20	Incomplete Complaint
2020-000905	License application problem	Closed-Intake	10/26/20	Review Complete
2019-001070	Fraud or misrepresentation	Closed-Complaint	10/26/20	No Action - No Violation
2020-000140	License application problem	Closed-Complaint	10/26/20	No Action - No Violation
2020-000230	Fraud or misrepresentation	Closed-Complaint	10/26/20	No Action - No Violation

REAL ESTATE SALESPERSON

2020-000568	Fraud or misrepresentation	Closed-Intake	10/12/20	No Action - Lack of Jurisdiction
2020-000960	Violation of licensing regulation	Closed-Intake	11/17/20	Incomplete Complaint
2020-001034	License application problem	Closed-Intake	11/05/20	Review Complete
2020-000363	Fraud or misrepresentation	Closed-Complaint	10/26/20	No Action - No Violation
2020-000440	Fraud or misrepresentation	Closed-Complaint	10/26/20	No Action - No Violation
2020-000545	Advertising	Closed-Complaint	10/01/20	No Action - No Violation
2020-000891	Fraud or misrepresentation	Closed-Complaint	11/09/20	No Action - No Violation
2020-000974	Advertising	Closed-Investigation	11/05/20	Advisement Letter

END OF REPORT

Committee Reports

MEMORANDUM

Date: October 29, 2020

To: Alaska Real Estate Commission

From: Kassandra Taggart, Chair, Property Management Committee

RE: Best Practice – Property Management Contracts and Disclosures

The Property Management Committee is requesting the Alaska Real Estate Commission to review and approve the Best Practice – Property Management Contracts and Disclosures listed below. Once approved, the Property Management Committee is requesting submitting this best practice document to the list serve and add this to the Best Practices list on the AREC – PM section of the public website.

This best practice document is regarding generally accepted practices in the property management industry around the topic of Contracts and Disclosures for any or all parties involved in property management contracts.

The Property Management Committee completed a brainstorming activity to work on the AREC approved Goal #1 – Clarity and best practices on security deposits and management of client accounts.

It was determined that there are several different types of management of properties causing a disconnect between parties on what is expected in the transaction. As a result, it is recommended to document some generally accepted practices to strengthen the defined duties and relationships between licensees and the public.

BEST PRACTICE

Date: October 29, 2020

Adopted: (AREC/Date Complete when AREC Pass)

Title: Best Practice – Brokerage & Property Management Contracts and Disclosures

To: Alaska Real Estate License Practicing Property Management for Commercial, Residential, or Association Management and Alaska Real Estate Trainers

From: Alaska Real Estate Commission & Property Management Committee

Statute Reference:

Sec. 08.88.341 - Listings or Management Contracts

Sec. 08.88.351 - Accounts; Records of Transaction

Sec. 08.88.361 - When Commission is Earned

Sec. 08.88.695 - Definitions for AS 08.88.600 – 08.88.695

Sec. 08.88.405 – Preparation of Documents

Sec. 08.88.90 – Exceptions

Regulation Reference:

12 AAC 64.095 – Real Estate Activities of Unlicensed Persons

12 AAC 64.117 – Broker’s Written Policy

12 AAC 64.125 – Supervision

12 AAC 64.140 – Employment of Unlicensed Personnel

12 AAC 64.240 – Broker’s Commission

12 AAC 64.570. – Property Management of Real Property

12 AAC 64.250 – Prohibited Trust Account Activity

Purpose: To provide guide best practices to assist any and all parties in property management transactions regarding what is generally accepted ways of handling contracts and disclosures.

Disclosure: All parties in a property management transaction should familiarize themselves with the latest Alaska Real Estate Commission Statutes and Regulations prior to taking on any action affecting your or another person's rights or understanding of this best practice document. This publication is not the law.

Statement:

1. Broker/Licensee Policy Handbooks and/or Contracts:
 - a. Define the handling of the management contracts.
 - i. *Examples can include: Who creates, prepares, and reviews management and lease contracts, who is allowed to sign the contracts, timeline of when a management contract is provided to the broker for review, and how to secure and properly file the information for the required number of years*
 - b. Should define the required experience and/or training prior to allowing a licensee to manage different types of property management contracts.
 - c. In addition to 12 AAC 64.095 and 12 AAC 64.140, Encourages a policy for un-licensed personnel.
 - i. *Examples: Process of hiring, payment of services, their duties in the realm of property management, and who is the supervisor*
 - d. Should define what specific types of property management are allowed or not in the brokerage.
 - i. *Examples: Furnished Short-Term, Multi-Family, Residential, Commercial, and Homeowners Association*
 - e. Define how and what insurances will be required and maintained.
 - i. *Examples: What the requirements will be for all parties, how additional insured/interests will be listed, coverage amounts what will be provided, and how to follow up to enforce any insurance requirements*
 - ii. *It is recommended to consider coverages around the following topics: employee theft, money mismanagement, bank fraud, wire fraud, cybercrime, breach of private information, data, Board of Director coverages, workmans comp, how additional insured/interest, vehicle insurance of owned or non-owned vehicles for business, maintenance vendors, discrimination insurance, etc.*

- f. Encourages a policy on who is accountable or allowed to perform property management bookkeeping.
 - i. *Examples: Only the broker, the property manager, a third-party with a particular insurance coverage, accounting department, or employee of a broker or licensee*
 - g. Define financial activities managed or reviewed by the licensee.
 - i. *Examples: Broker or licensee signs checks, two signers on checks, depositing of funds, collections of funds, association only signs check, business clients sign checks or not, etc*
 - ii. *See Sec. 08.88.351(4) for association financial activity*
 - h. Define bank account policies.
 - i. *Examples: Title of the bank account, signers of the bank account, reconciliation procedures, programs utilized, customer owned bank accounts, trust accounts with interest allowed or not, or copies of the bank statements, and who can hold security deposit funds*
 - ii. *It is recommended for the brokerage to review State, Federal, and FDIC requirements when determining the name of the trust account for proper protection for each transaction*
 - 1. *Reference: (<https://www.fdic.gov/regulations/laws/rules/4000-3710.html>)*
 - i. Define proper handling of commissions paid to licensee.
 - i. *Examples: The transfer of the funds between the trust account, manager operating account, association accounts, and brokerage trust accounts*
 - ii. *Examples: Licensee as an employee vs an independent contractor and how they are compensated*
 - j. Encourages a definition of handling of maintenance as a service.
 - i. *Examples: Can licensee perform maintenance and be compensated? Disclosures of maintenance revenues, vendor verification, communication standards, use of the client's contractor, negotiation of contractor rates and bids, bid requirements, maintenance tasks, and records of maintenance and vendor information*
 - k. Encourages broker to define handling and disclosures of licensee owned properties.
2. Management Contracts:
- a. Encourages a clarification on what financial duties will or will not be performed by the property manager and/or broker regarding income and/or expenses related to the real property.

- i. Examples: Utility bills, property tax, property insurance, property liens, HOA costs, third-party billings, customer provided invoices, rental income, marketing, leasing, reserve management, investment accounts, storage, parking, fines, coin-op washing machines, and third-party maintenance*
- b. Recommend a statement on how a licensee, client, or other third party can make a request for property management transaction information and what information should be provided by a reasonable deadline.
 - i. Examples: Certified Public Accountant, family member of a client, board member of the corporation, lawyer of a client, another real estate licensee working for the client, or a homeowner that is a member of the association*
- c. Define bank account requirements and financial activities in those accounts.
 - i. Bank Account Requirement Examples: Customer owned bank accounts, trust accounts with interest allowed or not, or copies of the bank statements*
 - ii. Financial Activities Examples: Broker or licensee signs checks, two signers on checks, depositing of funds, collections of funds, association only signs checks, Business Clients sign checks or not, etc*
 - iii. See Sec. 08.88.351(4) for association financial activity*
- d. Encourages a clarification on who the responsible party is for remitting of funds for certain operational expenses including any of the items listed in (d)(i).
 - i. Including utility bills, HOA costs, third-party billings, customer provided invoices, rental income, marketing, leasing, reserve management, investment accounts, storage, parking, fines, and coin machines*
- e. Recommend clarity around all monies collected and paid as a form of commission(s).
 - i. Examples: Management, collections, leasing, marketing, violations, applications, "mark-ups" of any kind, maintenance, administrative, banking, postings/notices, legal, insurance, record retention, and record requests*
 - ii. Additional services to be determined between broker and/or property manager and the customer*
- f. Encourages a clarification on what third party management duties will or will not be performed by the Property manager and/or Broker regarding income and/or expenses related to the real property.
 - i. Examples: Vendor 1099 documents, vendor Insurance verification, utility forms and documents, how HOA matters will be communicated, and who manages the exterior care*

- g. Encourages a statement about insurance requirements per the brokers policy or professional recommendations.
 - h. Encourages a clarification on maintenance duties and fees for these duties performed by the property manager and/or broker in regard to income and/or expenses related to the real property.
 - i. *Examples: Approvals, communications, large projects, insurance projects, in-house technicians, out-sourced technicians, sub-contracted, confirmation of insurance, licensed and bonded, who will sign approved work agreements with third-parties, bidding, emergency, etc*
 - i. Disclosure at termination of management contract with a “no later than” date on when the customer will be receiving information.
 - i. *Examples: Final financial documents and funds, tenant information/documents (if applicable), contracts, property records, physical access materials, unpaid invoices, passwords/login Information where feasible, security deposit, client funds, pro-rated rents, bank authority removed, etc*
3. Management Contract Disclosures:
- a. Any type of maintenance income/revenue that may be collected and retained by the broker and/or property manager as a form of commission.
 - b. Broker and/or property manager has a potential financial benefit derived from a reciprocity agreement with other companies.
 - c. Disclosure of other companies, divisions, and subsidiaries with financial interest.
4. Lease Contracts/Disclosures:
- a. Disclosure of what tenant information will be shared with landlords or third parties. This is in reference to the Federal Credit Reporting Act, Privacy Laws, and Data Protection laws.
 - b. Encourages the listed parties to a lease be landlord/tenant and not licensee/tenant.
 - i. *Example could be to simply disclose the duties/authority the licensee has to negotiate and/or sign on behalf of the landlord*
 - c. Disclosure of the landlord being a licensee.
 - d. Disclosure of which party is holding the security deposit.
 - e. Lease contracts might have additional disclosures in addition to the lease.
 - ii. *Examples: Lead Base, utility, association, and property information disclosures*

Old Business



State of Alaska Residential Real Property Transfer Disclosure Statement

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

General Information

AS 34.70.010 requires that before the Transferee/Buyer (hereafter referred to as **Buyer**) of an interest in residential real property makes a written offer, the Transferor/Seller (hereafter referred to as **Seller**) must deliver a completed written disclosure form. This disclosure statement is in compliance with AS 34.70.010. It concerns the residential real property* located in the _____ Recording District, _____ Judicial District, State of Alaska.

Legal Description: _____

Property Address/City/Other: _____

* Residential real property means any single family dwelling, or two single family dwelling units under one roof, or any individual unit in a multi-unit structure or common interest ownership community whose primary purpose is to provide housing. AS 34.70.200(2) and (3).

AS 34.70.020 provides that if a disclosure statement or material amendment is delivered to the transferee after the transferee has made a written offer, the transferee may terminate the offer by delivering a written notice of termination to the transferor or the transferor's licensee within three days after the disclosure statement or amendment is delivered in person or within six days after the disclosure statement or amendment is delivered by deposit in the mail.

AS 34.70.040(b) provides that if an item that must be completed in the disclosure statement is unknown or is unavailable to the Seller, and if the Seller or Seller's agent has made a reasonable effort to ascertain the information, the Seller may make an approximation based on the best information available to the Seller or Seller's agent. It must be reasonable, clearly labeled as an approximation, and not used to avoid the disclosure requirements of AS 34.70.010 – AS 34.70.200.

All disclosures made in this statement are required to be made in good faith (AS 34.70.060). The Seller is required to disclose defects or other conditions in the real property or the real property interest being transferred. To comply, disclosure need not include a search of the public records, nor does it require a professional inspection of the property.

If the information supplied in this disclosure statement becomes inaccurate as a result of an act or agreement after the disclosure statement is delivered to the Buyer, the Seller is required to deliver an amendment to the disclosure statement to the Buyer. An addendum/amendment form for that purpose may be attached to this disclosure statement.

Upon delivery to a buyer, any inspection/reports generated by a purchase agreement of this property automatically becomes an addendum/amendment to the property disclosure.

Exemption for First Sale: Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Waiver by Agreement: Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing. Signing this waiver does not affect other obligations for disclosure.

Violation or Failure to Comply: A person who negligently violates or fails to perform a duty required by AS 34.70.010 - AS 34.70.200 is liable to the Buyer for actual damages suffered by the Buyer as a result of the violation or failure. If the person willfully violates or fails to perform a duty required by AS 34.70.010 -AS 34.70.200, the Seller is liable to the Buyer for up to three times the actual damages. In addition to the damages, a court may also award the Buyer costs and attorney fees to the extent allowed under the rules of court.

Seller's Information Regarding Property

Property Type (check one):

- Single Family Zero Lot Line/Town House Condominium Townhome/PUD
 Duplex (Including Single Family with an Apartment)
 Other (please specify) _____

Do you currently occupy the property? Yes No If Yes, how long? _____

If not a current occupant, have you ever occupied the property? Yes No If so, when? _____

Year Property Built: _____. If property was built prior to 1978, or if Seller has any knowledge of lead-based paint, Seller must complete Disclosure of Information and Acknowledgment of Lead-based Paint and/or Lead-based Paint Hazards in accordance with Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (also known as Title X) and provide Buyer with the "Protect Your Family From Lead in Your Home" pamphlet. The pamphlet can be found on the Internet at <http://www.epa.gov/lead/leadprot.htm>.

Construction Overview: Wood Frame Manufactured Modular Other: _____

Foundation: Masonry Block Poured Concrete Piling Treated Wood Other: _____

Name of original builder (if known): _____

Property Features:

Check all items that are **built-in** and will remain with the property. **Also . . .**

Circle those checked items that have known defects or malfunctions. **Also . . .**

Describe the defect or malfunction on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | |
|--|---|---|
| <input type="checkbox"/> Cooktop | <input type="checkbox"/> Wood Stove(s) # of _____ | <input type="checkbox"/> T.V. Antenna |
| <input type="checkbox"/> Oven(s) # of _____ | <input type="checkbox"/> Jetted Tub | <input type="checkbox"/> Satellite Dish |
| <input type="checkbox"/> Rods & Blinds | <input type="checkbox"/> Hot Tub <input type="checkbox"/> Cover | <input type="checkbox"/> Window Screens |
| <input type="checkbox"/> Microwave(s) # of _____ | <input type="checkbox"/> Steam Shower Room | <input type="checkbox"/> Security System |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Water Softener | <input type="checkbox"/> Smoke Detector(s) # of _____ |
| <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Water Filtering System | <input type="checkbox"/> CO Detectors # of _____ |
| <input type="checkbox"/> Garbage Disposal | <input type="checkbox"/> Greenhouse <input type="checkbox"/> Attached <input type="checkbox"/> Detached | <input type="checkbox"/> Fire Alarms |
| <input type="checkbox"/> Instant Hot Water Dispenser | <input type="checkbox"/> Ventilating System | <input type="checkbox"/> Auto Garage Door Opener(s)
of Opener(s) _____ |
| <input type="checkbox"/> Central Vacuum Installed | <input type="checkbox"/> Heating System | <input type="checkbox"/> Built-In Refrigerator |
| <input type="checkbox"/> Intercom | <input type="checkbox"/> Storage Shed(s) # of _____ | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Paddle Fan(s) # of _____ | <input type="checkbox"/> Built-In Barbecue | |

Comments: _____

Structural Components:

Check only those items that have known defects, malfunctions, or have had major repairs performed within the last five years.

Also . . . Describe the defect, malfunction, or repair on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Fences/Gates | <input type="checkbox"/> Rain Gutters | <input type="checkbox"/> Insulation | <input type="checkbox"/> Electrical Systems | <input type="checkbox"/> Electronic Air Cleaner |
| <input type="checkbox"/> Driveways | <input type="checkbox"/> Exterior Walls | <input type="checkbox"/> Woodstove(s)
of _____ | <input type="checkbox"/> Sewage Systems | <input type="checkbox"/> Heat Recovery |
| <input type="checkbox"/> Private Walkways | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fireplace(s)
of _____ | <input type="checkbox"/> Water Supply | <input type="checkbox"/> Ventilator System |
| <input type="checkbox"/> Retaining Walls | <input type="checkbox"/> Floors | <input type="checkbox"/> Gas Starter | <input type="checkbox"/> Garage | <input type="checkbox"/> Swimming Pool |
| <input type="checkbox"/> Foundation | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Chimneys | <input type="checkbox"/> Garage Floor Drain | <input type="checkbox"/> Mechanical |
| <input type="checkbox"/> Crawl Space | <input type="checkbox"/> Doors | <input type="checkbox"/> Plumbing Systems | <input type="checkbox"/> Carport | <input type="checkbox"/> Filtration |
| <input type="checkbox"/> Roof | <input type="checkbox"/> Windows | <input type="checkbox"/> Heating Systems | <input type="checkbox"/> Washer/Dryer Hook-ups | <input type="checkbox"/> Pool Cover |
| <input type="checkbox"/> Patio/Decking | <input type="checkbox"/> Skylights | <input type="checkbox"/> Solar Panels | <input type="checkbox"/> Humidifier | <input type="checkbox"/> Hot Water Heater |
| <input type="checkbox"/> Slabs | <input type="checkbox"/> Venting | <input type="checkbox"/> Wind Generators | <input type="checkbox"/> Air Conditioner | |

Other items not covered above? _____

Comments: _____

Seller's Initials _____ / Date _____ Property Address _____ Buyer's Initials _____ / Date _____

Documentation: Check the documents for the subject property that the seller has available for review:

- | | | |
|--|---|--|
| <input type="checkbox"/> Engineer/Property/Home Inspection Report(s) | <input type="checkbox"/> Written Agreements with Adjacent Property Owners | <input type="checkbox"/> Party Wall Agreement |
| <input type="checkbox"/> Title Information | <input type="checkbox"/> Energy Rating Certificate or PUR-101 | <input type="checkbox"/> Lease/Rental Agreement |
| <input type="checkbox"/> As-Built Survey | <input type="checkbox"/> Resale Certificate | <input type="checkbox"/> Soils Test |
| <input type="checkbox"/> Certificate of Occupancy or PUR-102 | <input type="checkbox"/> Water Rights Certificate | <input type="checkbox"/> Well Log and Water Tests |
| <input type="checkbox"/> Deed Restrictions | <input type="checkbox"/> Subdivision Covenants/Restrictions | <input type="checkbox"/> Hazardous Materials Test(s) |
| <input type="checkbox"/> Other _____ | | <input type="checkbox"/> Other _____ |

Additional Information:

Supply information for the following items:

Yes **No**

To the best of your knowledge, has the property been inspected by an engineer/home inspector in the last 5 years?.....

➤ **Drainage:**

- ◆ Are you aware of ever having any water in the crawl space, basement, or lower level?.....
 If Yes, how has the problem been resolved?
 Sump Pump(s) Curtain Drain Rain Gutter/Extension Other _____
 When was problem resolved? _____
 Location of each sump pump: _____
- ♥ To where does the water drain after it leaves the sump pump? _____
 If gutters, where do downspouts discharge? _____
- ◆ Is there a floor drain in the structure, including garage?.....
 If Yes, where is it located and where does it drain to? _____

➤ **Roof or Other Leakage:**

- Type: Asphalt/Composition Shingle Cedar Shake Built-up Metal Other _____
 Age: _____ years. Location of attic access? _____
- ◆ Are you aware of any ice damming on the roof?
 If Yes, provide location. _____
 - ◆ Are you aware of any water leaking into the home? i.e., windows, lights, fireplace, etc.
 If Yes, provide location. _____

➤ **Fireplace and/or Woodstove:** Date chimney(s) last cleaned? _____ Who cleaned? _____

➤ **Heating System(s):**

- Mark all types that apply: Hot Water Baseboard Forced Air Radiant Heat Electrical Heat
 Wood Stove Other _____
- Age: _____ years. Last Cleaned: _____ Last Inspected: _____
- Source: Natural Gas Electric Propane Tank leased or owned? _____ Wood Coal
 Oil with _____ gallon storage which is Buried Above Ground Other _____
- Age of Tank? _____ years.

➤ **Hot Water Heater:**

Age: _____ years. Capacity: _____ gallons. Type: Gas Electric Other _____

➤ **Water Supply:**

Type: Public Private Community Cistern/Water Tank If Cistern/Water Tank: _____ Size
 Other _____

If Private: Well Depth: _____ feet. Flow Rate: _____ gallons per minute. Date Tested: _____.

- ◆ Have you had any problems with your water supply?.....
- ◆ Has the water supply been tested in the past 12 months?.....
 If Yes, attach all documentation from all tests.
- ◆ Are you aware of any contaminants in your water supply, to include but not limited to E-coli, nitrates, heavy metals, arsenic or other contaminants?
- ◆ Has the well failed while you have owned the property?.....
- ◆ Have you ever had a well pump problem or failure?.....
- ◆ Do you supply water to, or receive water from others?.....
 If Yes, is there a recorded agreement?.....
- ♥ Do you have a water rights certificate for this property?.....

_____/_____/_____
 Seller's Initials Date Property Address Buyer's Initials Date

Additional Information (Continued):

➤ **Sewer System:** Yes No
 Type: Public Private Community Other _____
 ♦ Does your sewer system have a lift station/lift pump?
 If Private: Septic Tank Holding Tank Other: _____
 Drainfield System: Bed Trench Mound Pit Crib Other _____
 Innovative Sewer System: Intermittent Sand Filter Biocycle Recirculating Upflow Filter
 Secondary sewer treatment plant Other _____

♦ Has the sewer system failed while you owned the property?
 If Yes, explain: _____
 Age of sewer system: _____ Location: _____
 ♦ Have you had any work maintenance or inspections done on the sewer system during your ownership?
 If Yes, explain: _____
 Approval/Certification source (and date if known): _____
 ♦ Are you aware of any abandoned sewer systems, leachfields, cribs, etc. on the property?

➤ **Freeze-ups:**
 ♦ Have you had any frozen water lines, sewer lines, drains, or heating systems?
 If yes, please explain. _____
 ♦ Are there any heat tapes, heat lamps, or other freeze prevention devices?
 Location, and explain use. _____

➤ **Average Annual Utility Costs:**

Gas	\$ _____	Company/Source: _____
Electric	\$ _____	Company/Source: _____
Oil	\$ _____/Gallons: _____	Company/Source: _____
Propane	\$ _____	Company/Source: _____
Wood	\$ _____	Company/Source: _____
Coal	\$ _____	Company/Source: _____
Water	\$ _____	Company/Source: _____
Sewer	\$ _____	Company/Source: _____
Refuse	\$ _____	Company/Source: _____
Other	\$ _____	Company/Source: _____

To the best of your knowledge, are you aware of any of the following conditions with respect to the subject property? If answer is "Yes," indicate the relevant item number and explain the condition on the Addendum/Amendment(s) to the Disclosure Statement.

➤ **Title:** Yes No

- Do you know of any existing, pending, or potential legal action(s) concerning the property?
- Do you know of any street or utility improvements planned that will affect the property?
- Road maintenance provided by? _____
- Is the property currently rented or leased?
 If Yes, expiration date: _____/_____/_____
- Is there a homeowner's association (HOA) for the property?
 If Yes, HOA name: _____ HOA Telephone: _____
 Mandatory Voluntary Inactive Monthly Dues Amount: \$ _____ per _____
 Are there any levied or pending assessments?
 Who is responsible for issuing the resale certificate?
 Name: _____ Telephone: _____

➤ **Setbacks/Restrictions:**

- Have you been notified of any proposed zoning changes for the property?
- Are you aware of features of the property shared in common with adjoining property owners, such as walls, fences, and driveways, whose use or responsibility for maintenance may affect the property?
- Are there subdivision conditions, covenants, or restrictions?
- Are you aware of any violations of building codes, zoning, setback requirements, subdivision covenants, borough, or city restrictions on this property?
- Are you aware of any nonconforming uses of this property?

Additional Information (Continued):

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| 11. Are you aware of any deed, or other private restrictions on the use of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are you aware of any variances being applied for, or granted, on this property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Are you aware of any easements on the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| ➤ Encroachments: | | |
| 14. Does anything on your property encroach (extend) onto your neighbor's property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does anything on your neighbor's property encroach onto your property? | <input type="checkbox"/> | <input type="checkbox"/> |
| ➤ Environmental Concerns: | | |
| 16. Are you aware of any substances, materials, or products that may be an environmental hazard such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, contaminated soil, water or by-products from the production of methamphetamines on the subject property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 16a. Are you aware of any mildew or mold issues affecting this property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Are you aware of any underground storage tanks on this property, other than previously referenced fuel or septic tanks? Number of tanks: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Are you aware if the property is in an avalanche zone/mudslide area?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Are you aware if the property has flooded? | <input type="checkbox"/> | <input type="checkbox"/> |
| Flood zone designation: _____ | | |
| 20. Are you aware of any erosion/erosion zone or accretion affecting this property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Are you aware of any damage to the property or any of the structures from flood, landslide, avalanche, high winds, fire, earthquake, or other natural causes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Have you ever filed an insurance claim for any environmental damage to the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Are you aware of a waste disposal site or a gravel pit within a one-mile radius of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| ➤ Soil Stability: | | |
| 24. Are you aware of any debris burial or filling on any portion of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. Are you aware of any permafrost or other soil problems which have caused settling, slippage, sliding, or heaving that affect the improvements of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Are you aware of any drainage, or grading problems that affect this property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| ➤ Construction, Improvements/Remodel: | | |
| 27. Have you remodeled, made any room additions, structural modifications, or improvements?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, please describe. Was the work performed with necessary permits in compliance with building codes? | <input type="checkbox"/> | <input type="checkbox"/> |
| Was a final inspection performed, if applicable?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. Has a fire ever occurred in the structure?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| ➤ Pest Control or Wood Destroying Organisms: | | |
| 29. Are you aware of any termites, ants, insects, squirrels, vermin, rodents, etc. in the structure? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, what type? _____ | | |
| b. If Yes, where? _____ | | |
| 30. Has there been damage in the past resulting from termites, ants, insects, squirrels, rodents, etc. in the structure?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, when? _____ | | |
| b. If Yes, what type? _____ | | |
| c. If Yes, where? _____ | | |
| d. If Yes, describe what was done to resolve the problem: _____ | | |
| ➤ Other: | | |
| 31. Are you aware of any murder or suicide having occurred on the property within the preceding 3 years?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. Are you aware of any human burial sites on the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |

Additional Information (Continued):

Yes **No**

33. Noise

- a. Are you aware of any noise sources that may affect the property, including airplanes, trains, dogs, traffic, race tracks, neighbors, etc?
- b. If Yes, explain: _____

34. Pets

- a. Have there been any pets/animals in the house?
- b. If Yes, what kind? _____

I / We have completed this disclosure statement according to AS 34.70.010 - AS 34.70.200 and these instructions, and the statements are made in good faith and are true and correct to the best of my/our knowledge as of the date signed. I/We authorize any licensees involved or participating in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated transfer of the property or interest in the property.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer's Notice and Receipt of Copy

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

The Buyer is urged to inspect the property carefully and to have the property inspected by an expert. Buyer understands that there are aspects of the property of which the Seller may not have knowledge and that this disclosure statement does not encompass those aspects. Buyer also acknowledges that he/she has read and received a signed copy of this statement from the Seller or any licensee involved or participating in this transaction.

Buyer: _____

Date: _____

Buyer: _____

Date: _____

_____/_____/_____
Seller's Initials Date

Property Address

_____/_____/_____
Buyer's Initials Date



State of Alaska Residential Real Property Transfer Disclosure Statement

Exemption For First Sale

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

Legal Description: _____

Property Address/City: _____

Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Buyer may wish to obtain inspections of the property and seek other professional advice.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.



I certify that this is the first transfer of an interest in the property identified above and that the property has not been occupied before this transfer of interest.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

_____/_____/_____
Seller's Initials Date

Property Address

_____/_____/_____
Buyer's Initials Date



State of Alaska Residential Real Property Transfer Disclosure Statement

Waiver By Agreement

AS 34.70.110

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

Legal Description: _____

Property Address/City: _____

Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing.

Parties may wish to obtain professional advice and/or inspection of the property.

It is recommended that the buyer read the complete State of Alaska Residential Real Property Transfer Disclosure Statement.

★ ★ ★ ★ ★ ★ ★ ★

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.

★ ★ ★ ★ ★ ★ ★ ★

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

★ ★ ★ ★ ★ ★ ★ ★

By law, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Transferor (Seller) and the Transferee (Buyer) agree in writing. If both parties agree to waive the requirement to complete this disclosure statement, please sign below.

Signing this waiver does not affect other obligations for disclosure.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

_____/_____/_____
Seller's Initials Date

Property Address

_____/_____/_____
Buyer's Initials Date

Regulation Revisions – Status Update

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Advertising	Broker Associate Broker Salesperson	Making, authorizing, directing, or aiding in the publication, distribution, or circulation of a false statement or misrepresentation concerning the licensee's business or real estate offered for sale, rent, or lease or concerning an association being managed	AS 08.88.071(a)(3)(D); AS 08.88.311(b); AS 08.88.381; AS 08.88.401(c); 12 AAC 64.112(a); 12 AAC 64.127; 12 AAC 64.128(c);	1 st or MINOR Offense: - Letter of Advisement or \$500 Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Up to \$5,000 Fine - Up to 1 Year Probation - Suspension* - Up to 9 Hours Education - Reprimand - Revocation*
		Failure to maintain a sign at the offices registered with the Commission	12 AAC 64.130(1), (8) & (11)	
		Failure to include brokerage name in any form of advertisement		
		Advertising a home office or a business/office name that is not registered with the Commission		
Breach of Fiduciary Duty	Broker Associate Broker Salesperson	Failure to disclose conflicts of interest	AS 08.88.071(a)(3); AS 08.88.071(d);	1 st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Fine - Probation - Suspension* - Limitations on Practice - Education - Reprimand - Revocation*
		Failure to act within the provisions of the licensee relationships & duties identified in AS 08.88, Article 5 and 12 AAC 64.	AS 08.88.173; AS 08.88.341; AS 08.88.391; AS 08.88.396; AS 08.88.600 – 695; 12 AAC 64.118; 12 AAC 64.119; 12 AAC 64.130(1), (3), (6), (9 - 15) & (19); 12 AAC 64.550 - 580	

* should be used sparingly & reserved for serious/repeat offender type situations

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Continuing Education	Broker Associate Broker Salesperson	Failure to complete the required 20hrs of continuing education during the applicable renewal cycle, and certifying on the renewal application that the education was completed	AS 08.88.091(d) & (g); 12 AAC 02.960; 12 AAC 02.965; 12 AAC 64.063(f); 12 AAC 64.071(b)(4); 12 AAC 64.500(b), (d) & (j)	<ul style="list-style-type: none"> - Consent Agreement: <ul style="list-style-type: none"> - \$2,500 fine (\$2,000 suspended) + \$50/Hour of Non-Completed CEs - Provide Documentation of Completed Remedial CEs - Mandatory Audit for 2 Renewal Cycles - Reprimand
Criminal Action – No Conviction	Broker Associate Broker Salesperson	Being charged with crime(s) that are a matter of public safety – engaging in conduct of which the Commission did not have knowledge at the time the license was issued & demonstrates unfitness to engage in the business for which they are licensed	AS 08.88.071 (a)(3)(C); 12 AAC 64.130(1), (11) & (15)	<p>Should Only Be Utilized if Public Safety is Concerned:</p> <ul style="list-style-type: none"> - Suspension - Revocation - Other Disciplinary Sanctions via Consent Agreement *not typical*
Criminal Action – Conviction	Broker Associate Broker Salesperson	Being found guilty of a felony or other crime committed that affects the ability to practice real estate OR being found guilty of forgery, theft, larceny, embezzlement, obtaining money under false pretenses, extortion, fraud, conspiracy to defraud, or other similar offenses	AS 08.88.071(a)(11); 12 AAC 64.130(1), (5) & (15)	<p>Seriousness of Crime Should be Considered:</p> <ul style="list-style-type: none"> - Consent Agreement: <ul style="list-style-type: none"> - Fine - Probation - Suspension* - Limitations on Practice - Education - Reprimand - Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Falsified Application	Broker Associate Broker Salesperson	<p>Procuring a license by deceiving the Commission or aiding another to do so</p> <p>Making a false/fraudulent representation or material misstatement on an application for a license, renewal, exam, or any other material requested under 12 AAC 64.060(b)</p>	<p>AS 08.88.071(a)(3)(B); 12 AAC 64.130(1), (11) & (15); 12 AAC 64.160(a)</p>	<p>Initial Application:</p> <ul style="list-style-type: none"> - Consent Agreement: <ul style="list-style-type: none"> - Up to 2 Years Probation - 2 Hours Education - Reprimand - License Denial <p>Renewal Application – 1st or MINOR Offense:</p> <ul style="list-style-type: none"> - Letter of Advisement or Imposition of Civil Fine <p>Renewal Application – 2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> - Consent Agreement: <ul style="list-style-type: none"> - Up to 2 Years Probation - Suspension* - 2 Hours Education - Reprimand - Revocation*
Financial Scam	Broker Associate Broker Salesperson	<p>With respect to a real estate transaction, making a substantial misrepresentation; making a false promise; pursuing a flagrant course of misrepresentation or making a false promise through another licensee; or engaging in conduct that is fraudulent or dishonest</p> <p>Making, authorizing, directing, or aiding in the publication, distribution, or circulation of a false statement or misrepresentation concerning a licensee’s business or real estate offered for sale, rent, or lease or concerning an association being managed</p>	<p>AS 08.88.071 (a)(3)(A)(i) – (iv); AS 08.88.071(a)(3)(D); AS 08.88.071(a)(3)(F); AS 08.88.401(c); 12 AAC 64.130(1) & (11)</p>	<p>1st or MINOR Offense:</p> <ul style="list-style-type: none"> - Letter of Advisement or \$500 Imposition of Civil Fine <p>2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> - Consent Agreement: <ul style="list-style-type: none"> - Fine - Probation - Suspension* - Education - Limitations on Practice - Reprimand Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Fraud or Misrepresentation	Broker Associate Broker Salesperson	<p>With respect to a real estate transaction, making a substantial misrepresentation; making a false promise; pursuing a flagrant course of misrepresentation or making a false promise through another licensee; or engaging in conduct that is fraudulent or dishonest</p> <p>Making, authorizing, directing, or aiding in the publication, distribution, or circulation of a false statement or misrepresentation concerning a licensee’s business or real estate offered for sale, rent, or lease or concerning an association being managed</p> <p>An associate broker or salesperson claiming to be a broker</p> <p>Falsely representing to: have been awarded a degree/designation; be a member or affiliate of a professional organization; or be a member of a franchise/other business association</p> <p>Making a false/misleading statement to the Commission regarding an alleged violation, regulations set forth, or qualifications of a licensee</p> <p>Failure to comply with 12 AAC 64.180 – 12 AAC 64.271 or failure to turn over required records to the Commission</p>	<p>AS 08.88.071 (a)(3)(A)(i) – (iv); AS 08.88.071 (a)(3)(D); AS 08.88.071 (a)(3)(F); AS 08.88.401(a); AS 08.88.401(c); AS 08.88.401(f); 12 AAC 64.130(1) & (11); 12 AAC 64.160; 12 AAC 64.260</p>	<p>1st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine</p> <p>2nd + or SERIOUS Offense: - Consent Agreement: - Fine - Probation - Suspension* - Limitations on Practice - Education - Reprimand</p> <p>- Revocation*</p>

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Probation Violation	Broker Associate Broker Salesperson	Failure to comply with the terms of a Consent Agreement Committing additional violations while on probation	Consent Agreement; AS 08.88.071; 12 AAC 64.130(1) & (11)	1 st or MINOR Offense: - Impose Additional Disciplinary Sanctions via Consent Agreement: - Fine - Probation - Suspension* - Limitations on Practice - Education - Reprimand 2 nd + or SERIOUS Offense: - Revocation*
Substance Abuse	Broker Associate Broker Salesperson	Engaging in conduct the Commission did not have knowledge of at the time the licensee was licensed, demonstrating the licensee’s unfitness to engage in the business for which the licensee is licensed	AS 08.88.071(a)(3)(C); 12 AAC 64.130(1) & (11)	1 st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Fine - Probation - Suspension* - Limitations on Practice - Quarterly Reports from Therapist, Broker & Licensee - Completion of a Treatment Program - Consume No Controlled Substances/Alcohol - AA/NA Meetings - Education - Reprimand - Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Supervision	Broker Associate Broker	Failure to provide adequate supervision of the activities of licensees for whom they are responsible	AS 08.88.071; AS 08.88.311(a); 12 AAC 64.078; 12 AAC 64.125; 12 AAC 64.128; 12 AAC 64.130	1 st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Up to \$5,000 Fine - Up to 18 Months Probation - Suspension* - Up to 10 Hours Education - Reprimand - Revocation*
Trust Account	Broker Associate Broker Salesperson	Failure to keep proper trust account ledgers Paying fees/commissions/other compensation to individuals prohibited from receiving compensation Engaging in any other prohibited trust account activity Failure to provide all monies from a real estate transaction to the brokerage within 5 days Paying fees/commissions/other compensation to individuals prohibited from receiving compensation Engaging in any other prohibited trust account activity	AS 08.88.351; AS 08.88.401(d); 12 AAC 64.130(3), (7) & (12); 12 AAC 64.180 – 271; 12 AAC 64.550(c); 12 AAC 64.570(2)(D); 12 AAC 64.580(4) AS 08.88.071(a)(3)(H); AS 08.88.331; 12 AAC 64.130(3), (7) & (12); 12 AAC 64.140(2); 12 AAC 64.550(c); 12 AAC 64.570(2)(D); 12 AAC 64.580(4)	- Consent Agreement: - Fine - Probation - Suspension* - Limitations on Practice - Education - Reprimand - Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Unlicensed Practice	No License Revoked License	Performing/Engaging in activities or offering to perform/engage in activities that requires a real estate license	AS 08.88.161; AS 08.88.165; AS 08.88.167; AS 08.88.401(f)(5); 12 AAC 64.090(e); 12 AAC 64.095(a); 12 AAC 64.905	- Temporary Cease & Desist Order (TCDO) - Up to \$5,000 Fine
Unlicensed Practice (When License is in a Lapsed, Inactive, or Suspended Status)	Broker Associate Broker Salesperson	Performing/Engaging in activities or offering to perform/engage in activities with a lapsed or inactive license	AS 08.88.071(a)(3); AS 08.88.161; AS 08.88.165; AS 08.88.167; AS 08.88.251(b); AS 08.88.401(f)(5); 12 AAC 64.090(e); 12 AAC 64.095(a); 12 AAC 64.130(1) & (11); 12 AAC 64.140; 12 AAC 64.905	1 st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Up to \$1,500 Fine - Suspension* - Up to 10 Hours Education - Reprimand Revocation*
Violation of Licensing Regulation	Broker Associate Broker Salesperson	This is a “catch all” category that includes various violations that don’t fit into any other listed category – this type of conduct is variable & not succinct	AS 08.88.011 – 990 12 AAC 64.010 – 990 12 AAC 02.510 - 590	1 st or MINOR Offense: - Letter of Advisement or Imposition of Civil Fine 2 nd + or SERIOUS Offense: - Consent Agreement: - Up to \$5,000 Fine - Up to 1 Year Probation - Suspension* - Up to 10 Hours Education - Reprimand - Revocation*

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2020

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that our Executive Administrator Shyla Consalo, Project Assistant Nancy Harris, and Investigator Autumn Roark, will all support us in reaching our goals.

GUIDING PRINCIPLE	OBJECTIVE – how will we meet this guiding principle?	Who will complete this task?
Protect the Consumer / Inform the Licensees	With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: 1) how to file a complaint against a licensee and its process; and 2) if a complaint is filled against a license what the process is for a license. Additionally, provide best practice “white papers” on various topics as approved by the Commission for placement on our website.	Commission, Staff & Investigator Goal to have recorded presentation done & submitted to Chief Investigator for review/approval by the March meeting.
Protect the Consumer	Provide the Commission for consideration, what they should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. And, provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to be approved by the Commission then placed on our website.	Property Management Committee of the Commission Work in Progress - PM Committee continuing to develop best practices for REC consideration, several already approved & on website.
Protect the Consumer	Refine and rework current processes, to increase the speed of actions to keep outside licensees and/or non-licensees from transacting business for which an Alaska real estate license or broker’s license is required. Then, put this information on the Commission website and make sure it is easily accessible.	Commissioners Nelson & Pruhs, plus Shyla & Autumn
Protect the Consumer / Inform licensees	Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising (i.e. the requirement to include brokerage information, minimum size etc).	Commissioner Nelson & McConnochie to provide information to staff Complete - Now working on
Inform licensees	Assist staff to clear up the following issues: <ul style="list-style-type: none"> • How “inactive status” is logged/started and the notification to the affected licensee • How required education, for those who apply for license by endorsement, is defined and verified • Provided a military spouse has a current license in good standing in another state, streamline the process when they apply for an Alaska real estate license Complete • Change how the Commission receives and disseminates license history; i.e. paper versus digital, or some other process Complete • Define and simplify the criteria for getting or upgrading an Alaska real estate license; i.e. referring to <u>criminal history</u> and what specifically constitutes a valid reason a license will not be given/upgraded and the timing since conviction or completion of sentence 	FAQ & eventually a reg change Commissioner McConnochie & Staff
Protect the Consumer / Inform licensees	Review all regulations and propose one major regulation change (clean up) which will bring regulations into the 21 st century.	ALL Complete - currently with reg specialist for processing

New Business

Advertising FAQ & Advertising Regulation Changes Project

DRAFT

BEST PRACTICE

Date: December 8, 2020
Adopted: AREC Approved Date
Title: Best Practice – Advertising
To: Alaska Real Estate Licensees
From: Alaska Real Estate Commission
Regulation References: 12 AAC 64.128, 12 AAC 64.130

1. Licensees shall not advertise their home offices in any way and cannot give the appearance or impression that a home office is their principal office. Any licensee working out of a home office that is not a principal office of the brokerage may not use the address of the home office in any form of advertising, business letterhead, or business cards for the real estate business; the address of the brokerage must be used. That address for the brokerage is the one on file with the Alaska Real Estate Commission.
2. Licensees cannot advertise a property for sale, lease, or rent without first obtaining the written authority for the owner. This means that a licensee cannot advertise another broker's listings.
3. Licensees must include in all advertising to buy, sell, rent, lease, or exchange any real estate **MUST** include the broker's business name as registered with the Alaska Real Estate Commission. This includes any advertising on the internet, social media and classified ads, including advertising recruiting licensees.
4. Failure to include the broker's name is grounds for revocation or suspension.

Elections

2021 Meeting Dates

GUIDE TO EXCELLENCE IN REGULATION
for
PROFESSIONAL LICENSING
Boards & Commissions

UPDATED U^o k# = 2017

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

A quorum is the minimum number of board or commission members required to conduct business. A majority of the total membership of the board or commission constitutes a quorum.

A member who is disqualified from voting is considered present for purposes of a quorum. If a quorum is not present, any number of the members present may recess or adjourn the meeting to a later date. Formal actions of the board or commission must be considered by a majority of the full membership. A quorum requirement does not mean that a majority has to adopt a measure, only that a majority has to consider a measure.

AS 44.62.450(c) provides that “an agency member may not withdraw voluntarily or be disqualified if the disqualification would prevent the existence of a quorum qualified to act in the particular case.” Also known as the rule of necessity, it means that the board cannot recuse itself out of a quorum. When a vote is before the board and recusal of a reviewing board member would remove the quorum, the member should remain in the discussion and vote, if that is what is required to maintain a quorum. This situation should be recorded in case the vote is challenged.

It is important for all members to be present at every meeting. As in the example above, sensitive, complex, or difficult matters should come before the board or commission as often as possible when all members are present. If absences must occur, then proper notice must be given in order to determine whether to reschedule the meeting. The cost of travel and consideration of public notice have a great impact on the program’s licensees, so absences must be taken seriously. Boards and commissions may adopt regulations regarding removal of members for excessive absences. Board members who find they need to resign may do so in writing to the Office of Boards and Commissions with a copy to the Division.

Role of the Chair in Board and Commission Meetings

Board and commission members, staff, and the public look to the chairperson to provide leadership during the meeting. The chair should understand the issues before the board or commission, know and understand the philosophies of the fellow members of the board or commission, and be able to bring the board or commission to decisions on difficult or complicated issues. The chairperson should be able to do all of the following effectively:

- **Run a Meeting:** The chair is responsible for running an orderly meeting and conducting public business in a fair and timely manner. Everyone looks to the chairperson for leadership. The chair grants or denies members, staff, and the public the floor to speak.
- **Maintain Order:** The chairperson should not allow cheering, hissing, booing, or other demonstrations from the audience. Nor should he or she permit board or commission members to become rude, confrontational, or argumentative with one another or the audience. Members should not cut off one another or staff when they are speaking, nor monopolize the floor when granted by the chair.

Division Update

Real Estate Commission	FY 14	FY 15	Biennium	FY 16	FY 17	Biennium	FY 18	FY 19	Biennium	FY 20
Revenue										
Revenue from License Fees	\$ 1,139,844	\$ 322,870	\$ 1,462,714	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451
Allowable Third Party Reimbursements	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 1,139,844	\$ 322,870	\$ 1,462,714	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451
Expenditures										
Non Investigation Expenditures										
1000 - Personal Services	179,769	121,773	301,543	137,073	118,908	255,981	115,076	120,856	235,932	65,350
2000 - Travel	12,096	13,013	25,109	12,781	6,803	19,584	15,632	5,036	20,668	3,046
3000 - Services	24,221	20,404	44,624	26,599	14,085	40,684	13,683	9,813	23,496	19,306
4000 - Commodities	925	600	1,525	1,229	34	1,263	649	-	649	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	217,011	155,790	372,801	177,682	139,830	317,512	145,040	135,705	280,745	87,702
Investigation Expenditures										
1000-Personal Services	118,045	94,399	212,443	91,700	90,606	182,306	51,422	83,598	135,020	93,884
2000 - Travel	-	-	-	-	-	-	-	-	-	2,078
3023 - Expert Witness	4,651	2,400	7,051	-	4,922	4,922	-	-	-	-
3088 - Inter-Agency Legal	59,300	57,113	116,413	43,639	45,154	88,793	646	530	1,176	1,692
3094 - Inter-Agency Hearing/Mediation	6,956	18,825	25,781	6,929	19,603	26,532	-	3,689	3,689	-
3000 - Services other	-	-	-	-	-	-	-	958	958	1,010
4000 - Commodities	-	-	-	-	-	-	-	-	-	-
Total Investigation Expenditures	188,951	172,737	361,688	142,268	160,285	302,553	52,068	88,775	140,843	98,664
Total Direct Expenditures	405,962	328,527	734,489	319,950	300,115	620,065	197,108	224,480	421,588	186,366
Indirect Expenditures										
Internal Administrative Costs	85,845	61,048	146,893	95,730	87,001	182,731	108,746	110,362	219,108	108,667
Departmental Costs	55,495	68,943	124,438	54,735	58,811	113,546	53,154	57,353	110,507	37,533
Statewide Costs	38,787	39,391	78,178	20,226	23,348	43,574	18,608	20,811	39,419	20,978
Total Indirect Expenditures	180,127	169,382	349,509	170,691	169,160	339,851	180,508	188,526	369,034	167,178
TOTAL EXPENDITURES	\$ 586,089	\$ 497,909	\$ 1,083,998	\$ 490,641	\$ 469,275	\$ 959,916	\$ 377,616	\$ 413,006	\$ 790,622	\$ 353,544
Cumulative Surplus (Deficit)										
Beginning Cumulative Surplus (Deficit)	\$ (278,770)	\$ 274,985		\$ 99,946	\$ 695,563		\$ 523,449	\$ 912,708		\$ 782,155
Annual Increase/(Decrease)	553,755	(175,039)		595,617	(172,114)		389,259	(130,553)		264,907
Ending Cumulative Surplus (Deficit)	\$ 274,985	\$ 99,946		\$ 695,563	\$ 523,449		\$ 912,708	782,155		1,047,062
										* No fee changes needed
Statistical Information										
Number of Licenses for Indirect calculation	2,761	3,001		3,066	3,558		4,129	4,041		3,771
Additional information:	<ul style="list-style-type: none"> • Fee analysis required if the cumulative is less than zero; fee analysis recommended when the cumulative is less than current year expenditures; no fee increases needed if cumulative is over the current year expenses * • Most recent fee change: Fee change FY20 • Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and program changes per AS 08.01.065. 									

Appropriation Name (Ex)	(All)
Sub Unit	(All)
PL Task Code	REC1

Sum of Budgetary Expenditures Object Name (Ex)	Object Type Name (Ex)			Grand Total
	1000 - Personal Services	2000 - Travel	3000 - Services	
1011 - Regular Compensation	118,275.72			118,275.72
1014 - Overtime	182.55			182.55
1021 - Allowances to Employees	2.46			2.46
1023 - Leave Taken	14,130.79			14,130.79
1028 - Alaska Supplemental Benefit	8,203.93			8,203.93
1029 - Public Employee's Retirement System Defined Benefits	10,692.85			10,692.85
1030 - Public Employee's Retirement System Defined Contribution	4,471.88			4,471.88
1034 - Public Employee's Retirement System Defined Cont Health Reim	2,654.55			2,654.55
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	1,122.39			1,122.39
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	10,460.80			10,460.80
1039 - Unemployment Insurance	414.33			414.33
1040 - Group Health Insurance	33,445.45			33,445.45
1041 - Basic Life and Travel	50.31			50.31
1042 - Worker's Compensation Insurance	1,032.70			1,032.70
1047 - Leave Cash In Employer Charge	2,904.65			2,904.65
1048 - Terminal Leave Employer Charge	1,793.26			1,793.26
1053 - Medicare Tax	1,804.73			1,804.73
1069 - SU Business Leave Bank Contributions	1.77			1.77
1077 - ASEA Legal Trust	136.65			136.65
1079 - ASEA Injury Leave Usage	4.76			4.76
1080 - SU Legal Trst	33.41			33.41
1970 - Personal Services Transfer	(52,586.03)			(52,586.03)
2005 - In-State Non-Employee Airfare			436.78	436.78
2009 - In-State Non-Employee Taxable Per Diem			212.00	212.00
2010 - In-State Non-Employee Non-Taxable Reimbursement			503.08	503.08
2012 - Out-State Employee Airfare			1,533.38	1,533.38
2013 - Out-State Employee Surface Transportation			201.58	201.58
2014 - Out-State Employee Lodging			1,673.15	1,673.15
2015 - Out-State Employee Meals and Incidentals			564.50	564.50
3000 - Training/Conferences			1,110.00	1,110.00
3002 - Memberships			834.00	834.00
3035 - Long Distance			18.31	18.31
3036 - Local/Equipment Charges			3.21	3.21
3044 - Courier			48.53	48.53
3045 - Postage			1,828.82	1,828.82
3046 - Advertising			3,417.35	3,417.35
3057 - Structure, Infrastructure and Land - Rentals/Leases			344.05	344.05
3069 - Commission Sales			42.00	42.00
3085 - Inter-Agency Mail			5,649.70	5,649.70
3088 - Inter-Agency Legal			7,561.45	7,561.45
3094 - Inter-Agency Hearing/Mediation			1,150.10	1,150.10
Grand Total	159,233.91	5,124.47	22,007.52	186,365.90

FY 2020 CBPL COST ALLOCATIONS

Name	Task Code	Direct Revenues	3rd Party Reimbursement	Total Revenues	Direct Expense	Percentage of board licenses/total licensees:	Division cash receipt transactions % by Personal Services \$	Department certified transactions % by Fiscal Revenue \$	Indirect Expense (Total Non-PCN Allocated)	Percentage of program direct Personal Services:	Total Indirect Expenses	Total Expenses	2020 Annual Surplus (Deficit)
Acupuncture	ACU1	\$ 1,630	\$ -	\$ 1,630	\$ 5,232	\$ 3,042	\$ 190	\$ 484	\$ 3,716	1,581	\$ 5,297	\$ 10,529	\$ (8,899)
Architects, Engineer	AEL1	\$ 932,985	\$ 4,143	\$ 937,128	\$ 295,445	\$ 185,198	\$ 16,614	\$ 4,832	\$ 206,644	79,296	\$ 285,940	\$ 581,385	\$ 355,743
Athletic Trainers	ATH1	\$ 6,640	\$ -	\$ 6,640	\$ 2,787	\$ 1,336	\$ 139	\$ 674	\$ 2,149	860	\$ 3,009	\$ 5,796	\$ 844
Audiology and Speech Pathologists	AUD1	\$ 55,675	\$ -	\$ 55,675	\$ 21,140	\$ 17,164	\$ 3,464	\$ 1,457	\$ 22,085	6,643	\$ 28,728	\$ 49,868	\$ 5,807
Barbers & Hairdressers	BAH1	\$ 1,034,860	\$ -	\$ 1,034,860	\$ 400,515	\$ 184,506	\$ 37,450	\$ 3,899	\$ 225,855	114,194	\$ 340,049	\$ 740,564	\$ 294,296
Behavior Analysts	BEV1	\$ 9,490	\$ -	\$ 9,490	\$ 6,140	\$ 1,830	\$ 455	\$ 621	\$ 2,906	1,343	\$ 4,249	\$ 10,389	\$ (899)
Chiropractors	CHI1	\$ 24,395	\$ -	\$ 24,395	\$ 105,462	\$ 8,483	\$ 1,808	\$ 1,130	\$ 11,421	25,805	\$ 37,226	\$ 142,688	\$ (118,293)
Collection Agencies	COA1	\$ 83,015	\$ -	\$ 83,015	\$ 46,356	\$ 20,578	\$ 1,972	\$ 1,403	\$ 23,953	13,687	\$ 37,640	\$ 83,996	\$ (981)
Concert Promoters	CPR1	\$ 3,500	\$ -	\$ 3,500	\$ 2,119	\$ 420	\$ 76	\$ 436	\$ 932	682	\$ 1,614	\$ 3,733	\$ (233)
Construction Contractors	CON1	\$ 937,745	\$ -	\$ 937,745	\$ 583,443	\$ 220,171	\$ 22,341	\$ 5,591	\$ 248,103	97,148	\$ 345,251	\$ 928,694	\$ 9,051
Home Inspectors	HIN1	\$ 25,735	\$ -	\$ 25,735	\$ 8,886	\$ 2,745	\$ 291	\$ 1,089	\$ 4,125	2,874	\$ 6,999	\$ 15,885	\$ 9,850
Dental	DEN1	\$ 77,965	\$ -	\$ 77,965	\$ 299,500	\$ 57,800	\$ 5,057	\$ 1,901	\$ 64,758	73,209	\$ 137,967	\$ 437,467	\$ (359,502)
Dietitians/Nutritionists	DTN1	\$ 18,883	\$ -	\$ 18,883	\$ 4,690	\$ 8,112	\$ 1,302	\$ 1,872	\$ 11,286	1,460	\$ 12,746	\$ 17,436	\$ 1,447
Direct Entry Midwife	MID1	\$ 15,280	\$ -	\$ 15,280	\$ 32,549	\$ 1,261	\$ 227	\$ 539	\$ 2,027	5,977	\$ 8,004	\$ 40,553	\$ (25,273)
Dispensing Opticians	DOP1	\$ 10,875	\$ -	\$ 10,875	\$ 22,192	\$ 2,646	\$ 683	\$ 835	\$ 4,164	6,185	\$ 10,349	\$ 32,541	\$ (21,666)
Electrical Administrator	EAD1	\$ 152,546	\$ -	\$ 152,546	\$ 69,757	\$ 24,510	\$ 3,528	\$ 2,588	\$ 30,626	11,377	\$ 42,003	\$ 111,760	\$ 40,786
Euthanasia Services	EUT1	\$ 25	\$ -	\$ 25	\$ 3,662	\$ 272	\$ 13	\$ 312	\$ 597	1,101	\$ 1,698	\$ 5,360	\$ (5,335)
Geologists	GEO1	\$ 580	\$ -	\$ 580	\$ 3,117	\$ 223	\$ 126	\$ 286	\$ 635	997	\$ 1,632	\$ 4,749	\$ (4,169)
Guardians/Conservators	GCO1	\$ 1,918	\$ -	\$ 1,918	\$ 301	\$ 346	\$ 25	\$ 283	\$ 654	65	\$ 719	\$ 1,020	\$ 898
Guide-Outfitters	GUI1	\$ 1,061,930	\$ -	\$ 1,061,930	\$ 396,144	\$ 40,166	\$ 13,769	\$ 4,572	\$ 58,507	86,522	\$ 145,029	\$ 541,173	\$ 520,757
Marine Pilots	MAR1	\$ 21,550	\$ -	\$ 21,550	\$ 75,150	\$ 3,067	\$ 405	\$ 670	\$ 4,142	20,202	\$ 24,344	\$ 99,494	\$ (77,944)
Foreign Pleasure Craft	FPC1	\$ 64,700	\$ -	\$ 64,700	\$ 8,161	\$ -	\$ 202	\$ 201	\$ 403	2,641	\$ 3,044	\$ 11,205	\$ 53,495
Marital & Family Therapy	MFT1	\$ 19,505	\$ -	\$ 19,505	\$ 28,964	\$ 2,498	\$ 531	\$ 723	\$ 3,752	8,884	\$ 12,636	\$ 41,600	\$ (22,095)
Massage Therapists	MAS1	\$ 350,267	\$ 860	\$ 351,127	\$ 182,757	\$ 34,181	\$ 6,385	\$ 2,745	\$ 43,311	53,115	\$ 96,426	\$ 279,183	\$ 71,944
Mechanical Administrator	MEC1	\$ 110,650	\$ -	\$ 110,650	\$ 65,369	\$ 15,062	\$ 2,175	\$ 1,963	\$ 19,200	8,998	\$ 28,198	\$ 93,567	\$ 17,083
Medical	MED1	\$ 578,308	\$ -	\$ 578,308	\$ 817,337	\$ 242,405	\$ 29,270	\$ 5,249	\$ 276,924	222,270	\$ 499,194	\$ 1,316,531	\$ (738,223)
Mortuary Science	MOR1	\$ 2,480	\$ -	\$ 2,480	\$ 13,015	\$ 3,141	\$ 240	\$ 481	\$ 3,862	3,900	\$ 7,762	\$ 20,777	\$ (18,297)
Naturopaths	NAT1	\$ 89,440	\$ -	\$ 89,440	\$ 4,904	\$ 1,261	\$ 430	\$ 732	\$ 2,423	1,571	\$ 3,994	\$ 8,898	\$ 80,542
Nurse Aides	NUA1	\$ 393,370	\$ -	\$ 393,370	\$ 233,367	\$ 90,472	\$ 16,437	\$ 3,372	\$ 110,281	46,832	\$ 157,113	\$ 390,480	\$ 2,890
Nursing	NUR1	\$ 1,429,513	\$ 964	\$ 1,430,477	\$ 1,450,655	\$ 495,815	\$ 29,626	\$ 6,693	\$ 532,134	365,604	\$ 897,738	\$ 2,348,392	\$ (917,915)
Nursing Home Administrators	NHA1	\$ 3,420	\$ 275	\$ 3,695	\$ 10,973	\$ 1,484	\$ 253	\$ 368	\$ 2,105	2,849	\$ 4,954	\$ 15,927	\$ (12,232)
Optometry	OPT1	\$ 22,970	\$ -	\$ 22,970	\$ 46,179	\$ 6,356	\$ 607	\$ 595	\$ 7,558	13,683	\$ 21,241	\$ 67,420	\$ (44,450)
Pawnbrokers	PAW1	\$ 2,655	\$ -	\$ 2,655	\$ 1,475	\$ 668	\$ 76	\$ 446	\$ 1,190	433	\$ 1,623	\$ 3,098	\$ (443)
Pharmacy	PHA1	\$ 631,105	\$ -	\$ 631,105	\$ 310,277	\$ 146,764	\$ 23,555	\$ 2,684	\$ 173,003	83,439	\$ 256,442	\$ 566,719	\$ 64,386
Physical/Occupational Therapy	PHY1	\$ 373,380	\$ -	\$ 373,380	\$ 133,864	\$ 48,674	\$ 9,356	\$ 3,186	\$ 61,216	40,711	\$ 101,927	\$ 235,791	\$ 137,589
Prescription Drug Monitoring Program	PDMP	\$ 26,150	\$ -	\$ 26,150	\$ 48,294	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 48,294	\$ (22,144)
Professional Counselors	PCO1	\$ 226,450	\$ 117	\$ 226,567	\$ 140,735	\$ 21,344	\$ 5,121	\$ 2,648	\$ 29,113	42,357	\$ 71,470	\$ 212,205	\$ 14,362
Psychology	PSY1	\$ 35,220	\$ -	\$ 35,220	\$ 88,556	\$ 7,964	\$ 2,137	\$ 1,417	\$ 11,518	25,723	\$ 37,241	\$ 125,797	\$ (90,577)
Public Accountancy	CPA1	\$ 763,235	\$ 1,465	\$ 764,700	\$ 195,371	\$ 44,346	\$ 6,701	\$ 2,007	\$ 53,054	58,375	\$ 111,429	\$ 306,800	\$ 457,900
Real Estate	REC1	\$ 618,451	\$ -	\$ 618,451	\$ 186,366	\$ 93,267	\$ 19,509	\$ 2,720	\$ 115,496	51,682	\$ 167,178	\$ 353,544	\$ 264,907
Real Estate Appraisers	APR1	\$ 80,550	\$ 2,559	\$ 83,109	\$ 178,777	\$ 8,533	\$ 2,503	\$ 1,455	\$ 12,491	44,358	\$ 56,849	\$ 235,626	\$ (152,517)
Social Workers	CSW1	\$ 73,905	\$ 274	\$ 74,179	\$ 108,651	\$ 23,966	\$ 2,769	\$ 3,104	\$ 29,839	31,446	\$ 61,285	\$ 169,936	\$ (95,757)
Storage Tank Workers	UST1	\$ 7,895	\$ -	\$ 7,895	\$ 7,231	\$ 1,731	\$ 683	\$ 812	\$ 3,226	2,329	\$ 5,555	\$ 12,786	\$ (4,891)
Veterinary	VET1	\$ 59,170	\$ 92	\$ 59,262	\$ 139,337	\$ 23,174	\$ 2,314	\$ 1,772	\$ 27,260	41,427	\$ 68,687	\$ 208,024	\$ (148,762)
No longer existent board/commission (ie Athletic)													
Totals All Boards		\$ 10,440,011	\$ 10,749	\$ 10,450,760	\$ 6,785,201	\$ 2,096,982	\$ 270,815	\$ 80,847	\$ 2,448,644	\$ 1,703,835	\$ 4,152,479	\$ 10,937,680	\$ (486,920)

ABL & Corporations	080801005	\$ 8,985,477	\$ -	\$ 8,985,477	\$ 1,251,835	\$ 21,645	\$ 252,194	\$ 6,085	\$ 279,924	\$ 110,734	\$ 390,658	\$ 1,642,493	
Total CBPL		\$ 20,868,724	\$ 11,145	\$ 20,879,869	\$ 8,796,692	\$ 2,118,627	\$ 523,009	\$ 86,932	\$ 2,728,568	\$ 1,814,569	\$ 4,543,137	\$ 13,339,829	

DIVISION INDIRECT EXPENSES				
	Total		Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:				
Business Supplies	24,802		23,805	997
Office Equipment	70,516	**	65,719	4,797
State Vehicles	4,535		4,208	327
Storage and Archives	9,876		9,868	8
Legal Support	89,672		88,163	1,509
Central Mail Services Postage	33,379		28,787	4,592
Software Licensing and Maintenance	76,444	***	73,057	3,387
Division Administrative Expenses - all other	186,148		183,374	2,774
Division allocated by percentage of direct personal services:	495,372		476,981	18,391
Percentage of board licenses/total licensees:				
Division supervisors of receipting Personal Services 75%	318,329	****	289,900	28,429
Receipting Personal Services 40%	277,932	****	253,111	24,821
Investigations indirect Personal Services	310,130	*****	294,825	15,305
Division Administration Personal Services	535,411		498,829	36,582
Professional License Administration Personal Services	227,690		342,621	(114,931)
Division allocated by percentage of board licenses/total licensees:	1,669,492		1,679,286	(9,794)
Receipting transaction % by Personal Services:				
Division supervisors of receipting Personal Services 25%	106,110	****	54,944	51,166
Receipting Personal Services 60%	416,899	****	215,871	201,028
Division cash receipt transactions % by Personal Services \$	523,009		270,815	252,194
Total Division Indirect Expenses	2,687,873		2,427,082	260,791
DEPARTMENT INDIRECT EXPENSES				
	Total		Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:				
Commissioner's Office	177,987		165,528	12,459
Administrative Services - Director's Office	60,077		55,872	4,205
Administrative Services - Human Resources	93,885		87,313	6,572
Administrative Services - Fiscal	88,357		82,172	6,185
Administrative Services - Budget	55,442		51,561	3,881
Administrative Services - Information Technology	84,492		78,578	5,914
Administrative Services - Information Technology - Network & Database	5,019		4,668	351
Administrative Services - Mail	10,298		9,577	721
Administrative Services - Facilities - Maintenance	-		-	-
Department allocated by percentage of direct personal services:	575,557		535,269	40,288
Percentage of board licenses/total licensees:				
Department administrative services support: Fiscal, IT, Procurement	449,135	*	417,696	31,439
Receipting transaction % by Personal Services:				
Department certified transactions % by Fiscal Revenue \$	86,932		80,847	6,085
Total DEPARTMENT INDIRECT EXPENSES	1,111,624	*****	1,033,812	77,812
STATEWIDE INDIRECT EXPENSES				
	Total		Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:				
Accounting and Payroll Systems	20,226		18,810	1,416
State Owned Building Rental (Building Leases)	290,454	*****	270,123	20,332
State OIT Server Hosting & Storage	8,695	*****	8,086	609
State OIT SQL	21,109	*****	19,631	1,478
State Software Licensing	-	*****	-	-
Human Resources	69,481		64,617	4,864
IT Non-Telecommunications (Core Cost)	285,372	*****	265,396	19,976
IT Telecommunications	46,568	*****	43,308	3,260
Risk Management	1,735		1,613	121
Statewide allocated by percentage of direct personal services:	743,640		691,585	52,055
FY20 TOTALS BY METHODOLOGY				
	Total		Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:	1,814,569		1,703,835	110,734
Percentage of board licenses/total licensees:	2,118,627		2,096,982	21,645
Receipting transaction % by Personal Services:	609,941		351,662	258,279
Grand Total	4,543,137		4,152,479	390,658

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

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Real Estate Commission	FY 14			FY 15			Biennium			FY 16			FY 17			Biennium			FY 18			FY 19			Biennium			FY 20		FY 21 1st QTR				
Revenue																																		
Revenue from License Fees	\$	1,139,844	\$	322,870	\$	1,462,714	\$	1,086,258	\$	297,161	\$	1,383,419	\$	766,875	\$	282,453	\$	1,049,328	\$	618,451	\$	69,005	\$	618,451	\$	69,005								
Allowable Third Party Reimbursements		-		-		-		-		-		-		-		-		-		-		-		-		-								
TOTAL REVENUE	\$	1,139,844	\$	322,870	\$	1,462,714	\$	1,086,258	\$	297,161	\$	1,383,419	\$	766,875	\$	282,453	\$	1,049,328	\$	618,451	\$	69,005	\$	618,451	\$	69,005								
Expenditures																																		
Non Investigation Expenditures																																		
1000 - Personal Services		179,769		121,773		301,543		137,073		118,908		255,981		115,076		120,856		235,932		65,350		21,097		65,350		21,097								
2000 - Travel		12,096		13,013		25,109		12,781		6,803		19,584		15,632		5,036		20,668		3,046		-		3,046		-								
3000 - Services		24,221		20,404		44,624		26,599		14,085		40,684		13,683		9,813		23,496		19,306		941		19,306		941								
4000 - Commodities		925		600		1,525		1,229		34		1,263		649		-		649		-		-		-		-								
5000 - Capital Outlay		-		-		-		-		-		-		-		-		-		-		-		-		-								
Total Non-Investigation Expenditures		217,011		155,790		372,801		177,682		139,830		317,512		145,040		135,705		280,745		87,702		22,038		87,702		22,038								
Investigation Expenditures																																		
1000-Personal Services		118,045		94,399		212,443		91,700		90,606		182,306		51,422		83,598		135,020		93,884		20,443		93,884		20,443								
2000 - Travel																				2,078		-		2,078		-								
3023 - Expert Witness		4,651		2,400		7,051		-		4,922		4,922		-		-		-		-		-		-		-								
3088 - Inter-Agency Legal		59,300		57,113		116,413		43,639		45,154		88,793		646		530		1,176		1,692		-		1,692		-								
3094 - Inter-Agency Hearing/Mediation		6,956		18,825		25,781		6,929		19,603		26,532		-		3,689		3,689		-		-		-		-								
3000 - Services other																958		958		1,010		-		1,010		-								
4000 - Commodities																-		-		-		-		-		-								
Total Investigation Expenditures		188,951		172,737		361,688		142,268		160,285		302,553		52,068		88,775		140,843		98,664		20,443		98,664		20,443								
Total Direct Expenditures		405,962		328,527		734,489		319,950		300,115		620,065		197,108		224,480		421,588		186,366		42,481		186,366		42,481								
Indirect Expenditures																																		
Internal Administrative Costs		85,845		61,048		146,893		95,730		87,001		182,731		108,746		110,362		219,108		108,667		27,167		108,667		27,167								
Departmental Costs		55,495		68,943		124,438		54,735		58,811		113,546		53,154		57,353		110,507		37,533		9,383		37,533		9,383								
Statewide Costs		38,787		39,391		78,178		20,226		23,348		43,574		18,608		20,811		39,419		20,978		5,245		20,978		5,245								
Total Indirect Expenditures		180,127		169,382		349,509		170,691		169,160		339,851		180,508		188,526		369,034		167,178		41,795		167,178		41,795								
TOTAL EXPENDITURES	\$	586,089	\$	497,909	\$	1,083,998	\$	490,641	\$	469,275	\$	959,916	\$	377,616	\$	413,006	\$	790,622	\$	353,544	\$	84,276	\$	353,544	\$	84,276								
Cumulative Surplus (Deficit)																																		
Beginning Cumulative Surplus (Deficit)	\$	(278,770)	\$	274,985	\$	99,946	\$	695,563	\$	523,449	\$	912,708	\$	782,155	\$	1,047,062	\$	264,907	\$	(15,271)	\$	782,155	\$	1,047,062	\$	782,155	\$	1,047,062						
Annual Increase/(Decrease)		553,755		(175,039)		695,617		(172,114)		523,449		782,155		389,259		(130,553)		264,907		(15,271)		1,047,062		1,031,791		1,047,062		1,031,791						
Ending Cumulative Surplus (Deficit)	\$	274,985	\$	99,946	\$	695,563	\$	523,449	\$	912,708	\$	782,155	\$	782,155	\$	1,047,062	\$	264,907	\$	(15,271)	\$	782,155	\$	1,047,062	\$	782,155	\$	1,047,062						
Statistical Information																																		
Number of Licenses for Indirect calculation		2,761		3,001		3,066		3,558		4,129		4,041		3,771										3,771										
Additional information:	<ul style="list-style-type: none"> • Fee analysis required if the cumulative is less than zero; fee analysis recommended when the cumulative is less than current year expenditures; no fee increases needed if cumulative is over the current year expenses * • Most recent fee change: Fee change FY20 • Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and program changes per AS 08.01.065. 																																	

Appropriation Name (Ex)	(All)
Sub Unit	(All)
PL Task Code	REC1

Sum of Budgetary Expenditures Object Name (Ex)	Object Type Name (Ex)		Grand Total
	1000 - Personal Services	3000 - Services	
1011 - Regular Compensation	22,556.73		22,556.73
1023 - Leave Taken	4,216.40		4,216.40
1028 - Alaska Supplemental Benefit	1,499.43		1,499.43
1029 - Public Employee's Retirement System Defined Benefits	323.56		323.56
1030 - Public Employee's Retirement System Defined Contribution	1,488.82		1,488.82
1034 - Public Employee's Retirement System Defined Cont Health Reim	814.64		814.64
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	358.75		358.75
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	3,198.21		3,198.21
1039 - Unemployment Insurance	82.62		82.62
1040 - Group Health Insurance	5,502.65		5,502.65
1041 - Basic Life and Travel	8.31		8.31
1042 - Worker's Compensation Insurance	252.78		252.78
1047 - Leave Cash In Employer Charge	515.44		515.44
1048 - Terminal Leave Employer Charge	341.86		341.86
1053 - Medicare Tax	356.17		356.17
1077 - ASEA Legal Trust	14.00		14.00
1079 - ASEA Injury Leave Usage	5.58		5.58
1080 - SU Legal Trst	3.36		3.36
3000 - Training/Conferences		75.00	75.00
3002 - Memberships		780.00	780.00
3046 - Advertising		47.94	47.94
3057 - Structure, Infrastructure and Land - Rentals/Leases		38.39	38.39
Grand Total	41,539.31	941.33	42,480.64

Executive Administrator's Report

EDUCATION REPORT

December 16, 2020

(as of 12/7/2020)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	13
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	319
Designated Continuing Education (DCE)	36
Post Licensing Education (PLE)	71
	Total: 443
<u>Instructor</u>	
Permanent	67
New instructors	3
Amber Brophy – Anchorage	
Janis Tolbert – Anchorage	
Gina Bergt - Anchorage	
Temporary Instructor	0

LICENSING REPORT
DECEMBER 16, 2020

New Licensees September 15, 2020 - December 8, 2020: 90
Total Number of <u>Active</u> Licensees with 1/31/2022 exp: 2796
Total Number of Licensees with 1/31/2022 exp: *2828

ACTIVE: 1/31/22 exp	Jun	Sept	Dec
Broker	405	412	420
Associate Broker	373	382	387
Salesperson	1826	1886	1989
Total Active:	2604	2680	2796

INACTIVE: 1/31/22 exp	Jun	Sept	Dec
Broker	1	2	0
Associate Broker	0	2	1
Salesperson	5	42	24
Total Inactive:	6	46	25

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/22			
	Jun	Sept	Dec
Broker	0	0	0
Associate Broker	0	0	0
Salesperson	1	4	7
Total:	1	4	7

LAPSED: 1/31/20 exp	Jun	Sept	Dec
Broker	30	29	28
Associate Broker	36	34	34
Salesperson	318	308	309
Total Lapsed:	384	371	371

Transfers:	Jun	Sept	Dec
	175	279	296

PLE Completed:	Jun	Sept	Dec
	97	77	51

Upgrades:	
S - AB = 4	S - B = 1

In this reporting period	Jun	Sept	Dec
License Returned	197	58	49
Probation License	3	1	2
Suspended	0	0	0
Revoked	1	0	0
Surrendered	1	1	0

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2022 expiration date

Current Office Procedures

RICE INSURANCE SERVICES COMPANY, LLC
 CLAIMS LISTING FOR CNA CLAIMS
 ALASKA REAL ESTATE COMMISSION GROUP POLICY
 THIRD QUARTER 2020

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC13284	9/1/2016	10/16/2018	9/5/2018	Non-Discl / Misrep Mold	18 EO 0001AK-	O	\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
							\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00

CLAIMS COUNT:	1		--Losses---	----	---
CLOSED CLAIMS:	0	Closed Paid:	\$0.00	----	\$0.00
OPEN CLAIMS:	1	Closed Recovery:	\$0.00	---	\$0.00
		Closed Incurred:	\$0.00		\$0.00
		Open Paid:	\$0.00		\$0.00
		Open Reserves:	\$1,000.00		\$2,000.00
		Open Incurred:	\$1,000.00		\$2,000.00
		Current Recov's:	\$0.00		\$0.00
		Total Incurred:	\$1,000.00		\$2,000.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14132	10/25/2017	9/19/2019	9/19/2019	Incident / Allegations Unknown	19 EO 0002AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC13986	4/4/2019	7/25/2019	6/28/2019	Negligent Hiring of Contractor	19 EO 0002AK-	C	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
CC14231	4/15/2017	10/28/2019	10/28/2019	Subpoena	19 EO 0002AK-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
							\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00

CLAIMS COUNT:	3		--Losses---	----	---
CLOSED CLAIMS:	3	Closed Paid:	\$3,000.00	----	\$3,000.00
OPEN CLAIMS:	0	Closed Recovery:	\$0.00	---	\$0.00
		Closed Incurred:	\$3,000.00		\$3,000.00
		Open Paid:	\$0.00		\$0.00
		Open Reserves:	\$0.00		\$0.00
		Open Incurred:	\$0.00		\$0.00
		Current Recov's:	\$0.00		\$0.00
		Total Incurred:	\$3,000.00		\$3,000.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14979	8/23/2018	8/17/2020	8/7/2020	Breach of Prprty Mgmt Contract	20 EO 0003AK-	O	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
							\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00

CLAIMS COUNT:	1		--Losses---	----	---
CLOSED CLAIMS:	0	Closed Paid:	\$0.00	----	\$0.00
OPEN CLAIMS:	1	Closed Recovery:	\$0.00	---	\$0.00
		Closed Incurred:	\$0.00		\$0.00
		Open Paid:	\$0.00		\$1.00
		Open Reserves:	\$5,000.00		\$14,000.00
		Open Incurred:	\$5,000.00		\$14,001.00
		Current Recov's:	\$0.00		\$0.00
		Total Incurred:	\$5,000.00		\$14,001.00

**RICE INSURANCE SERVICES COMPANY, LLC
ALASKA REAL ESTATE COMMISSION
GROUP POLICY CLAIMS INFORMATION
THIRD QUARTER 2020**

Group Policy Number	TOTAL PAID FOR CLOSED CLAIMS			TOTAL INCURRED FOR OPEN CLAIMS			Claims Count	Total Incurred
	Claims Count	Loss	Legal	Claims Count	Loss	Legal		
18 EO 0001AK-	0	\$0.00	\$0.00	1	\$1,000.00	\$1,000.00	1	\$2,000.00
19 EO 0002AK-	3	\$3,000.00	\$0.00	0	\$0.00	\$0.00	3	\$3,000.00
20 EO 0003AK-	0	\$0.00	\$0.00	1	\$5,000.00	\$9,000.00	1	\$14,000.00
TOTALS	3	\$3,000.00	\$0.00	2	\$6,000.00	\$10,000.00	5	\$19,000.00

Total Incurred Closed Claims \$3,000.00

Total Incurred Open Claims \$16,000.00

*The incurred amount for open claims includes payments and reserve amounts set by the adjusters (the estimated amount needed for damages and claims expenses to close the open claims) but does not include any amounts incurred but not reported (IBNR), loss development amounts (a factor used by actuaries to determine the ultimate loss incurred), or administrative costs (the insurer's costs to provide the program, including their staffing costs and expense allocations, program administration, marketing, and claims adjustment costs). All of these factors are additional costs for the program.

**Statement of Net Positions
Real Estate Recovery Funds
September 30, 2020**

	Actuals						Projected	
	For the Fiscal Year Ending June 30, 2015	For the Fiscal Year Ending June 30, 2016	For the Fiscal Year Ending June 30, 2017	For the Fiscal Year Ending June 30, 2018	For the Fiscal Year Ending June 30, 2019	For the Fiscal Year Ending June 30, 2020	For the Fiscal Year Ending June 30, 2021	For the Fiscal Year Ending June 30, 2022
ASSETS								
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 211,011	\$ 261,186
Total Assets	454,264	465,770	392,207	394,514	277,675	327,850	211,011	261,186
LIABILITIES								
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	7,786	4,857
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	7,786	4,857
FUND BALANCES								
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	322,993	203,225	256,329
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	322,993	203,225	256,329
Total Liabilities and Fund Balances	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 211,011	\$ 261,186
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16	Average of 6/30/16 & 6/30/17	Average of 6/30/17 & 6/30/18	Average of 6/30/18 & 6/30/19	Average of 6/30/19 & 6/30/20	Average of 6/30/20 & 6/30/21	Average of 6/30/21 & 6/30/22
		\$ 460,017	\$ 428,988	\$ 393,361	\$ 336,095	\$ 302,763	\$ 269,431	\$ 130,593

Note: Per the State Comprehensive Annual Financial Report the State "funds are reported using modified accrual accounting which measures cash and other financial assets that can be readily converted to cash".

Note: The total Liabilities is year to date

For FY22 Liabilities projected using FY20

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through September 30, 2020
and
Projected for Fiscal Years Ending June 30, 2021 and June 30, 2022

	Actuals										Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Quarter Ended 9/30/20	For the Quarter Ended 12/31/20	For the Quarter Ended 3/31/21	For the Quarter Ended 6/30/21	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22
REVENUES												
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	18,395				(1) 29,465	(1) 193,865
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	732				(2) 9,964	(2) 6,918
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	19,127	-	-	-	39,429	200,783
EXPENDITURES												
Personal Services	113,145	112,763	115,097	134,846	126,366	124,812	22,863	-	-	-	(3) 126,366	(3) 124,812
Travel	0	-	-	-	-	-	-	-	-	-	-	-
Commodities	0	89	-	617	-	-	-	-	-	-	-	-
Services - Non-claims	732	5,085	13	10	5,000	497	-	-	-	-	5,000	497
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	-	-	-	-	24,902	25,300
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	150,608	22,863	-	-	-	156,268	150,608
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	-	-	-	(116,839)	50,175
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	-	-	-	(116,839)	50,175
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	324,115	324,115	324,115	327,850	211,011
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	324,115	324,115	324,115	324,115	\$ 211,011	\$ 261,186

(1) For FY22, licenses and permits revenue projected to be the same as FY20.
(2) Projecting through FY21 based on FY19 rate of earnings.
For FY21, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks.
(3)

Statement of Cash Flows
Real Estate Recovery Fund
September 30, 2020

	Actuals						Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 193,865 ⁽¹⁾	\$ 29,465	\$ 193,865
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(124,812) ⁽²⁾	(126,366)	(124,812)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	(24,902)	(25,300)
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(5,000)	(497)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	43,257	(126,803)	43,257
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	6,918 ⁽³⁾	9,964	6,918
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	9,964	6,918
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(116,839)	50,175
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	211,011
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 211,011	\$ 261,186

(1) For FY22, licenses and permits revenue projected to be the same as FY20.

(2) Projecting through FY21 based on FY19 rate of earnings.

(3) For FY21, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks.

Commission Members Comments & Questions

Adjournment