

**Real Estate Commission
Property Management
Committee Meeting**

January 21, 2021

**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

REAL ESTATE COMMISSION
Property Management Committee
Meeting Agenda

January 21, 2021

Atwood Building
550 W. 7th Ave. Ste. 1550 (ZOOM ONLY)
Anchorage, AK

Email realestatecommission@alaska.gov for ZOOM information

Thursday, January 21, 2021

12:00 p.m.

1. Call to Order Taggart
2. Approval of Agenda
3. Approval of October 29, 2020 Meeting Minutes
4. Public Comment
5. Summary of Mission Statement & Top 5 Goals
 1. Clarity and best practices on security deposits and management of client accounts
 2. Advocacy for education of all property and association management
 3. Audit of Alaska Real Estate Commission property management and association regulations to bring up the standards to today's practice, 12 AAC 64.550, 12 AAC 64.560, 12 AAC 64.570
 4. Research what other states have done in the area of property and association management especially through ARELLO and Florida
 5. Connecting property and association management resources to the public
6. Brainstorm Session on Security Deposit/Ernest Money Best Practice
7. Review/Approve "2020 Review & 2021 Goals" Letter to the Commission
8. Next Meeting Dates
9. Adjourn

Property Management Regulations
12 AAC 64.550, 12 AAC 64.560, 12 AAC 64.570

Meeting Minutes

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

5 REAL ESTATE COMMISSION
6 Property Management Committee
7 MEETING MINUTES
8

9 October 29, 2020
10

11 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a
12 scheduled teleconference meeting of the Real Estate Commission Property Management
13 Committee was held October 29, 2020, at the State of Alaska Atwood Building, 550 W. 7th
14 Avenue, Suite 1560, Anchorage, Alaska.
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16
17 **Thursday, October 29, 2020**

18 **Agenda Item 1 – Call to Order**

19 Chair, Cassandra Taggart, called the meeting to order at 12:08 p.m.
20

21 Attendees present via ZOOM:

22 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
23 Cheryl Markwood, Commission Member, Broker, Markwood Realty, Fairbanks
24 Sam Goldman, Commission Member, Broker, Alaska Built Real Estate, Wasilla
25 Kris Abegg, Broker, Paragon Properties, Anchorage
26 Eric Bushnell, Broker, Lee Realty, Wasilla
27 Stacie Krause, Associate Broker, Jack White Real Estate, Soldotna
28 Tracy Scott, Associate Broker, Real Estate Solutions of Alaska, Anchorage
29 Maude Morse, Alaska Housing Finance Corporation
30 Laura McMillon, Compliance Administrator, The CE Shop
31

32 Staff Present:

33 Shyla Consalo, Executive Administrator
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35

36 **Agenda Item 2 – Approval of Agenda**

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38 On a motion duly made by, Mr. Goldman, seconded by Ms. Abegg, it was,

39
40 RESOLVED to approve the meeting agenda.
41
42

43 **Agenda Item 3 – Approval of August 20, 2020 Meeting Minutes**

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45 On a motion duly made by, Ms. Abegg, seconded by Ms. Markwood, it was,

46
47 RESOLVED to approve the August 20, 2020 meeting minutes as presented.
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50 **Agenda Item 4 – Public Comment**

51 There were no public comments.
52
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55 **Agenda Item 5 – Summary of Mission Statement & Top 5 Goals**

56 Ms. Taggart stated the mission statement: Licensed property and association managers be well
57 informed, educated, and supportive of real estate needs for Alaskans.

58

59 Ms. Taggart stated the top 5 goals as a summary:

- 60 1. Clarity and best practices on security deposits and management of client accounts.
- 61 2. Advocacy for education of all property and association management.
- 62 3. Audit of Alaska of real estate property management and association regulations to bring
63 up the standards to today's practice. (12 AAC 64.550 - 580).
- 64 4. Research what other states have done in property management and association
65 management, specifically through ARELLO and Florida.
- 66 5. Connecting property and association management resources to the public.

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69 **Agenda Item 6 – Review Goal #1 – Best Practice**

70 **Agenda Item 6(a) – Contracts and Disclosures**

71 Goal #1 is to create clarity and best practices on security deposits and management of client
72 accounts.

73

74 Ms. Taggart stated the document being reviewed is best practices regarding Property
75 Management Contracts and Disclosures. Ms. Taggart explained the best practice document is
76 regarding generally accepted practices in the property management industry around the topic of
77 Property Management Reporting for any or all parties involved in property management contracts.
78 Ms. Taggart suggested the best way to review the document would be to go through each section
79 individually and work through any suggestions or edits there may be. The goal is to see if there's
80 enough put together to get an approval through the Committee, to provide to the Commission for
81 consideration at their next meeting in December.

82

83 Ms. Taggart started with the statute and regulation reference section. There were no suggested
84 changes to be made to this section.

85

86 Ms. Taggart moved to the Purpose and Disclosure sections. There were no suggested changes to
87 be made to these sections.

88

89 Ms. Taggart moved on to the Broker/Licensee Policy Handbook and/or Contract section. She
90 explained this section's purpose is to encourage brokers to consider things to address within their
91 brokerage to avoid potential problems, complaints, and challenges. Each subsection was looked
92 at and worked through individually:

93 a. There were no suggested changes to this section.

94 b. There were no suggested changes to this section.

95 c. There were no suggested changes to this section.

96 d. There were no suggested changes to this section.

97 e. Additional information and examples will be added to this subsection to include a list of
98 different insurance coverages brokers should be considering.

99 f. There were no suggested changes to this section.

100 g. There were no suggested changes to this section; however, Ms. Markwood commented
101 that it's good to have this defined in broker policy; but, it should also be noted that every
102 condo association is different. So, while there may be a broker policy on something, each
103 condo association and/or property management contract may stipulate something
104 different. Ms. Taggart acknowledged that issue, and stated that would also be something
105 to consider defining in the management contract, so there are no surprises; however, it's
106 something that should also be defined in broker policy to avoid disputes and conflicts.

- 107 h. An additional subsection will be added to address FDIC insurance and the correct way
- 108 to label trust accounts. Ms. Abegg commented that large balances are carried in trust
- 109 accounts, and each client is considered individual under FDIC insurance as long as the
- 110 accounts are labeled correctly. If the accounts aren't labeled correctly, then FDIC
- 111 insurance may not be in place. She further stated the information she received from FDIC
- 112 was not an easy thing to extract, and the banks told her different things than FDIC, so she
- 113 thinks it's important for licensees to be aware of this issue. Ms. Abegg stated she would
- 114 forward the correspondence she had on the matter, so Ms. Taggart could add the
- 115 additional information to reference.
- 116 i. There were no suggested changes to this section.
- 117 j. There were no suggested changes to this section.
- 118 k. There were no suggested changes to this section.
- 119

120 Ms. Taggart moved on to the Management Contract section. She explained this section's purpose
121 is to encourage brokers to consider things to address within their management contracts to avoid
122 potential problems, complaints, and challenges. Each subsection of this section was looked at
123 and worked through individually:

- 124 a. Additional examples were added to include a broader list of financial duties brokers
- 125 should be considering.
- 126 b. There were no suggested changes to this section.
- 127 c. There were no suggested changes to this section.
- 128 d. Additional examples were added to include a broader list of operational expenses
- 129 brokers should be considering.
- 130 e. An additional example was added to include records requests.
- 131 f. There were no suggested changes to this section.
- 132 g. There were no suggested changes to this section.
- 133 h. There was a grammatical change made to this subsection for better clarity.
- 134 i. Additional examples were added to include a broader list of items to include in the
- 135 disclosures at termination of a management contract brokers should be considering.
- 136

137 Ms. Taggart moved on to the Lease Contract section. She explained this section's purpose is to
138 encourage brokers to consider things to address within their lease contracts to avoid potential
139 problems, complaints, and challenges. Each subsection of this section was looked at and worked
140 through individually:

- 141 a. There were no suggested changes to this section.
- 142 b. There were no suggested changes to this section.
- 143 c. There were no suggested changes to this section.
- 144

145 Ms. Taggart moved on to the Management Contract Disclosures section. She explained this
146 section's purpose is to encourage brokers to consider things to disclose within their management
147 contracts to avoid potential problems, complaints, and challenges. Each subsection of this section
148 was looked at and worked through individually:

- 149 a. There were no suggested changes to this section.
- 150 b. There were no suggested changes to this section.
- 151 c. There were no suggested changes to this section.
- 152

153 Ms. Taggart moved on to the last portion of the document, Lease Contract Disclosures section.
154 She explained this section's purpose is to encourage brokers to consider things to disclose within
155 their lease contracts to avoid potential problems, complaints, and challenges. Each subsection of
156 this section was looked at and worked through individually:

- 157 a. There were no suggested changes to this section.
- 158 b. There were no suggested changes to this section.

- 159 c. There were no suggested changes to this section.
- 160 d. There were no suggested changes to this section.
- 161 e. Property condition report was added.
- 162 f. Military relocation clause (SCRA) was added.

163
164 **On a motion duly made by, Ms. Markwood, seconded by Ms. Abegg, it was,**

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166 **RESOLVED to approve the best practice document on Property Management**
167 **Contracts and Disclosures as amended, and submit to the Commission for**
168 **consideration at their December meeting.**

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170 **All in favor; Motion passed.**

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173 **Agenda Item 7 – Discuss/Draft Information Piece Re: Rent Assistance**

174 Ms. Taggart explained that 211 has been having issues trying to keep up with the volume of the
175 rent relief questions going on, and the volume of the unpaid utilities and everything happening
176 with COVID. United Way & Ms. Taggart did a presentation to the Commission asking for
177 permission to prepare a list of resources that can provide relief and have it sent out in a ListServ
178 announcement. There are a lot of property managers out there that may or may not know about
179 some of these resources, so they wanted to participate in helping people connect the dots. She's
180 been working with United Way and several other people to create a statewide list of resources
181 that property managers can use to connect with their tenants, homeowners, or property owners
182 that may help them during these unprecedented times. If anyone know of any additional
183 resources, please email them to her or Ms. Consalo so they can be added to the list. Her goal is
184 to have the list given to Ms. Consalo by next Friday.

185
186 Ms. Morse asked Ms. Taggart to clarify what types of resources she was referring to, as Alaska
187 Housing Finance Corporation (AHFC) has a lot of information on their website for temporary relief
188 for homeowners and renters. Ms. Taggart stated she did have AHFC on the list, but if Ms. Morse
189 had a resource link to add or additional information they wanted then she could add it. Ms.
190 Taggart explained the list is an excel spreadsheet with the name and type of relief, website
191 information, phone number, and any other helpful information she can put in a notes section. Ms.
192 Taggart stated she could send the spreadsheet she currently has drafted out to everyone, so they
193 can provide their input if they prefer to do it that way. Ms. Morse and Ms. Abegg stated they would
194 like to see the spreadsheet, so they can have a visual of what is listed so far, and offer additional
195 information that isn't already provided.

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198 **Agenda Item 8 – Adjourn**

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200 **On a motion duly made by Ms. Abegg, seconded by Mr. Goldman, it was,**

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202 **RESOLVED to adjourn.**

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204 **Meeting adjourned at 1:08 p.m.**

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REC Property Management Committee
Teleconference Meeting Minutes
October 29, 2020
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Prepared and submitted by:
Real Estate Commission Staff

Approved:

Kasandra Taggart, Chair
REC Property Management Committee

Date: _____

Oral Comments & Public Comments

Summary of Mission Statement & Top 5 Goals

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2020

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 that license. Additionally, provide best practices white papers on various topics as deemed appropriate on the website as approved by the Commission.	Staff & Investigator (Shyla & Autumn)
Protect the Consumer	Provide the Commission for consideration, what the Commission 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 review to put in the Commission website.	Property Management Committee of the Commission
Protect the Consumer	Refine and rework current processes, to increase the speed of actions to keep outside licensees or non-licensees from transacting business for which an Alaska real estate license or broker's license is required. Then, 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).	Commissioner Nelson & McConnochie to provide information to staff
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 • Change how the Commission receives and disseminates license history; i.e. paper versus digital, or some other process • 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 	Commissioner McConnochie & Staff (Shyla & Nancy)
Protect the Consumer / Inform licensees	Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21 st century.	ALL

MEMORANDUM

Date: December 14, 2019
To: Alaska Real Estate Commission
From: Cassandra Taggart, Chair, Property Management Committee
Approved: AREC Approved at 12.19.19 Meeting

At its meeting on December 13, the Property Management Committee came up with the following Mission Statement and prioritized areas to work on in 2020. The Committee asks that the Alaska Real Estate Commission approves the statement and goals and gives the Committee authority to work on these in the coming year.

Mission Statement

Licensed property and association managers be well informed, educated and supportive of real estate needs for Alaskans.

Five listed areas to focus on (prioritized):

1. Clarity and best practices on security deposits and management of client accounts
2. Advocacy for education of all property and association management
3. Audit of Alaska Real Estate Commission property management and association regulations to bring up the standards to today's practice, 12 AAC 64.550, 12 AAC 64.560, 12 AAC 64.570
4. Research what other states have done in the area of property and association management especially through ARELLO and Florida
5. Connecting property and association management resources to the public

Brainstorming Session

Review Goals

MEMORANDUM

Date: January 2021
To: Alaska Real Estate Commission
From: Kassandra Taggart, Chair, Property Management Committee
RE: 2020 Review – 2021 Goals for Property Management Committee

New year creates new plans! Even with the challenges of 2020, much was accomplished with the Property Management Committee. The Committee was formed in December 2019, and the first meeting was on February 20, 2020. At this meeting, the mission and five areas of goals were established for 2020. Below is a quick summary of what the goals were and what has been accomplished:

Mission Statement - Licensed property and association managers be well informed, educated, and supportive of real estate needs for Alaskans.

2020 five listed areas to focus on (prioritized):

1. Clarity and best practices on security deposits and management of client accounts
 - a. Created best practice for Property Management Reports
 - b. Created best practice for Property Management Contracts and Disclosures
 - c. Pending best practice for Property Management Security Deposit and Earnest Money
2. Advocacy for education of all property and association management
 - a. Brainstormed and provided input regarding CE credits for the Commission review
 - i. See “Property Management Topics for Education Committee Consideration” posted March 2020 on the Property Management Resources Section.
3. Audit of Alaska Real Estate Commission property management and association regulations to bring up the standards to today’s practice, 12 AAC 64.550, 12 AAC 64.560, 12 AAC 64.570
 - a. Not Started
4. Research what other states have done in the area of property and association management especially through ARELLO and Florida
 - a. Utilized ARELLO to create what other states are doing regarding property management training, trust accounts, and continuing education

5. Connecting property and association management resources to the public
 - a. Worked with staff to create a public page on the Commission website to have information that assists the public regarding property management information
 - i. <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/RealEstateCommission/PropertyManagementResources.aspx>
 - b. Created best practices for optional educational resources for property management as a specialty

The Property Management Committee is set to have the yearly goals meeting in April. We are formally requesting two things from the Commission:

1. An introduction to whom will be the Committee's point of contact for 2021, as the liaison for the Commission
2. Does the Commission have any requests or input on goals or objectives for 2021 for the Property Management Committee? Currently, we are finishing up the best practices for security deposits and earnest money. Typically, the next meeting after this is completed, will be completing a brainstorming session to establish a focus for 2021 that we will submit for approval.

Next Meeting Dates

Adjournment