

**State of Alaska**

**Real Estate Commission  
Work Meeting**

**May 15, 2025**

**9:00 am**

Call to Order

# Introductions

# Public Comment



## Topics for Review and Discussion

## May 15, 2025, Work Meeting Proposed Regulation Changes Quick Guide

### 12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.

#### 12 AAC 64.063(a)(2)-

1. Application by Endorsement – (Does not affect initial licenses by exam)
  - Remove 18-24mo Pre-Licensing Education requirement and replace within 18 months for 6 hours AK Law
  - Require all License by Endorsement applicants to submit proof of completion/certificate since original type licensure Equivalent Broker/Associate Broker 30 hour r BPL, or Equivalent Salesperson 40hr SPL
2. Change 30 hours Broker Pre-Licensing from 3hrs AK Law to 6hrs AK Law in course.

### 12 AAC 64.064. EDUCATION REQUIREMENTS AFTER INITIAL LICENSE.

#### 1. 12 AAC 64.064(h)-

- (h) Upgrade from salesperson to broker or associate broker may not supervise until completing broker PLE.
- Require Broker PLE Before Supervision of licensees

#### 2. 12 AAC 64.064(g)-

- Licensee options – remain in “Lapse” status, Downgrade to Salesperson, or Reinstate license

### 12 AAC 64.075. EMPLOYMENT AND TRANSFER.

#### 12 AAC 64.075(f)-

- Amendment to Office Change Procedure/processing for Brokers and Associate Brokers in Charge – 10 days. Similar to the 30 day timeframe allowed for licensees transferring to a different office and they have up to 30 days to work in the new office while waiting for REC processing time and an amended certificate, 12 AAC 64.075

### 12 AAC 64.110. REQUIREMENTS FOR ESTABLISHING AND MAINTAINING AN OFFICE.

#### 12 AAC 64.110(a) and (b)-

- to add the word “physical” before principal office in the state.
- Draft revision to verbiage brought forward at the November 2024 work meeting regarding physical office in the state.

### 12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION.

#### 12 AAC 64.130(8)-

- Add, advertising, teams minimum size of text of office name vs team name

### 12 AAC 64.065. LICENSE REQUIRED FOR EMPLOYEES, DIRECTORS, AGENTS, AND OFFICERS.

#### 12 AAC 64.065(5)(c)-

- Replace the word “Corporation” with “Entity”

### 12 AAC 64.078. TEMPORARY ABSENCE OF BROKER OF RECORD.

#### 12 AAC 64.078(b)(2)-

- Change wording to “during the broker of record’s absence; the broker temporarily substituting for the broker of record shall remain employed at that the ~~person’s~~ **substitute broker’s currently registered office.**”

# 12 AAC 64.063 -Education Requirements for Licensure -Application by Endorsement

**Proposal: Streamlining Application by Endorsement Education Requirements - 12 AAC 64.063. Minimum Education Requirements for Licensure.**

## **Purpose:**

To simplify the Application by Endorsement education requirements for out-of-state licensees seeking Alaska Real Estate Commission (REC) licensure. This proposal grants educational credit to applicants with more than two years of real estate experience in their license type while ensuring compliance with Alaska-specific education requirements. Key changes include requiring a 6-hour Alaska Law course and modifying the 30-hour Broker Pre-Licensing course to increase Alaska Law instruction from 3 hours to 6 hours.

## **Proposed Changes:**

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### **1. Application by Endorsement (No impact on initial licensure by exam)**

- Replace the 18–24-month Pre-Licensing Education requirement with a 6-hour Alaska Law course, to be completed within 18 months of application.
- Require all applicants by Endorsement to submit proof of completion/certification for the equivalent pre-licensing education based on their license type:
  - Broker/Associate Broker: Equivalent 30-hour Broker Pre-Licensing (BPL).
  - Salesperson: Equivalent 40-hour Salesperson Pre-Licensing (SPL).

### **2. Modification to Broker Pre-Licensing Education Requirements**

- Increase the Alaska Law component of the 30-hour Broker Pre-Licensing course from 3 hours to 6 hours to enhance state-specific regulatory knowledge within the approved courses.

This proposal maintains high educational standards while making the licensing process more efficient for experienced professionals entering Alaska's real estate market.

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## ***Proposed Regulation:***

**12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.** (a) All real estate education courses used to qualify for initial licensure must

(1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 and this section; and  
(2) have been completed within the 18 months immediately preceding the date of application, except that the real estate education courses used to qualify for initial licensure by endorsement must have completed the **6hr Alaska Law Course within the 18 months immediately preceding the date of application.**

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics: **except that the real estate education courses used to qualify for initial licensure by endorsement must provide a certificate of completion showing that they have completed comparable education to Alaska education requirements in 12 ACC 64.063(b)(1-5):**

- (1) broker supervision requirements and record keeping - four contact hours;
- (2) trust accounting procedures - three contact hours;
- (3) organizing and managing a real estate office - three contact hours;
- (4) property management – two contact hours; and
- (5) broker-level education to understand the applicability of the following areas covered previously in the applicant's initial education course to receive a real estate salesperson license:
  - (A) licensee relationships, disclosure, and conflict of interest – three contact hours;
  - (B) forms of ownership - two contact hours;
  - (C) property law, public and private rights and limitations - two contact hours;
  - (D) forms of conveyances and recording of documents - two contact hours;
  - (E) contracts and transaction documents - two contact hours;
  - (F) financing instruments and accounting principles - two contact hours;
  - (G) Alaska real estate license law and Alaska landlord tenant law – **six (6)** contact hours; and
  - (H) federal fair housing and Real Estate Settlement Procedures Act (RESPA) laws - two contact hours.

(c) To meet the real estate education requirements for licensure under AS 08.88.171(c), an applicant for an initial real estate license shall document completion of the following topics and hours: **except that the real estate education courses used to qualify for initial licensure by endorsement must provide a certificate of completion showing that they have completed comparable education to Alaska education requirements in 12 ACC 64.063(c)(1-8):**

- (1) licensee relationships, disclosure, and conflict of interest - six contact hours;
- (2) forms of ownership - four contact hours;
- (3) property law, public and private rights and limitations - four contact hours;
- (4) forms of conveyances and recording of documents - four contact hours;
- (5) contracts and transaction documents - eight contact hours;
- (6) financing instruments and accounting principles - six contact hours;
- (7) Alaska real estate license law and Alaska landlord tenant law - six contact hours; and
- (8) federal fair housing and RESPA laws - two contact hours.

(e) An associate broker who has met the education requirements in (b) of this section does not need to repeat those requirements when upgrading to a broker license.

**Authority:** AS 08.88.081 AS 08.88.091 AS 08.88.171

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## *Current Regulation:*

**12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.** (a) All real estate education courses used to qualify for initial licensure must

- (1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 and this section; and
- (2) have been completed within the 18 months immediately preceding the date of application, except that the real estate education courses used to qualify for initial licensure by endorsement must have been completed within the 24 months immediately preceding the date of application.

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics:

- (1) broker supervision requirements and record keeping - four contact hours;
- (2) trust accounting procedures - three contact hours;
- (3) organizing and managing a real estate office - three contact hours;
- (4) property management – two contact hours; and
- (5) broker-level education to understand the applicability of the following areas covered previously in the applicant's initial education course to receive a real estate salesperson license:

(c) To meet the real estate education requirements for licensure under AS 08.88.171(c), an applicant for an initial real estate license shall document completion of the following topics and hours:

- (1) licensee relationships, disclosure, and conflict of interest - six contact hours;
- (2) forms of ownership - four contact hours;
- (3) property law, public and private rights and limitations - four contact hours;
- (4) forms of conveyances and recording of documents - four contact hours;
- (5) contracts and transaction documents - eight contact hours;
- (6) financing instruments and accounting principles - six contact hours;
- (7) Alaska real estate license law and Alaska landlord tenant law - six contact hours; and
- (8) federal fair housing and RESPA laws - two contact hours.

(e) An associate broker who has met the education requirements in (b) of this section does not need to repeat those requirements when upgrading to a broker license.

# 12 AAC 64.064 – Education Requirement after Initial License Require Broker PLE Before Supervision

## **Proposal: Amendment to 12 AAC 64.064 (g) & (h) – Broker or Associate Broker In Charge**

### **Purpose:**

To clarify the requirements for salespersons upgrading to Broker or Associate Broker In Charge, ensuring that individuals in supervisory roles have completed the necessary Post-Licensing Education (PLE) before overseeing other licensees.

### **Proposed Changes:**

#### **(g) License Status Change (Upgrade) to Broker or Associate Broker In Charge**

- A salesperson may only apply for a license upgrade to Broker or Associate Broker In Charge after completing the education requirements outlined in 12 AAC 64.064(c).

#### **(h) Supervision Restriction for Upgraded Licensees**

- A salesperson upgrading to Broker or Associate Broker In Charge may not supervise other licensees until they have completed Broker Post-Licensing Education (PLE).
- Until PLE completion, they may not oversee licensees in an office or branch office requiring supervision. Once PLE is successfully completed and the appropriate documentation is submitted, the upgraded licensee may assume supervisory responsibilities.

This proposal ensures that newly upgraded Brokers or Associate Brokers In Charge have completed the necessary education and training before assuming supervisory responsibilities. This helps maintain professional standards and protects both licensees and consumers in the real estate industry.

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### ***Current Regulation:***

**12 AAC 64.064. EDUCATION REQUIREMENTS AFTER INITIAL LICENSE.** (a) *In addition to the education requirements of 12 AAC 64.063 for an initial license and the continuing education requirements under 12 AAC 64.500 for license renewal, within one year after the date that the commission issues an initial license to a real estate licensee under this chapter, the licensee shall complete 30 hours of education that meets the applicable requirements of (b) or (c) of this section.*

(c) *Except for a person issued an initial license as a real estate broker as described in AS 08.88.095(f) after initial licensure as a broker or associate broker, to meet the real estate education requirements of AS 08.88.095 and this section, the broker or associate broker must complete the following course modules:*

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*(g) A licensed salesperson issued an initial license as a broker or associate broker who fails to meet the educational requirements under (a) of this section, shall upon application and payment of the required fees, be reissued a salesperson's license provided that the licensee continues to be eligible for a salesperson's license.*

**Authority: AS 08.88.071      AS 08.88.091      AS 08.88.095**

# 12 AAC 64.075 – Employment and Transfer

## Change of New Broker/Associate Broker

### **Proposal: Amendment to Office Change Procedure for Brokers and Associate Brokers in Charge - 12 AAC 64.075. Employment and Transfer**

#### **Purpose:**

To clarify and formalize the temporary authority granted to brokers and associate brokers in charge when applying for an office change, ensuring a smooth transition while awaiting approval of the amended certificate.

#### **Proposed Changes: Amended Language:**

(f) After submitting a completed application for an office change due to a change of broker or associate broker in charge, the newly designated broker or associate broker in charge may assume supervisory duties at that office for up to 10 calendar days while awaiting approval and issuance of an amended certificate.

- This provision applies only to brokers and associate brokers who hold an active or license return status at the time of application.
- The broker or associate broker must maintain full compliance with all regulatory requirements, including trust account oversight and licensee supervision, during the transition period.
- If the office change application is denied or delayed beyond 10 days, the office must cease operations under the new broker or associate broker until the amended certificate is issued.

**Justification:** This amendment protects consumers, maintains industry integrity, and ensures smooth transitions in brokerage leadership.

- Provides clear guidelines on the broker's authority during the transition period.
- Ensures regulatory compliance while minimizing business disruption.
- Establishes a definitive process for handling office changes efficiently and transparently.

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#### **Current Regulation:**

##### **12 AAC 64.075. EMPLOYMENT AND TRANSFER.**

(a) An individual may not be involved in activities requiring licensure under AS 08.88 until the individual's employing broker signs and delivers to the commission, either by electronic mail or regular United States mail, a notice of employment of the individual and the individual's completed broker notice to real estate commission of licensee termination form is delivered to the broker by the licensee or the commission.

(b) When a licensee requests a license transfer from one broker to another, the terminating broker must complete the broker notice to real estate commission of licensee termination form, provide a copy



of the completed form to the licensee, and submit the completed form to the commission, either by electronic mail or regular United States mail, not later than five days from the date of the licensee's request for a license transfer. The licensee shall provide the new employing broker with a copy of the completed broker notice to real estate commission of licensee termination form and provide the commission with a completed application for license transfer and the fees established in 12 AAC 02.360. The commission will mail an amended license certificate directly to the new employing broker.

(c) After applying for a license transfer, the licensee may work in the office of the new employing broker for not more than 30 days while waiting for an amended license certificate. The new employing broker shall keep a copy of the licensee's signed application for license transfer and a copy of the completed broker notice to real estate commission of licensee termination form described in (b) of this section until the amended license certificate is received.

(d) The commission's designee shall review and approve a license transfer if the transfer.

(1) allows a licensee to resume licensed practice under AS 08.88.171(a)(1), (a)(2), (b)(1), or (b)(2), or after being re-employed as a licensed real estate salesperson for purposes of AS 08.88.171(c); and

(2) does not require further review by the commission.

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after the commission's receipt, either by electronic mail or regular United States mail, of notice from the licensee's terminating broker interrupts the licensee's period of active and continuous experience.

**(f) After applying for an office change for a change of broker or associate broker in charge, the broker or associate broker may work in that office as the new broker or associate broker in charge for not more than 10 days while waiting for completed office changes and amended certificate. This applies to licensed brokers and associate brokers in an active or license return license status.**

**Authority:** AS 08.88.081 AS 08.88.171 AS 08.88.251

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# 12 AAC 64.110 – Requirements for Establishing and Maintaining an Office

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## Clarify Physical Principal Office in State

**Proposal: Amendment to 12 AAC 64.110 – Requirement for a Physical Principal Office in the State**

### **Purpose:**

To clarify the requirement that a brokerage's principal office must be a physical location within the state, ensuring compliance with regulatory oversight and maintaining accessibility for consumers and licensees. 12 AAC 64.110(a) and (b) require that a broker establish a principal office in the state but do not explicitly define the nature of the office.

### **Proposed Changes:**

#### **Amended Language:**

12 AAC 64.110(a) and (b) – The term "principal office" shall be revised to "physical principal office" to clarify that the brokerage must maintain a tangible, in-state location.

### **Proposed Revision:**

- (a) A broker shall maintain a physical principal office in this state that complies with the requirements set forth in this chapter.
- (b) The physical principal office must be a fixed, identifiable location within the state where the broker conducts business, maintains records, and ensures regulatory compliance.

### **Justification:**

- Ensures that a brokerage's principal office is a real, in-state location rather than a virtual or out-of-state entity.
- Enhances consumer protection by ensuring accessibility to brokers and records.
- Aligns with regulatory intent for maintaining oversight of real estate operations within the state.

This revision clarifies compliance expectations, strengthens regulatory enforcement, and ensures that real estate business operations remain physically present within the state.

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### *Current Regulation:*

12 AAC 64.110. REQUIREMENTS FOR ESTABLISHING AND MAINTAINING AN OFFICE.

(a) A real estate broker holding an active license shall establish and maintain a **physical** principal office in this state. The office in which the broker works and maintains the broker's license is the **physical** principal office of the broker.

Proposal: Amendment to 12 AAC 64.110 – Requirement for a Physical Principal Office in the State

(b) A broker who maintains offices or branch offices other than the **physical** principal office or **physical** branch shall have an associate broker in charge of each branch office. If a broker has an associate broker in charge of an office, the broker is responsible for supervision of the associate broker. The operation of a branch office without licensed personnel or without an associate broker in charge is grounds for suspension or revocation of the broker's license.

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# 12 AAC 64.130 – Advertising/Teams

## Size of Text of Office Name vs Team Name

**Proposal: Amendment to Advertising Regulations – Inclusion of Broker’s Business Name and Text Size Standardization - 12 ACC 64.130. Grounds For Revocation or Suspension.**

### **Purpose:**

To ensure clarity and transparency in real estate advertising by requiring that a broker’s registered business name is clearly visible in all advertisements. This amendment also introduces text size requirements to prevent confusion between a broker’s business name and team branding.

### **Proposed Changes:**

#### **Amended Language:**

(1) Advertising to buy, sell, rent, lease, or exchange any real estate must include the broker’s business name as registered with the department. This requirement applies to all public advertisements, including those for properties personally owned by the licensee. The broker’s business name must be prominent and legible in all advertisements. If a team name is included in the advertisement, the broker’s business name must be equal to or larger than the team name in font size and prominence.

**Authority: AS 08.88.081**

**AS 08.88.391**

### **Justification:**

- Ensures consumers clearly identify the responsible brokerage behind the advertisement.
- Prevents misleading advertisements where team names appear larger than the broker’s business name, creating confusion about the supervising entity.
- Aligns with industry best practices for advertising transparency.

This change enhances consumer protection, ensures broker accountability, and promotes clear advertising standards within the real estate industry.

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### *Current Regulation:*

**12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION.** The following acts, in addition to those specified elsewhere in this chapter, are grounds for revocation or suspension of a license:

- (1) acting or failing to act as specified in AS 08.88.071(a)(3);
- (2) representing more than one party in a real estate transaction;
- (3) failing to account for, remit, or surrender any money, documents, or other property of value coming into the possession or control of the licensee in the course of a real estate transaction or unreasonably delaying the accounting for or disbursement of money, documents, or other property held

Proposal: Amendment to Advertising Regulations – Inclusion of Broker’s Business Name and Text Size Standardization - 12 ACC 64.130.

by or which is the responsibility of the broker for parties in a real estate transaction;

(4) failing to disclose information as required in 12 AAC 64.940;

(A) the listing contract;

(B) repealed 1/9/2014;

(C) the settlement statement;

(5) being found guilty of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other similar offenses committed while licensed under this chapter; for the purpose of this paragraph, "being found guilty" means a guilty verdict by a judge or jury or pleading nolo contendere or guilty to any of these acts or having a hearing officer find that the licensee participated in these at a hearing held in accordance with AS 44.62 (Administrative Procedure Act);

(6) advertising a property for sale, lease, or rent without first obtaining the written authority of the owner or the owner's authorized agent to sell, lease, or rent the property;

(7) paying referral fees, sharing commissions, or otherwise compensating a person who is prohibited from receiving compensation under AS 08.88.40l(b);

**(8) advertising to buy, sell, rent, lease or exchange any real estate without including in the advertisement the broker's business name registered with the department; this paragraph applies to all real estate advertised to the public including that owned by the licensee;**

(9) failing to disclose to all parties in a real estate transaction the fact that the licensee is licensed or failing to disclose the name of the broker or company under whom the licensee is licensed;

(10) employing or using a third-party purchaser, purchasing through corporations, partnerships, or other entities or working through friends, relatives, or business associates in a way that profits the licensee with the effect, in whole or in part, of concealing the profit and the name of the interested licensee;

(11) acting in violation of the provisions of AS 08.88;

(12) accepting as earnest money anything other than cash unless the offered non-cash substitute is communicated to the owner before accepting the offer to purchase, and the acceptance of the non-cash substitute is identified as a non-cash substitute on the earnest money receipt;

(13) failing to submit to the seller or the seller's licensee all written bona fide offers received before the seller accepts another offer in writing and the broker has knowledge of the acceptance;

(14) failing to disclose to a prospective buyer a known material defect regarding the condition of, or a known legal defect pertaining to, the offered real estate or interest in real estate;

(15) engaging in or committing any act which is grounds for denying a license;

(16) for a broker, permitting another person to use the broker's license, whether for compensation or not, to enable someone other than the broker to establish or carry on a business for which a real estate license is required;

(17) for a broker, allowing a salesperson to operate a real estate business without retaining control as the employing broker for the business;

(18) establishing or carrying on a real estate business without a broker's supervision as required by 12 AAC 64.125;

(19) being found guilty of violating local, state, or federal fair housing laws.

**Authority:** AS 08.88.071 AS 08.88.081 AS 08.88.401

## Teams Advertising/Regulations

Two definitions of a Team and Alternative Name.

- 1) Any group of two or more real estate licensees affiliated with the same broker or brokerage and/or other non-licensed professionals, such as administrative assistants and other professionals specializing in real estate related fields that advertise together and that group is not licensed pursuant to the licensing statute. (From Ohio can be one licensee and an unlicensed assistant)
- 2) A team or group shall mean a collective name used by two or more real estate licensees, who represent themselves to the public as a part of one entity that performs real estate license activities under the supervision of the same sponsoring broker. (Louisiana - must have two licensees)
- 3) Alternative Name: find description (not talking about licensee name)

This is a full list of requirements from other states. Some may contradict each other but it will give us a place to start:

- All advertising of a Team name must include the Brokerage name as registered by the commission.
- A Team must designate a team member as its Team Leader. The Team Leader must be an Associate Broker.
- The Team must be sponsored by a Broker. All Teams should inform the Alaska Real Estate Commission of the team formation prior to providing any real estate services in the name of the Team by emailing the commission.
- All commissions paid to a team shall go through the Broker.
- The Team name must include the word "team" and may not contain any other term that would lead the public to believe that the team is offering brokerage services independent from its sponsoring Brokerage. Thus a team name cannot use specific words or phrases that would imply a separate entity from the brokerage such as "realty", "real estate", "realtors", "company", "associate", "firm", "group", LLC, Inc, or the like.
- The Team Leader is responsible for all communications between the Broker and the team.
- If a team logo or alternative is used, the brokerage logo or name, as registered with the commission, must be half the size or larger than the team name.
- Broker reference - required brokerage identification information be placed close to the team's name.
- Brokerage reference be included on each page or frame of a licensee's internet domain or website.
- A Team may not operate out of an office or location other than the Broker's office or the branch office where the licenses are displayed.
- Any advertisement with a non licensed person, must clearly and state which individuals are licensed and which are not.
- All licensed team members must be affiliated with the same brokerage.

- The Team Leader must exercise reasonable and adequate supervision over the provision of real estate services by members of the team.

Do's and Don'ts for Teams

**Would like approval to replace Teams Best Practices with something similar to Maryland's Dos & Don'ts.**



# Maryland Real Estate Commission

## Do's and Don'ts for Teams & Groups

### Team Basics

- ☒ A Team must consist of two or more Associate Brokers or Salespersons or a combination of the two who:
  - 1 Work together on a regular basis;
  - 2 Represent themselves to the public as being part of one entity; AND
  - 3 Designate themselves by a collective name such as "Team or Group."
- ☒ All licensed team members must be affiliated with the same broker, and offer broker services at the same office or branch office.
- ☒ Team members must conduct all real estate brokerage activities from the broker's office or the branch office where their licenses are displayed.
- ☒ All Teams should inform the MREC of team formation prior to providing any real estate services in the name of or advertising as a Team by emailing [dlmrec-labor@maryland.gov](mailto:dlmrec-labor@maryland.gov). The email should include the name of the Team, the identity, license number, and contact information for the Team Lead, and indicate whether the Team Lead has completed the Broker Supervision education requirement. If the Team Lead has not, they should acknowledge that they will complete the course within 90 days.
- ☒ The Team Leader and all Team Members must adhere to all office rules, practices, and procedures established by the Broker and the Branch Office Manager.
- ☐ A licensed broker may **NOT** be a member of a Team.
- ☐ The name of the Team may **NOT** contain the terms "Real Estate," "Real Estate Brokerage," "Realty," or any other term that would lead the public to believe that the Team is offering real estate brokerage services independent of the Broker.
- ☐ A Team may **NOT** operate out of an office or location other than the broker's office or the branch office where their licenses are displayed.



## Team Leaders

- ☒ A Team must designate a team member as its Team Leader. The Team Leader must be an Associate Broker or a Salesperson with at least three years' experience.
- ☒ It is strongly recommended that Team Leader take the Broker Supervision course before forming a Team; but, no later than 90 calendar days after Team formulation.
- ☒ The Team Leader must maintain a current list of all members and employees of the Team.
- ☒ The Team Leader must provide the list and any revisions to the list to the Broker or the Branch Office Manager where the Team Members' licenses are displayed.
- ☒ The Team Leader must exercise reasonable and adequate supervision over the provision of real estate services by members of the Team.

## Brokers and Branch Office Managers

- ☒ The Broker or Branch Office Manager must maintain copies of the lists of Team Members and Employees, and make the copies available to the Commission on request and as a part of Commission complaint responses.
- ☒ The Broker and Branch Office Manager must supervise the Team Members, and this supervision is in addition to the supervision responsibilities of the Team Leader.
- ☒ The Broker and Branch Office Manager may not delegate their supervisory responsibilities over Team Members to the Team Leader.

## Dual Agency

- ☒ The Broker may designate two members of a team as intra-company agents for the Buyer and the Seller in the same transaction if the parties have FIRST been advised in writing that the Licensees are part of the same team and the team could have a financial interest in the outcome of the transaction. The Buyer and Seller must complete the "Notification for Dual Agency within Team" form (Word) required under existing law before Dual Agency may occur.

- ☒ The Broker must ensure that both parties have acknowledged in writing receipt of a "Notification of Dual Agency within a Team" form PRIOR to designating two Team Members as intra-company agents in a transaction.
- ☒ The Team Leader may NOT designate Team Members as intra-company agents. Only the Broker may make this designation.

## Advertising

- ☒ All Team advertising must contain:
  - 1 The full name of the brokerage displayed in a meaningful and conspicuous way;
  - 2 The name of at least one of the licensee members of the Team; and
  - 3 The telephone number of the broker or the branch office manager.
- ☒ The Team name in the advertisement must be directly connected to the name of the brokerage.

"Advertise" means the use of any oral, written, or visual advertisement by a licensed real estate salesperson, licensed real estate broker, licensed associate real estate broker, or other person on behalf of a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker.

"Advertisement" means, unless the context requires otherwise, any oral, written, or printed media advertisement. "Advertisement" includes any correspondence, mailing, newsletter, brochure, business card, for sale or for lease sign and sign rider, promotional item, automobile signage, telephone directory listing, television announcement, radio announcement, telephone solicitation, and World Wide Web and Internet voice-overs.  
(§17-527.2 Annotated Code of MD)



DEPARTMENT OF LABOR

Division of Occupational and Professional Licensing  
Maryland Real Estate Commission

Supervision is REQUIRED and does not impact independent contractor status for tax designation

# Team Regulation

Team regulation occurs in three ways:

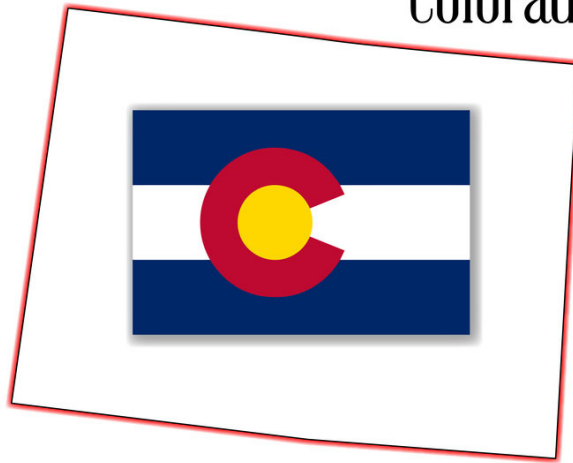
- 1) Team-specific statute
- 2) Team-specific rule
- 3) Application of existing license law



**Md. Code Ann., Bus. Occ. & Prof. §§ 17-543 to -548 (2010) (Ch. 670; HB 406)**

The statute addresses team brokerage. A team of licensed real-estate salespersons and licensed associate real-estate brokers must designate a leader. The leader must have the qualifications required by the statute. The statute also defines the duties of the leader, team members, the real-estate broker and the branch office manager. It permits a form of dual agency via “intracompany agents” who each represent one party to a real-estate transaction. The parties to the transaction using intracompany agents must be given written notice and must be advised that the team has a financial stake in the transaction. The statute also restricts the use of certain terms in the team name and regulates team advertising.

## Colorado



### **4 Colo. Code Regs. § 725–1, E-8 (2014)**

Colorado has promulgated a new advertising rule that covers the use of team names. Specifically, all team advertising must include the legal name or trade name of the brokerage firm. Team names may be used on advertising, but the name cannot use certain specific words or phrases “that would imply a separate entity from the brokerage firm with which the team brokers are licensed,” including “realty,” “real estate,” “realtors,” “company,” and the like. The team name may not be used by brokers who are not part of the team’s brokerage firm.





**02-039-410 Me. Code R. §§ 1, 4-A, 13 (2009)**

Amendments to advertising rules regarding “group or team advertising” and uploading webpages by broker-affiliated licensee without broker’s knowledge and consent.



### **N.Y. Comp. Codes R. & Regs. tit. 19, § 175.25(E) (2014)**

New York has promulgated a regulation addressing the use of team names in advertising. The rule allows team names. A team name must include the full licensed name of the brokers, associate brokers or real-estate salespersons who are on the team, or, if the names are not included, the team name must be followed immediately by the phrase “at/of [full name of broker/brokerage].” The team name also must use the word “team”; the words “associate,” “realty” or “group” are prohibited. Also, names of people who are not licensed may not be included in the team name. If advertising names a nonlicensed person, the advertisement must clearly and conspicuously state which individuals are licensed and which are not licensed.



### **Ohio Admin. Code 1301:5-1-21 (2012)**

Ohio has amended its advertising rules to include a definition of team advertising. The rule now defines “team” as “any group of two or more associated real estate licensees affiliated with the same broker or brokerage and/or other non-licensed professionals, such as administrative assistants and other professionals specializing in real estate related fields that advertise together and that group is not licensed pursuant to the licensing statute” (Ohio Rev. Code ch. 4735). A team advertisement is permitted if: (1) it includes the name of at least one of its licensees; (2) the name of the licensee’s broker is included and displayed in equal prominence as that of the team name and the salesperson’s name; and (3) it identifies as non-licensed any unlicensed persons whose names are included in the advertisement.

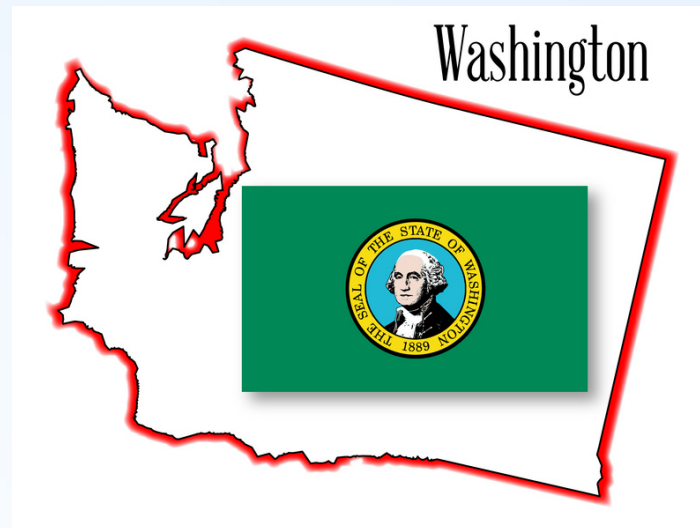




**Okla. Admin. Code § 605:10-9-4(b)(3)(D), (F) (2010)**

The Oklahoma Real Estate Commission has amended its provisions relating to team advertising by requiring that the “broker reference”—required broker-identification information—be placed close to the team’s name.

See *id.* § 605:10-9-4(b)(3) (describing “broker’s reference”). It also requires that the broker’s reference be included on each page or frame of a licensee’s internet domain or website.



### **Wash. Admin. Code 308-124B-210 (2010)**

Washington has amended its advertising regulation to address “branding” of a brokerage and how to advertise using the “brand” name. The regulation applies when the brokerage is “using a name, title, or brand without obtaining an assumed name license.” The firm’s licensed name must be used as well, and must clear and conspicuous “in conjunction with the use of [the] name title or brand.” The name, title or brand also may not be “commonly understood to reference a firm or an office, such as ‘realty,’ ‘realtors,’ ‘firm,’ or ‘real estate.’”



### **La. Admin. Code tit. 46:LXVII, §§ 1901, 1903, 1907, 1909, 1911 (2014)**

Louisiana has promulgated a rule addressing team brokerage. Teams are permitted, but they must be sponsored by a broker and generally must conduct all business from the office where the team members' individual licenses are held. § 1903. One member of the team must be designated as the contact person, who is responsible for all communications between the sponsoring broker and the team. *Id.* The team name cannot use terms that could suggest to the public that the team is offering brokerage services independent from its sponsoring broker. § 1905. Thus, a team name cannot use the phrases "real estate," "brokerage," "real estate brokerage," "realty," or "company." *Id.* The team can use its name in its advertising if the sponsoring broker agrees in writing. § 1909. The advertising cannot name or refer to an unlicensed person. *Id.*

# Other States without Team-specific Statutes/Rules

- Main focus is that team-advertising follow existing state advertising regulations, which will require:
  - Placement of brokerage's name on all advertisements
  - Certain contact information

# *Meier v. Douglas Elliman Realty (N.Y. 2014)*

Intra-team commission dispute; reminder that all payments for team must go to the broker

Members may not use the  
REALTOR® trademarks in  
connection with team names.

# **Proper** Uses of the REALTOR® Marks:

Hillside Realty, REALTORS®

The Jones Team

Bob Jones, REALTOR®

Sunnyside Realty, REALTORS®

Team Sunshine

Bob and Sue Williams

Uptown Realty, Inc., REALTORS®

## **Improper** Uses of the REALTOR® Marks:

**Team Sunshine, REALTORS®**

**Sunnyside Realty, Inc.**

**Uptown Realty, Inc.**

**Bob and Sue Williams, REALTORS®**

**Team Bob Williams, REALTOR®**

**Uptown Realty, Inc.**



NATIONAL  
ASSOCIATION *of*  
REALTORS®



# Team Video Takeaway

Existing rules and regulations apply to teams!

- 1) Team advertising=display brokerage's name and anything else required by state law
- 2) All commission payments must go to broker
- 3) Members are not permitted to use the REALTOR® marks in connection with a team name

All of the slides from today's presentation are available on the Window to the Law page of [www.realtor.org](http://www.realtor.org).

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# 12 AAC 64.065 – License Required for Employees, Directors, Agents, and Others

## Clarification of Corporation to Entity

**Proposal: Amendment To Expand "Corporation" To "Entity" In Broker Authorization Regulations -12 AAC 64.065. License Required For Employees, Directors, Agents, And Officers.**

### **Purpose:**

To update regulatory language by replacing "corporation" with "entity", ensuring inclusivity of all business structures that may operate under a licensed broker. This amendment allows for a broader application to LLCs, partnerships, sole proprietorships, and other legally recognized entities in the real estate industry.

### **Proposed Changes to Current Regulation (b) & (c):**

The term "corporation" is currently used to define the business structure under which a broker may operate, limiting its applicability.

### **Justification:**

- Expands regulatory language to include all legally recognized business structures beyond corporations.
- Ensures consistency with modern business practices, as many real estate firms operate as LLCs, partnerships, or sole proprietorships.
- Maintains regulatory oversight while allowing greater flexibility in business operations.

This update ensures all real estate business entities can legally comply with broker authorization requirements under Alaska law.

**DRAFT**

### *Current Regulation:*

#### **12 AAC 64.065. LICENSE REQUIRED FOR EMPLOYEES, DIRECTORS, AGENTS, AND OFFICERS.**

(a) Repealed 2/11/95.

(b) A broker acting on behalf of a business, **corporation**, or organization shall be authorized to act by a resolution of the policy making body of that business, **corporation**, or organization. The resolution must be a permanent part of the records of that business, **corporation**, or organization and must show that the broker has exclusive authority over and responsibility for

- (1) employing and terminating the employment of licensees;
- (2) maintaining and examining all trust accounts for real estate transactions;
- (3) authorizing payment of all commissions, salaries, finder's fees, or other compensation for activities for which a license is required and indicating on the payment record the specific reason for the payment;
- (4) maintaining the records of all real estate transactions and assuring their accessibility to the department; and

(5) directing and supervising all real estate business activities for which a license is required and all activities necessary for full compliance with AS 08.88 and this chapter.  
(c) When a broker who is authorized to act on behalf of a business, corporation, or organization loses an active broker license for any reason, the business, corporation, or organization shall stop engaging in real estate transactions until the broker's license is renewed or reinstated, or until a new broker is employed.

**Authority:** AS 08.88.071

AS 08.88.161

AS 08.88.900

AS 08.88.081

***DRAFT***

# 12 AAC 64.078 – Temporary Absence of Broker of Record

**DRAFT**

## Broker Supervision During Absence

### Proposal: Amendment to Broker Supervision During Absence – 12 AAC 64.078

#### Purpose:

To provide flexibility and clarity regarding broker supervision when an associate broker is unavailable, allowing the substitute Broker to remain employed at their currently registered office during the broker of record's absence, allowing the substitute Broker to be in two offices simultaneously.

#### Proposed Amendment:

- (2) in offices where an associate broker is not available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence; the broker temporarily substituting for the broker of record shall remain employed at that the **substitute broker's currently registered office**.

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### *Current Regulation:*

**12 AAC 64.078. TEMPORARY ABSENCE OF BROKER OF RECORD.** (a) When a broker of record is temporarily absent from an office, the broker of record may supervise transactions, trust accounts, or licensees by computer, modem, facsimile, or telephone communications.

(b) When a broker of record is temporarily absent from an office and is unable to supervise transactions, trust accounts, or licensees.

(1) in offices where an associate broker is available, the broker of record may designate an associate broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence.

(2) in offices where an associate broker is not available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence; the broker temporarily substituting for the broker of record shall remain employed at that the person's

(c) Under (b)(1) or (2) of this section, the broker of record shall notify the commission on a form approved by the commission, of the name of the associate broker or broker designated to supervise transactions, trust accounts, or licensees during the broker of record's absence. Both the broker of record and the designated associate broker or broker must sign this form.

Other/Additions

Recommendations to Commission  
(if applicable)

Adjournment