

State of Alaska
Real Estate Commission Meeting
Via ZOOM

December 11, 2025

9:00 am

Call to Order

Roll Call

Traci Heaton

Elizabeth Schok

Devon Doran

Lonnie Logan

Jimi Cash

Chery Markwood

Approval of Agenda

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

REAL ESTATE COMMISSION MEETING
December 11, 2025
VIA Zoom

Tentative Meeting Agenda

ZOOM Info: Join meeting: Register in advance for this meeting:

https://us02web.zoom.us/joining/register/tZEpcOyvrsqEtzj_yVE-cuyy5SLbeU1vuHv

After registering, you will receive a confirmation email containing information about joining the meeting.

Thursday, December 11, 2025

Note: There will be a break for lunch from 12 until 1 if deemed necessary.

- | | | |
|------------|---|-------------------------|
| 9:00 a.m. | 1. Call to Order
a) Roll Call
b) Approval of Agenda
c) Statements of Conflicts of Interest | Markwood |
| 9:05 a.m. | 2. Public Comments | |
| 9:10 a.m. | 3. Review Meeting Minutes
a) September 18, 2025 | Markwood |
| 9:15 a.m. | 4. Investigations
a) Statistical Report
b) Licensing Actions
Consent Agreements - CE
* Case No. 2024-000989
* Case No. 2024-000847 | Homestead/Evans |
| 10:00 a.m. | 5. Division Update
a) Revenue/Expenditure Report, FY26 – 1st Qtr | Dumas |
| | 6. New Business
a) Legislative Audit Recommendations | Markwood |
| 10:30 a.m. | b) AO 360 Regulation Reform
c) Set 2026 Meeting Dates | Director Robb |
| 11:00 a.m. | 7. Old Business
a) Set 2026-2028 DCE Guidelines
b) Disciplinary Matrix Review- probation
c) Strategic Plan - update | |
| | 8. Executive Administrator's Report
a) Licensing/Education Report
b) Recovery Fund Report- FY26, 1 st Qtr | Harris/Givens |
| | 9. Commission Member Comments and Questions | |
| | Adjournment - | * Next REC meeting: TBD |

State of Alaska
DEPARTMENT OF LAW

ETHICS INFORMATION FOR MEMBERS OF BOARDS & COMMISSIONS (AS 39.52)

Introduction

This is an introduction to AS 39.52, the *Alaska Executive Branch Ethics Act*. This guide is not a substitute for reading the law and its regulations. State board and commission members who have further questions should contact their board chair or staff.

The Ethics Act applies to all current and former executive branch public employees and *members of statutorily created boards and commissions*.

Scope of Ethics Act (AS 39.52.110)

Service on a state board or commission is a public trust. The Ethics Act prohibits substantial and material conflicts of interest. Further, board or commission members, and their immediate family, may not improperly benefit, financially or personally, from their actions as board or commission members. The Act does not, however, discourage independent pursuits, and it recognizes that minor and inconsequential conflicts of interest are unavoidable.

Misuse of Official Position (AS 39.52.120)

Members of boards or commissions may not use their positions for personal gain or to give an unwarranted benefit or treatment to any person. For example, board members may not:

- use their official positions to secure employment or contracts;
- accept compensation from anyone other than the State for performing official duties;
- use State time, equipment, property or facilities for their own personal or financial benefit or for partisan political purposes;
- take or withhold official action on a matter in which they have a personal or financial interest; or
- coerce subordinates for their personal or financial benefit.
- attempt to influence outcome of an administrative hearing by privately contacting the hearing officer.



Terry knew that a proposal that was before the board would harm Terry's business competitor. Instead of publicly disclosing the matter and requesting recusal, Terry voted on the proposal.



Board member Mick has board staff employee Bob type an article for him that Mick hopes to sell to an Alaskan magazine. Bob types the article on State time.

Improper Gifts (AS 39.52.130)

A board member may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. "Gifts" include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper, unless the giver is immediate family of the person receiving the gift.

A gift worth more than \$150 to a board member or the board member's immediate family must be reported within 30 days if:

- the board member can take official action that can affect the giver, or
- the gift is given to the board member because he or she is on a state board.

The receipt of a gift worth less than \$150 may be prohibited if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. Receipt of such a gift should be disclosed.

Any gift received from another government, regardless of value, must be reported; the board member will be advised as to the disposition of this gift.

A form for reporting gifts is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.

This restriction on gifts does not apply to lawful campaign contributions.



The commission is reviewing Roy's proposal for an expansion of his business. Roy invites all the board members out to dinner at an expensive restaurant. He says it will be okay, since he isn't excluding any of the members.



Jody receives a holiday gift every year from Sam. Jody was recently appointed to a state board, but Sam has no business that is before the board. Jody may accept the gift.

Improper Use or Disclosure of Information (AS 39.52.140)

No former or current member of a board may use or disclose any information acquired from participation on the board if that use or disclosure could result in a financial or personal benefit to the board member (or immediate family), unless that information has already been disseminated to the public. Board members are also prohibited from disclosing confidential information, unless authorized to do so.



Sheila has been on the board for several years. She feels she has learned a great deal of general information about how to have a successful business venture. So she sets up her own business and does well.



Delores has always advised and assisted the other doctors in her clinic on their continuing education requirements. After Delores is appointed to the medical board, she discloses this role to the board and continues to advise the doctors in her clinic.



Jim reviews a confidential investigation report in a licensing matter. He discusses the practitioner's violation with a colleague who is not a board member.

Improper Influence in State Grants, Contracts, Leases or Loans (AS 39.52.150)


A board member, or immediate family, may not apply for, or have an interest in a State grant, contract, lease, or loan, if the board awards or takes action to administer the State grant, contract, lease, or loan.

A board member (or immediate family) may apply for or be a party to a *competitively solicited* State grant, contract or lease, if the board as a body does not award or administer the grant, contract, or lease and so long as the board member does not take official action regarding the grant, contract, or lease.

A board member (or immediate family) may apply for and receive a State loan that is generally available to the public and has fixed eligibility standards, so long as the board member does not take (or withhold) official action affecting the loan's award or administration.

Board members must report to the board chair any personal or financial interest (or that of immediate family) in a State grant, contract, lease or loan that is awarded or administered by the agency the board member serves. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.*



 John sits on a board that awards state grants. John hasn't seen his daughter for nearly ten years so he figures that it doesn't matter when her grant application comes up before the board.



The board wants to contract out for an analysis of the board's decisions over the last ten years. Board member Kim would like the contract since she has been on the board for ten years and feels she could do a good job.

Improper Representation (AS 39.52.160)

A board or commission member may not represent, advise, or assist a person in matters pending before the board or commission for compensation. A nonsalaried board or commission member may represent, advise, or assist in matters in which the member has an interest that is regulated by the member's own board or commission, if the member acts in accordance with AS 39.52.220 by disclosing the involvement in writing and on the public record, and refraining from all participation and voting on the matter. This section does not allow a board member to engage in any conduct that would violate a different section of the Ethics Act.



Susan sits on the licensing board for her own profession. She will represent herself and her business partner in a licensing matter. She discloses this situation to the board and refrains from participation in the board's discussions and determinations regarding the matter.

Restriction on Employment After Leaving State Service (AS 39.52.180)

For two years after leaving a board, a former board member may not provide advice or work for compensation on any matter in which the former member personally and substantially participated while serving on the board. This prohibition applies to cases, proceedings, applications, contracts, legislative bills, regulations, and similar matters. This section does not prohibit a State agency from contracting directly with a former board member.

With the approval of the Attorney General, the board chair may waive the above prohibition if a determination is made that the public interest is not jeopardized.

Former members of the governing boards of public corporations and former members of boards and commissions that have regulation-adoption authority, except those covered by the centralized licensing provisions of AS 08.01, may not lobby for pay for one year.



The board has arranged for an extensive study of the effects of the Department's programs. Andy, a board member, did most of the liaison work with the contractor selected by the board, including some negotiations about the scope of the study. Andy quits the board and goes to work for the contractor, working on the study of the effects of the Department's programs.



Andy takes the job, but specifies that he will have to work on another project.

Aiding a Violation Prohibited (AS 39.52.190)

Aiding another public officer to violate the Ethics Act is prohibited.

Agency Policies (AS 39.52.920)

Subject to the Attorney General's review, a board may adopt additional written policies further limiting personal or financial interests of board members.

Disclosure Procedures

DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS OR COMMISSIONS (AS 39.52.220)

A board member whose interests or activities could result in a violation of the Ethics Act if the member participates in board action must disclose the matter on the public record and in writing to the board chair who determines whether a violation exists. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.* If another board member objects to the chair's ruling or if the chair discloses a potential conflict, the board members at the meeting (excluding the involved member) vote on the matter. If the chair or the board determines a violation will occur, the member must refrain from deliberating, voting, or participating in the matter. For more information, see *Ethics Act Procedures for Boards and Commissions* available at the above noted web site.

When determining whether a board member's involvement in a matter may violate the Ethics Act, either the chair or the board or commission itself may request guidance from the Attorney General.

ATTORNEY GENERAL'S ADVICE (AS 39.52.240-250)

A board chair or a board itself may request a written advisory opinion from the Attorney General interpreting the Ethics Act. A former board member may also request a written advice from the Attorney General. These opinions are confidential. Versions of opinions without identifying information may be made available to the public.

REPORTS BY THIRD PARTIES (AS 39.52.230)

A third party may report a suspected violation of the Ethics Act by a board member in writing and under oath to the chair of a board or commission. The chair will give a copy to the board member and to the Attorney General and review the report to determine whether a violation may or does

exist. If the chair determines a violation exists, the board member will be asked to refrain from deliberating, voting, or participating in the matter.

Complaints, Hearings, and Enforcement

COMPLAINTS (AS 39.52.310-330)

Any person may file a complaint with the Attorney General about the conduct of a current or former board member. Complaints must be written and signed under oath. The Attorney General may also initiate complaints based on information provided by a board. A copy of the complaint will be sent to the board member who is the subject of the complaint and to the Personnel Board.

All complaints are reviewed by the Attorney General. If the Attorney General determines that the complaint does not warrant investigation, the complainant and the board member will be notified of the dismissal. The Attorney General may refer a complaint to the board member's chair for resolution.

After investigation, the Attorney General may dismiss a complaint for lack of probable cause to believe a violation occurred or recommend corrective action. The complainant and board member will be promptly notified of this decision.

Alternatively, if probable cause exists, the Attorney General may initiate a formal proceeding by serving the board or commission member with an accusation alleging a violation of the Ethics Act. Complaints or accusations may also be resolved by settlement with the subject.

CONFIDENTIALITY (AS 39.52.340)

Complaints and investigations prior to formal proceedings are confidential. If the Attorney General finds evidence of probable criminal activity, the appropriate law enforcement agency shall be notified.

HEARINGS (AS 39.52.350-360)

An accusation by the Attorney General of an alleged violation may result in a hearing. An administrative law judge from the state's Office of Administrative Hearings serves as hearing officer and determines the time, place and other matters. The parties to the proceeding are the Attorney General, acting as prosecutor, and the accused public officer, who may be represented by an attorney. Within 30 days after the hearing, the hearing officer files a report with the Personnel Board and provides a copy to the parties.

PERSONNEL BOARD ACTION (AS 39.52.370)

The Personnel Board reviews the hearing officer's report and is responsible for determining whether a violation occurred and for imposing penalties. An appeal may be filed by the board member in the Superior Court.

PENALTIES (AS 39.52.410-460)

When the Personnel Board determines a board member has violated the Ethics Act, it will order the member to refrain from voting, deliberating, or participating in the matter. The Personnel Board may also order restitution and may recommend that the board member be removed from the board or commission. If a recommendation of removal is made, the appointing authority will immediately remove the member.

If the Personnel Board finds that a former board member violated the Ethics Act, it will issue a public statement about the case and will ask the Attorney General to pursue appropriate additional legal remedies.

State grants, contracts, and leases awarded in violation of the Ethics Act are voidable. Loans given in violation of the Ethics Act may be made immediately payable.

Fees, gifts, or compensation received in violation of the Ethics Act may be recovered by the Attorney General.

The Personnel Board may impose a fine of up to \$5,000 for each violation of the Ethics Act. In addition, a board member may be required to pay up to twice the financial benefit received in violation of the Ethics Act.

Criminal penalties are in addition to the civil penalties listed above.

DEFINITIONS (AS 39.52.960)

Please keep the following definitions in mind:

Benefit - anything that is to a person's advantage regardless financial interest or from which a person hopes to gain in any way.

Board or Commission - a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad Corporation.

Designated Ethics Supervisor - the chair or acting chair of the board or commission for all board or commission members and for executive directors; for staff members, the executive director is the designated ethics supervisor.

Financial Interest - any property, ownership, management, professional, or private interest from which a board or commission member or the board or commission member's immediate family

receives or expects to receive a financial benefit. Holding a position in a business, such as officer, director, partner, or employee, also creates a financial interest in a business.

Immediate Family - spouse; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.

Official Action - advice, participation, or assistance, including, for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction, by a public officer.

Personal Interest - the interest or involvement of a board or commission member (or immediate family) in any organization or political party from which a person or organization receives a benefit.

For further information and disclosure forms, visit our Executive Branch Ethics web site or please contact:

State Ethics Attorney
Alaska Department of Law
1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501-5903
(907) 269-5100
attorney.general@alaska.gov

Revised 9/2013

The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

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State of Alaska
DEPARTMENT OF LAW

ETHICS ACT PROCEDURES FOR BOARDS & COMMISSIONS

All board and commission members and staff should be familiar with the Executive Branch Ethics Act procedures outlined below.

Who Is My Designated Ethics Supervisor (DES)?

Every board or commission subject to the Ethics Act¹ has several ethics supervisors designated by statute.

- The chair serves as DES for board or commission members.
- The chair serves as DES for the executive director.
- The executive director serves as DES for the staff.
- The governor is the DES for a chair.²

What Do I Have To Disclose?

The Ethics Act requires members of boards and commissions to disclose:

- Any matter that is a potential conflict of interest with actions that the member may take when serving on the board or commission.
- Any circumstance that may result in a violation of the Ethics Act.
- Any personal or financial interest (or that of an immediate family member) in a state grant, contract, lease or loan that is awarded or administered by the member's board or commission.
- The receipt of certain gifts.

The executive director of the board or commission and its staff, as state employees, must also disclose:

- Compensated outside employment or services.
- Volunteer service, if any compensation, including travel and meals, is paid or there is a potential conflict with state duties.

- For more information regarding the types of matters that may result in violations of the Ethics Act, board or commission members should refer to the guide, *"Ethics Information for Members of Boards and Commissions."* The executive director and staff should refer to the guide, *Ethics Information for Public Employees.* Both guides and disclosure forms may be found on the Department of Law's ethics website.

How Do I Avoid Violations of the Ethics Act?

- Make timely disclosures!
- Follow required procedures!
- Provide all information necessary to a correct evaluation of the matter!³
- When in doubt, disclose and seek advice!
- Follow the advice of your DES!

What Are The Disclosure Procedures for Board and Commission Members?

The procedural requirements for disclosures by members are set out in AS 39.52.220 and 9 AAC 52.120. One goal of these provisions is to help members avoid violations of the Ethics Act. The procedures provide the opportunity for members to seek review of matters in advance of taking action to ensure that actions taken will be consistent with the Act.

Procedure for declaring actual or potential conflicts.

Members must declare potential conflicts and other matters that may violate the Ethics Act **on the public record and in writing to the chair.**

Disclosure on the public record. Members must identify actual and potential conflicts orally at the board or commission's public meeting in **advance** of participating in deliberations or taking any official action on the matter.

- A member must always declare a conflict and may choose to refrain from voting, deliberations or other participation regarding a matter.⁴
- If a member is uncertain whether participation would result in a violation of the Act, the member should disclose the circumstances and seek a determination from the chair.

Disclosure in writing at a public meeting. In addition to an oral disclosure at a board or commission meeting, members' disclosures must be made in writing.

- If the meeting is recorded, a tape or transcript of the meeting is preserved **and** there is a method for identifying the declaration in the record, an oral disclosure may serve as the written disclosure.
- Alternatively, the member must note the disclosure on the Notice of Potential Violation disclosure form and the chair must record the determination.

Confidential disclosure in advance of public meeting. Potential conflicts may be partially addressed in advance of a board or commission's public meeting based on the published meeting agenda or other board or commission activity.

- A member identifying a conflict or potential conflict submits a Notice of Potential Violation to the chair, as DES, in advance of the public meeting.
- This written disclosure is considered confidential.
- The chair may seek advice from the Attorney General.
- The chair makes a written determination, also confidential, whether the disclosed matter represents a conflict that will result in a violation of the Ethics Act if the member participates in official action addressing the matter.⁵
- If so, the chair directs the member to refrain from participating in the matter that is the subject of the disclosure.
- An oral report of the notice of potential violation and the determination that the member must refrain from participating is put on the record at a public meeting.⁶

Determinations at the public meeting. When a potential conflict is declared by a member for the public record, the following procedure must be followed:

- The chair states his or her determination regarding whether the member may participate.
- Any member may then object to the chair's determination.
- If an objection is made, the members present, excluding the member who made the disclosure, vote on the matter.
- *Exception:* A chair's determination that is made consistent with advice provided by the Attorney General may not be overruled.
- If the chair, or the members by majority vote, determines that a violation will exist if the disclosing member continues to participate, the member must refrain from voting, deliberating or participating in the matter.⁷

If the chair identifies a potential conflict, the same procedures are followed. If possible, the chair should forward a confidential written notice of potential violation to the Office of the Governor for a determination in advance of the board or commission meeting. If the declaration is first

made at the public meeting during which the matter will be addressed, the members present, except for the chair, vote on the matter. If a majority determines that a violation of the Ethics Act will occur if the chair continues to participate, the chair shall refrain from voting, deliberating or participating in the matter. A written disclosure or copy of the public record regarding the oral disclosure should be forwarded to the Office of the Governor for review by the chair's DES.

Procedures for Other Member Disclosures

A member's interest in a state grant, contract, lease or loan and receipt of gifts are disclosed by filling out the appropriate disclosure form and submitting the form to the chair for approval. The disclosure forms are found on the Department of Law's ethics website.

What Are The Disclosure Procedures for Executive Directors and Staff?

Ethics disclosures of the executive director or staff are made in writing to the appropriate DES (chair for the executive director and the executive director for staff).

- Disclosure forms are found on the ethics website, noted above.

Notices of Potential Violations. Following receipt of a written notice of potential violation, the DES investigates, if necessary, and makes a written determination whether a violation of the Ethics Act could exist or will occur. A DES may seek advice from the Attorney General. If feasible, the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

- These disclosures are not required to be made part of the public record.
- A copy of a determination is provided to the employee.
- Both the notice and determination are confidential.

Other Disclosures. The DES also reviews other ethics disclosures and either approves them or determines what action must be taken to avoid a violation of the Act. In addition to the disclosures of certain gifts and interests in the listed state matters, state employees must disclose all outside employment or services for compensation.

- The DES must provide a copy of an approved disclosure or other determination the employee.

How Are Third Party Reports of Potential Violations or Complaints Handled?

Any person may report a potential violation of the Ethics Act by a board or commission member or its staff to the appropriate DES or file a complaint alleging actual violations with the Attorney General.

- Notices of potential violations and complaints must be submitted **in writing and under oath**.
- Notices of potential violations are investigated by the appropriate DES who makes a written determination whether a violation may exist.⁸
- Complaints are addressed by the Attorney General under separate procedures outlined in the Ethics Act.
- **These matters are confidential**, unless the subject waives confidentiality or the matter results in a public accusation.

What Are The Procedures for Quarterly Reports?

Designated ethics supervisors must submit copies of notices of potential violations received and the corresponding determinations to the Attorney General for review by the state ethics attorney as part of the quarterly report required by the Ethics Act.

- Reports are due in April, July, October and January for the preceding quarter.
- A sample report may be found on the Department of Law's ethics website.
- An executive director may file a quarterly report on behalf of the chair and combine it with his or her own report.
- If a board or commission does not meet during a quarter and there is no other reportable activity, the DES advises the Department of Law Ethics Attorney by e-mail at ethicsreporting@alaska.gov and no other report is required.

If the state ethics attorney disagrees with a reported determination, the attorney will advise the DES of that finding. If the ethics attorney finds that there was a violation, the member who committed the violation is not liable if he or she fully disclosed all relevant facts reasonably necessary to the ethics supervisor's or commission's determination and acted consistent with the determination.

How Does A DES or Board or Commission Get Ethics Advice?

A DES or board or commission may make a **written request** to the Attorney General for an opinion regarding the application of the Ethics Act. In practice, the Attorney General, through the state ethics attorney, also provides **advice by phone or e-mail** to designated ethics supervisors, especially when time constraints prevent the preparation of timely written opinions.

- A request for advice and the advisory opinion are confidential.
- The ethics attorney endeavors to provide prompt assistance, although that may not always be possible.
- The DES must make his or her determination addressing the potential violation based on the opinion provided.

It is the obligation of each board or commission member, as well as the staff, to ensure that the public's business is conducted in a manner that is consistent with the standards set out in the Ethics Act. We hope this summary assists you in ensuring that your obligations are met.

¹ The Act covers a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch of state government.

² The governor has delegated the DES responsibility to Guy Bell, Administrative Director of the Office of the Governor.

³ You may supplement the disclosure form with other written explanation as necessary. Your signature on a disclosure certifies that, to the best of your knowledge, the statements made are true, correct and complete. False statements are punishable.

⁴ In most, but not all, situations, refraining from participation ensures that a violation of the Ethics Act does not occur. Abstention does not cure a conflict with respect to a significant direct personal or financial interest in a state grant, contract, lease or loan because the Ethics Act prohibition applies whether or not the public officer actually takes official action.

⁵ The chair must give a copy of the written determination to the disclosing member. There is a determination form available on the Department of Law's ethics web page. The ethics supervisor may also write a separate memorandum.

⁶ In this manner, a member's detailed personal and financial information may be protected from public disclosure.

⁷ When a matter of particular sensitivity is raised and the ramifications of continuing without an advisory opinion from the Attorney General may affect the validity of the board or commission's action, the members should consider tabling the matter so that an opinion may be obtained.

⁸ The DES provides a copy of the notice to the employee who is the subject of the notice and may seek input from the employee, his or her supervisor and others. The DES may seek advice from the Attorney General. A copy of the DES' written determination is provided to the subject employee and the complaining party. The DES submits a copy of both the notice and the determination to the Attorney General for review as part of the DES' quarterly report. If feasible,

the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

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The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

Alaska Department of Law

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ETHICS SUPERVISOR DETERMINATION FORM

(Board or Commission Member)

Board or Commission: _____

Member Disclosing Potential Ethics Violation: _____

I have determined that the situation described on the attached ethics disclosure form

☐ does or would violate AS 39.52.110 - .190. Identify applicable statute below.

☐ does not or would not violate AS 39.52.110 - .190.

Signature of Designated Ethics Supervisor (Chair)

Printed Name of Designated Ethics Supervisor

Date: _____

COMMENTS (Please attach a separate sheet for additional space):

Note: Disclosure Form must be attached. Under AS 39.52.220, if the chair or a majority of the board or commission, not including the disclosing member, determines that a violation of AS 39.52.110-39.52.190 will exist if the member participates, the member shall refrain from voting, deliberating, or participating in the matter. A member will not be liable under the Ethics Act for action in accordance with such a determination so long as the member has fully disclosed all facts reasonably necessary to the determination and the attorney general has not advised the member, chair, or board or commission that the action is a violation. Forward disclosures with determinations to the State Ethics Attorney as part of your quarterly report. Quarterly reports are submitted to Litigation Assistant, Opinions, Appeals & Ethics, Department of Law, 1031 W. 4th Avenue, Suite 200, Anchorage, AK 99501.

Revised 2012

Public Comment

Meeting Minutes

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

**REAL ESTATE COMMISSION
MEETING MINUTES**

September 18, 2025

“These draft minutes were prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Commission. By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held September 18, 2025, Anchorage, Alaska via Zoom.

Thursday, September 18, 2025

Agenda Item 1 - Call to Order

Chairperson Cheryl Markwood called the meeting to order at 9:02 a.m., at which time a quorum was established.

Agenda Item 1(a) – Roll Call

Members Present via Zoom

Cheryl Markwood, Broker, Broker at Large, Chairperson
Traci Heaton, Associate Broker, 1st Judicial District
Elizabeth Schok, Associate Broker, 4th Judicial District
Devon Doran, Broker, 3rd Judicial District
Lonnie Logan, Broker, Broker at Large, Anchorage
Jimi Cash, Public Member
Susan Wilcox, Public Member

Staff Present:

Nancy Harris, Executive Administrator, CBPL, REC, Anchorage
Kerry Givens, Project Assistant, CBPL, REC, Anchorage
Erika Prieksat, Chief Investigator, CBPL, Anchorage
Billy Homestead, Senior Investigator, CBPL, Anchorage
Holly Handley, Investigator, CBPL, Anchorage
Kimberly Lilly, Lead Paralegal, CBPL, Anchorage
Melissa Dumas, Administrative Operations Manager, CBPL, Juneau

Guests Present via Zoom:

Renee Foster, Associate Broker, LPT Realty (branch), Fairbanks
Sara Garcia, Salesperson, EXP Realty, LLC, Anchorage
Jerry Royse, Broker and Educator, Royse & Associates, Anchorage
Peggy Hudnutt, The CE Shop, Education Sponsor, CO
Stephan Day, Salesperson, Realty One Group Aurora, Anchorage
Cindy Haakenson, Associate Broker, Redoubt Keller Williams Realty AK Group, Soldotna
Shaun Kraska, Salesperson, Somers Sotheby's International Realty, Fairbanks.

Ms. Markwood stated that Ms. Doran will attend the meeting shortly. She is traveling and will be in and out of meeting.

Agenda Item 1(b) - Approval of Agenda

Commission members reviewed the agenda as presented.

On a motion made by Wilcox, seconded by Cash, it was,

Resolved to approve September 18, 2025, meeting agenda as presented.

There was no opposition.

Statements of Conflicts of Interest/Ethics Violations– 1(c)

There were no conflicts of interest at this time.

Agenda Item 2 – Public Comments

Jerry Royse, a real estate broker and educator, addressed the Commission with suggestions for DCE topics. He conducted a survey with his licensees from his newsletter list with their suggestions for DCE topics. The topics that came up in survey were compensation, licensee duties, federal law regarding real estate, and team operations, disclosure and procedures.

Cindy Haakenson, an associate broker with Redoubt Keller Williams Realty Group, Soldotna and Shaun Kraska, a salesperson with Somer Sotherby's International Realty in Fairbanks addressed the Commission regarding deed fraud. Ms. Haakenson and Ms. Kraska completed a project and created a course on deed fraud. They said that deed fraud has become much more rampant in AK and in the nation and they would like to see it as a DCE topic. They said this is a chance to educate all licensees on deed fraud across the state on what to look for, how they can do their due diligence to prevent it. They also put together a pamphlet and a fact sheet. Their purpose in speaking to the Commission is to provide a draft syllabus of their course Deed Fraud Awareness and Prevention for Alaska Licensees. This course's key components would give real estate licensees an awareness and understanding of how to recognize deed fraud, how to protect ourselves and the public, how to prevent it and where to report it. Ms. Haakenson and Ms. Kraska will send a copy of their presentation to Ms. Harris to distribute to the Commission members for their review.

Mr. Royse made an additional comment regarding deed fraud and wire transfers, which is another issue that the real estate industry is experiencing. He thought that the Commission might consider a DCE topic related to wire transfers and how we move our money.

There were no other public comments.

Ms. Doran joined the meeting at 9:10 a.m.

Agenda Item 3 – Review of Meeting Minutes

Agenda Item 3(a) – June 12, 2025

On a motion made by Wilcox, seconded by Cash, it was,

Resolved to approve the June 12, 2025, meeting minutes as presented.

There was no opposition.

Agenda Item 4 – Investigations

Statistical Report- 4(a)-

Mr. Homestead, senior investigator, presented the investigative statistical report for the period of June 12, 2025, through September 8, 2025. He stated there were 37 open matters and 17 matters were closed during this period.

Ms. Markwood stated for the record that there are 8 cases dated from 2023, 23 cases dated from 2024, and 5 cases dated from 2025.

Ms. Markwood stated that the Commission has reviewed 8 CE cases and asked if this was an anomaly for this licensing period with licenses not completing their courses and getting caught or is this standard.

Mr. Homestead deferred this question to the Chief Investigator, Erika Prieksat or paralegal Kim Lilly.

Ms. Prieksat said she did not have that information in front of her but would gather more specific information regarding CE cases within the last 5 years and get that information back to the Commission.

License Actions –4(b) and (c)-

The Commission went into an executive session to discuss investigative matters.

On a motion duly made by Heaton, seconded by Cash, it was,

Resolved to go into executive session in accordance with the provisions of AK Statute 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Commission went into executive session at 9:18 a.m.

*Out of executive session at 10:14 a.m.
Back on record at 10:30 a.m.*

Case No. 2024-001081 Consent Agreement

Ms. Doran as reviewing members was recused from the executive session and vote.

On a motion made by Wilcox, seconded by Schok, it was,

Resolved to adopt the voluntary license surrender for Case No. 2024-001081.

Roll call vote: Heaton-yes, Schok-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Case No. 2024-000989 Consent Agreement - CE

On a motion made by Doran, seconded by Wilcox, it was,

Resolved to return case No. 2024-000989 to investigations to reflect the commission recommended changes to the consent agreement of \$2500 (with \$2000 suspended) + \$50/credit hour missing which would equal \$250, letter of reprimand and a mandatory audit for two licensing periods.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Case No. 2024-000762 Consent Agreement - CE

On a motion made by Doran, seconded by Wilcox, it was,

Resolved to return case No. Case No. 2024-000762 to investigations to reflect the commission recommended changes to the consent agreement of \$2500 (with none suspended) + \$50/credit hour missing which would equal \$1000, letter of reprimand and a mandatory audit for two licensing periods.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Case No. 2024-000847 Consent Agreement - CE

On a motion made by Heaton, seconded by Wilcox, it was,

Resolved to adopt the consent agreement and order in Case No. 2024-00847 to investigations to reflect the commission recommended changes to the consent agreement of \$2500 (with none suspended) + \$50/credit hour missing which would equal \$1000, letter of reprimand, completion the 12 hours of ECE and 8 hours of DCE from that cycle and a mandatory audit for two licensing periods.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Agenda Item 6 – New Business

Select DCE Topics and guidelines for 2026-2028– 6(a)

Commission members discussed the topics for designated continuing education (DCE) for 2026-2028 licensing period.

On a motion made by Doran, seconded by Schok, it was,

Resolved to adopt the following DCE topics for 2026-2028 licensing period, 2 hours for each topic.

Fraud Prevention: Wire Fraud and Deed Fraud – 2 hours
Advertising, Social Media and AI Compliance – 2 hours
Broker Supervision and Conflict Resolution – 2 hours
Required Licensee Disclosures – 2 hours

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Disciplinary Matrix– 6(b)

Commission members discussed the difference between the Commission disciplinary matrix and the investigation disciplinary matrix regarding CE sanctions.

Agenda Item 5 – Division Update

Revenue/Expenditure Report, FY25 3rd Qtr – 5(a)

Melissa Dumas, Administrative Operations Manager for the Division of Corporations, Business, and Professional Licensing, presented the Revenue and Expenditures report for the FY25 3rd quarter, to the Commission. She stated the current total revenue was \$107,695 from licensing

fees. The non-investigative expenditures were \$139,442, and investigative expenditures \$109,160, for a total direct expenditure of \$248,602. Total indirect expenditures were \$95,841 (to include internal administration, department, and statewide costs), leaving the total indirect expenditures at \$260,470. There was a beginning cumulative surplus of \$1,021.502 with a deficit of \$284,668 for a total ending cumulative surplus of 736,834.

Ms. Dumas stated the last time there was a reduction in fees was in FY23, so the REC is due for another fee analysis after the license renewal.

Ms. Markwood asked Ms. Dumas if there is a fine applied with a license action where is that revenue reported.

Ms. Dumas stated that any revenue from fines goes directly to the general fund, not into the programs. We don't want to incentivize fining of licenses. That is why the programs do not receive the revenue; it goes to the state.

Disciplinary Matrix– 6(b)-continued

Commission members continued to discuss the disciplinary matrix for CE sanctions and other areas.

The Chief Investigator Erika Prieksat brought information back to the Commission regarding license actions the Commission has reviewed for CE violations. She said from 2020 through 2025 there were 20 license actions with CE violations. These could include a consent agreement or license surrender. In 2020 there were 2 cases, 2021 there were 4 cases, 2022 there were 0 cases, 2023 there were 9 cases, 2024 there was 1 case and in 2025 there were 4 cases.

On a motion duly made by Wilcox, seconded by Logan, it was,

Resolved to revise the Continuing Education section of the REC Disciplinary Matrix on page 2 of 7 to read: Consent Agreement, \$2500 fine for false or inaccurate response (all or part of this amount may be suspended based on the gravity of the offense); plus \$50 unsuspended for each deficient hour(s), provide documentation of completed remedial CE's, mandatory audit for 2 renewal cycles and reprimand.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

On a motion duly made by Logan, seconded by Doran, it was,

Resolved to amend the trust account section of the REC Disciplinary Matrix on page 6, to add a line under Trust Account Broker section,

to read: “Failure to provide all” monies from the real estate transaction to the trust account within 5 days, and to amend the Associate Broker/Salesperson to read: to delete the words “within 5 days” and add the word “immediately”.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Commission Member review of CE audits-

On a motion duly made by Wilcox, seconded by Logan, it was,

Resolved to have any CE audits that may have issues be forwarded to a Commission member for review and determination.

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Elections: Vice Chair and Education Liaison, 6(c)
Vice Chair-

On a motion duly made by Heaton, seconded by Schok, it was,

Resolved to nominate Ms. Doran as Vice Chair of the Commission.

There was no opposition. Motion passed.

Education Liaison-

On a motion duly made by Doran, seconded by Wilcox, it was,

Resolved to nominate Ms. Logan as Education Liaison of the Commission.

There was no opposition. Motion passed.

Agenda Item 7 – Old New Business
Initial Instructor Application- 20630, –7(a)

The Chair clarified for the record three Commission members, Ms. Schok, Mr. Cash and Ms. Markwood, who have a relationship with the individual applying for instructor certification, although all believe they do not have a conflict of interest.

The Commission went into an executive session to discuss instructor application No.20630.

On a motion duly made by Wilcox, seconded by Logan, it was,

Resolved to go into executive session to discuss the instructor application 20630.

Roll call vote: Heaton-yes, Schok-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes,

Commission went into executive session at 11:45. a.m.

Out of executive session at 11:57 a.m.

On a motion made by Wilcox, seconded by Cash, it was,

Resolved to deny instructor application #20630, per regulation 12 AAC 64.440(f).

Roll call vote: Heaton-yes, Schok-yes, Doran-yes, Logan- yes, Cash-yes, Wilcox-yes, and Markwood- yes

Ms. Markwood excused Ms. Doran and Mr. Cash from the meeting.

DEC Energy Rating Update- 18 AAC 50.081 –7(b)

Ms. Markwood updated the Commission on the Department of Environmental Conservation (DEC) energy rating regulation, 18 AAC 50. 081. This regulation, regarding air quality, required homeowners to have an energy rating audit prior to listing their home for sale in any area that had a non-compliance in air quality, per regulation, 18 AAC 50.081. The Commission sent a couple of letters to the Attorney General regarding how this would affect real estate licensees and the real estate statutes and regulations, with no response. Since then, the EPA has revoked the administrative code, so this is no longer a requirement. Ms. Markwood stated that she believed this outcome came from a great deal of legislative aid, both from industry, and our Washington, D.C. leaders, as well as a great deal of pressure put on the EPA. She said she is happy to report that while the Commission did not get a response regarding the real estate industry, the requirement for the homeowner has been rescinded. She thanked the real estate industry leaders for all their hard work on this issue.

Strategic Plan- Update –7(c)

Commission members reviewed and discussed the strategic plan. The topics added to the strategic plan were instructor's approval regulation 12 AAC 64.440(f), Deposits, ACH wires, money transfers and wire fraud, and earnest monies/trust funds held in an AK Bank and not in a bank outside of AK.

Ms. Markwood said the final REC Sunset Audit report is now available to the public and can be found on the AK Legislature Website under Legislative Audit.

Agenda Item 8 –Executive Administrator's Report

Licensing and Education Report –8(a)

Mr. Givens presented the licensing report to the Commission for dates between June 2, 2025, through September 6, 2025. Mr. Given stated there were 63 new licenses issued; 2,927 active licensees, 3,177 total number of licensees with an 1/31/2026 expiration date; 30 inactive licensees; 70 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 91 transfers; 32 licensees completed their PLE requirements, 11 upgrades, 12 license by endorsement, 150 licensees in a license returned status, and 347 lapsed licenses with a 1/31/2024 expiration date.

Mr. Givens presented the education report for September 18, 2025. He reported that as of 9/5/2025, there were 18 pre-licensing courses; 5 broker upgrade courses; 391 elective (ECE) and 125 designated (DCE) courses and 66 Post Licensing courses with a total of 605 approved courses. There were 18 initial courses approved between 6/3/25 and 9/5/25.

There is a total of 60 permanent instructors. There was 1 new instructor from the last report, and no temporary instructors.

Recovery Fund Report –8(b)

Ms. Harris presented the Recovery Fund Report for FY25, 4th quarter, ending June 30, 2025. The Commission received \$39,020 in revenue for license fees processed for the fiscal year 2025 with a total revenue to include interest and investment of \$57,863. The total expenditure was \$37,401. There was a deficit in revenue of expenditures of \$23,551. The beginning year fund balance was \$338,132 and the end of year fund balance of \$314,580. This end balance is within the required limits for the recovery fund.

Ms. Harris stated that one of the Legislative Audit findings was to eliminate the Real Estate Recovery Fund because it is no longer needed. This would require legislative support.

RISC Claim Report 2nd Qtr–8(c)

Commission members reviewed the RISC Claim Report. There were no questions. There was a suggestion that representee of RISC attend a future meeting to speak to their claim report.

Agenda Item 9 – Commission Member Comments and Questions-

Ms. Wilcox thanked everyone for the great work. She appreciated all the information and conversations during the meeting, which was very helpful.

Ms. Heaton thanked everyone for their time and effort. She said it was great to see more members on the Commission. She appreciated everyone's involvement and efforts.

Ms. Logan said she appreciated being part of the Commission and enjoyed the dialogue and conversations at the table, thank you.

Ms. Markwood thanked Lonnie and Devon for stepping up to serve in these positions, both as our Vice Chair and Education Liaison, and special thanks to Tracy Heaton, who worked as her Vice Chair. She thanked everyone currently on the Commission because this is an active Commission and they are doing great work. She said the Commission has accomplished a lot of case reviews this last cycle, and she appreciates everybody's work on that. It's great to have new Commission members come in and be willing to serve and do the hard work on the Commission. She said the real estate industry requires it of us, and it's an honor to serve for the state of Alaska and it has been an honor to serve as your chair.

Staff thanked the Commission members for all their work on the Commission.

Adjournment

On a motion made by Schok, seconded by Wilcox, it was,

Resolved to adjourn meeting.

There was no opposition. Motion passed.

Meeting adjourned at 12:28 a.m.

Next meeting: December 11, 2025.

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson, Alaska Real Estate Commission

Investigations



THE STATE
of **ALASKA**

Department of Commerce, Community,
and Economic Development

DIVISION OF OCCUPATIONS
OF PROFESSIONAL LICENSING

550 West Seventh Avenue Suite 1500
Anchorage, AK 99501-3567
Main: 907.269.8160
Fax: 907.269.8156

MEMORANDUM

DATE: December 01, 2025
TO: Real Estate Commission
THRU: Erika Prieksat, Chief Investigator
FROM: Chace Evans, Investigator
RE: Investigative Report for the December 11, 2025 Meeting

The following information was compiled as an investigative report to the Board for the period of September 09, 2025 thru December 01, 2025; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 46

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
2025-001078	Unlicensed practice or activity	Intake	11/13/2025

BROKER-DEALER

2024-001074	Violation of Profession Statute or Regulation	Complaint	02/04/2025
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**REAL ESTATE ASSOCIATE
BROKER**

2025-001119	Unprofessional conduct	Intake	11/24/2025
2023-001006	Violation of licensing regulation	Complaint	10/10/2023
2024-000199	Unlicensed practice or activity	Complaint	02/28/2024
2024-001118	Violation of License Regulation	Complaint	05/02/2025

2024-001161	Vi i essi e hics	C m i	3/13/2025
2022-001045	Vi i ice si g e u i	ves i g i	3/21/2024

R AL S A BROKER

2025-001044	Vi i eeme	ke	11/03/2025
2025-001117	U essi c duc	ke	11/21/2025
2025-001123	Vi i P essi S u e Re u i	ken I	11/26/2025
2023-000278	Vi i ice si g e u i	m i	4/11/2023
2024-000250	Vi i ice si g e u i	m i	3/19/2024
2024-000691	Vi i Lice se Re u i	m i	2/12/2024
2024-001075	Vi i P essi S u e Re u i	m p n i C	3/12/2025
2025-000261	Vi i essi e hics	C m i	4/27/2025
2025-000979	U essi c duc	m i	1/19/2025
2023-001146	Vi i ice si g e u i	ves i g i	8/13/2025

R AL S A SAL SP RSON

2025-000540	U essi c duc	ke	06/18/2025
2025-000957	U essi c duc	ke	10/06/2025
2025-000958	U essi c duc	ke	10/06/2025
2025-001029	U essi c duc	ke	10/27/2025
2025-001056	U essi c duc	ke	11/05/2025
2025-001077	U ice sed r c ice c ivi y	I ke	11/13/2025
2025-001081	Vi i P essi S u e Re u i	ken I	11/14/2025
2025-001082	Vi i essi e hics	I ke	11/14/2025
2025-001115	U essi c duc	ke	11/20/2025
2024-000198	U ice sed r c ice c ivi y	C m i	2/28/2024
2024-000224	Lice se A p ic i Review/Re e	r m i	3/12/2024
2024-000798	C i ui geduc i	m i	9/09/2024
2024-000893	Vi i eeme	mp i	1/05/2025
2024-000988	C i ui geduc i	m i	1/18/2024
2024-001065	Vi i eeme	mp i	3/13/2025
2025-000720	U essi c duc	m i	9/03/2025

202 -000 09	Con es ed license denial	Moni or	01/04/2024
202 -000274	Viola ion of licensing regula ion	Inves iga ion	04/09/2025
202 -001058	Viola ion of licensing regula ion	Inves iga ion	04/29/2025
202 -001059	Viola ion of licensing regula ion	Inves iga ion	0 /24/2025
202 -001066	Viola ion of licensing regula ion	Inves iga ion	04/29/2025
2024-000195	Unlicensed prac ice or ac ivi y	Inves iga ion	09/02/2025
2024-00071	Con inuing educa ion	Inves iga ion	07/18/2025
2024-000762	Con inuing educa ion	Inves iga ion	07/18/2025
2024-000847	Con inuing educa ion	Inves iga ion	07/18/2025
2024-000888	Con inuing educa ion	Inves iga ion	07/18/2025
2024-000981	Con inuing educa ion	Inves iga ion	10/22/2025
2024-000989	Con inuing educa ion	Inves iga ion	07/18/2025

Closed -

<u>C se</u>	<u>ol to e</u>	<u>C se S us</u>	<u>Closed</u>	<u>Closure</u>
REAL ES A E ASSOCIA E BROKER				
2025-000999	Unprofessional conduct	Closed-In ake	11/17/2025	Incomple e Complain
REAL ES A E SALESPERSON				
2025-000792	Unprofessional conduct	Closed-In ake	10/0 /2025	Incomple e Complain
2025-000956	Unprofessional conduct	Closed-In ake	11/17/2025	Incomple e Complain
2025-00098	Unprofessional conduct	Closed-In ake	11/17/2025	Incomple e Complain
2025-000 2	Unprofessional conduct	Closed-Complain t	10/24/2025	No Ac ion - No Viola ion
2024-00107	Viola ion of License Regula ion	Closed-Inves iga ion	10/2 /2025	Advisemen Le er
2024-001081	Viola ion of Profession S a u e or Regula ion	Closed-Inves iga ion	10/06/2025	License Ac ion
2024-001082	Viola ion of License Regula ion	Closed-Inves iga ion	10/28/2025	Advisemen Le er

END OF REPORT

License Actions –
files located in OnBoard Resource folder
labeled “REC Investigative Matters”

Division Update

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 20	FY 21	Biennium	FY 22	FY 23	Biennium	FY 24	FY 25	Biennium	FY 26 1st QTR
Revenue										
Revenue from License Fees	\$ 618,451	\$ 325,590	\$ 944,041	\$ 820,700	\$ 228,875	\$ 1,049,575	\$ 639,645	\$ 148,775	\$ 788,420	\$ 35,360
General Fund Received		\$ -	-	\$ 17,842	\$ 4,654	22,496	\$ 4,859	\$ -	4,859	\$ -
Allowable Third Party Reimbursements	\$ -	\$ -	-	\$ -	\$ 2,500	2,500	\$ -	\$ -	-	\$ -
TOTAL REVENUE	\$ 618,451	\$ 325,590	\$ 944,041	\$ 838,542	\$ 236,029	\$ 1,074,571	\$ 644,504	\$ 148,775	\$ 793,279	\$ 35,360
Expenditures										
Non Investigation Expenditures										
1000 - Personal Services	65,350	113,092	178,442	129,521	171,009	300,530	175,061	175,002	350,063	40,619
2000 - Travel	3,046	-	3,046	-	1,569	1,569	7,416	2,860	10,276	-
3000 - Services	19,306	4,687	23,993	12,219	5,254	17,473	13,612	2,529	16,141	940
4000 - Commodities	-	-	-	16	-	16	-	-	-	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	87,702	117,779	205,481	141,756	177,832	319,588	196,089	180,391	376,480	41,559
Investigation Expenditures										
1000-Personal Services	93,884	97,209	191,093	98,726	110,246	208,972	93,972	115,767	209,739	25,421
2000 - Travel	2,078	-	2,078	-	9,100	9,100	2,538	-	2,538	-
3023 - Expert Witness	-	450	450	-	-	-	2,975	3,438	6,413	-
3088 - Inter-Agency Legal	1,692	43,125	44,817	23,415	70,918	94,333	60,164	17,197	77,361	-
3094 - Inter-Agency Hearing/Mediation	-	2,799	2,799	6,467	23,142	29,609	34,889	8,927	43,816	-
3000 - Services other	1,010	390	1,400	517	1,967	2,484	717	289	1,006	-
4000 - Commodities	-	-	-	106	58	164	48	18	66	-
Total Investigation Expenditures	98,664	143,973	242,637	129,231	215,431	344,662	195,303	145,636	340,939	25,421
Total Direct Expenditures	186,366	261,752	448,118	270,987	393,263	664,250	391,392	326,027	717,419	66,980
Indirect Expenditures										
Internal Administrative Costs	108,667	101,425	210,092	112,583	124,346	236,929	115,793	107,831	223,624	26,958
Departmental Costs	37,533	39,972	77,505	46,517	48,168	94,685	49,850	54,350	104,200	13,588
Statewide Costs	20,978	28,864	49,842	28,689	30,587	59,276	26,037	24,810	50,847	6,203
Total Indirect Expenditures	167,178	170,261	337,439	187,789	203,101	390,890	191,680	186,991	378,671	46,749
TOTAL EXPENDITURES	\$ 353,544	\$ 432,013	\$ 785,557	\$ 458,776	\$ 596,364	\$ 1,055,140	\$ 583,072	\$ 513,018	\$ 1,096,090	\$ 113,729
Cumulative Surplus (Deficit)										
Beginning Cumulative Surplus (Deficit)	\$ 782,155	\$ 1,047,062		\$ 940,639	\$ 1,320,405		\$ 960,070	\$ 1,021,502		\$ 657,259
Annual Increase/(Decrease)	264,907	(106,423)		379,766	(360,335)		61,432	(364,243)		(78,369)
Ending Cumulative Surplus (Deficit)	\$ 1,047,062	\$ 940,639		\$ 1,320,405	\$ 960,070		\$ 1,021,502	\$ 657,259		\$ 578,890
Statistical Information										
Number of Licenses for Indirect calculation	3,771	3,680		4,062	4,317		4,165	3,650		
Additional information: • General fund dollars were received in FY21-FY24 to offset increases in personal services and help prevent programs from going int • Most recent fee change: Fee reduction FY23 • 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 progr										

Appropriation Name (Ex)	(Multiple Items)
Sub Unit	(Multiple Items)
PL Task Code	REC1

Sum of Budgetary Expenditures	Object Type Name (Ex)		
Object Name (Ex)	1000 - Personal Services	3000 - Services	Grand Total
1011 - Regular Compensation	39,110.98		39,110.98
1021 - Allowances to Employees	66.95		66.95
1023 - Leave Taken	2,677.66		2,677.66
1028 - Alaska Supplemental Benefit	2,563.83		2,563.83
1029 - Public Employee's Retirement System Defined Benefits	6,280.78		6,280.78
1030 - Public Employee's Retirement System Defined Contribution	915.96		915.96
1034 - Public Employee's Retirement System Defined Cont Health Reim	571.30		571.30
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	149.40		149.40
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	3,314.23		3,314.23
1039 - Unemployment Insurance	207.43		207.43
1040 - Group Health Insurance	8,007.01		8,007.01
1041 - Basic Life and Travel	10.59		10.59
1042 - Worker's Compensation Insurance	238.31		238.31
1047 - Leave Cash In Employer Charge	916.14		916.14
1048 - Terminal Leave Employer Charge	396.72		396.72
1053 - Medicare Tax	587.04		587.04
1077 - ASEA Legal Trust	14.46		14.46
1079 - ASEA Injury Leave Usage	6.15		6.15
1080 - SU Legal Trst	5.10		5.10
3002 - Memberships		897.00	897.00
3035 - Long Distance		4.21	4.21
3057 - Structure, Infrastructure and Land - Rentals/Leases		39.28	39.28
Grand Total	66,040.04	940.49	66,980.53

New Business

Report Highlights

Why DLA Performed This Audit

The audit was performed to determine if there is a continued need for the commission and if its termination date should be extended. The commission is set to sunset on June 30, 2026, and will have one year from that date to conclude its administrative operations.

What the Legislative Auditor Recommends

1. The Division of Corporations, Business and Professional Licensing (DCBPL) director should provide training and update written procedures to ensure minutes are prepared for all commission meetings as required by law.
2. The commission chair should ensure commission regulations and forms are updated to include independent contractors.
3. DCCED's commissioner should work with policy makers to improve the recruitment and retention of investigators, and DCBPL management should consider ways to assist the commission in clearing its investigative backlog.

A Sunset Review of the Department of Commerce, Community, and Economic Development (DCCED), Real Estate Commission (commission)

April 17, 2025

Audit Control Number 08-20146-25

REPORT CONCLUSIONS

The commission served the public's interest by effectively conducting its meetings, actively amending regulations, and effectively licensing real estate professionals.

The audit also found areas for improvement. The commission did not consistently keep minutes for subcommittee meetings and did not update its regulations and forms to include licensees who are independent contractors. Commission related investigations were not conducted in a timely manner, and the Real Estate Recovery Fund appeared to no longer be necessary. Further, the commission did not monitor compliance with insurance coverage requirements.

In accordance with AS 08.03.010(c)(19), the commission is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the commission's termination date four years to June 30, 2030, which is half of the eight year maximum allowed by statute. The reduced extension reflects the need for more routine oversight to ensure timely corrective action.

Report Highlights (Continued)

4. The commission should consider seeking legislation to eliminate the Real Estate Recovery Fund.
5. The commission should require license renewal applicants to submit a certificate of errors and omissions insurance coverage, or seek a statutory change.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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May 6, 2025

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Real Estate Commission and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT REAL ESTATE COMMISSION SUNSET REVIEW

April 17, 2025

Audit Control Number
08-20146-25

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(19), the commission is scheduled to terminate on June 30, 2026. We recommend the legislature extend the commission's termination date four years to June 30, 2030.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

ABBREVIATIONS

AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
CISA	Certified Information Systems Auditor
commission	Real Estate Commission
COVID-19	Coronavirus Disease 2019
CPA	Certified Public Accountant
DCBPL	Division of Corporations, Business and Professional Licensing
DCCED	Department of Commerce, Community, and Economic Development
DLA	Division of Legislative Audit
fund	Real Estate Recovery Fund
FY	Fiscal Year
NAR	National Association of Realtors
SB	Senate Bill

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Revenues, Expenditures, and Changes in Fund Balance,
FY 22 through January 31, 2025

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ORGANIZATION AND FUNCTION

Real Estate Commission (commission)	<p>The commission is established under AS 08.88.011 for the purpose of licensing and regulating real estate professionals in Alaska. The commission is made up of seven members.</p> <p>State law requires five of the seven commission seats be filled by licensed real estate brokers or associate brokers that have been licensed in the state for at least three years prior to appointment. One broker or associate broker must be appointed from each of the four judicial districts and one from the state at large. A total of two licensed real estate brokers or associate brokers may be appointed from the state at large if no licensed real estate broker or associate broker is eligible or available for appointment from the Second Judicial District. Exhibit 1 lists commission members as of January 31, 2025.</p> <p>The commission regulates the real estate profession in the state. Specifically, per AS 08.88.071 through AS 08.88.091, the duties of the commission include:</p> <ol style="list-style-type: none">1. establishing examination requirements and conducting examinations;2. issuing licenses to qualified applicants;3. holding hearings and issuing disciplinary sanctions, including license suspension or revocation, and levying civil fines;4. prosecuting violations of AS 08.88;	<div>Exhibit 1</div> <div>Real Estate Commission Members as of January 31, 2025</div> <div>Cheryl Markwood, Chair <i>Broker at Large</i></div> <div>Chad Stigen <i>Assoc. Broker at Large</i></div> <div>Devon Doran <i>Broker, 3rd Judicial Dist.</i></div> <div>Elizabeth Schok <i>Assoc. Broker, 4th Judicial Dist.</i></div> <div>Traci Heaton <i>Assoc. Broker, 1st Judicial Dist.</i></div> <div>Jimi Cash <i>Public Member</i></div> <div>Susan Wilcox <i>Public Member</i></div> <div>Source: Office of the Governor, Boards and Commissions website.</div>
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5. issuing temporary permits for purposes of administrating and/or concluding the business affairs of a licensee who is incapacitated, has been suspended, or has died;
 6. updating the seller's property disclosure statement;
 7. adopting regulations to implement the commission's statute; and
 8. establishing professional education requirements and providing professional education.

The commission may issue licenses to brokers, associate brokers, and salespersons. Additionally, per AS 08.88.291, the commission registers real estate main and branch offices. To help accomplish its mission, statutes authorize the commission to hire an executive administrator.

**Department of
Commerce, Community,
and Economic
Development's Division
of Corporations, Business
and Professional Licensing
(DCBPL)**

DCBPL staff provide administrative and investigative assistance to the commission. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving application forms, publishing notices for meetings and exams, and assisting with commission regulations.

Alaska Statute 08.01.087 gives DCBPL authority to act on its own initiative or in response to a complaint. DCBPL may:

1. Conduct an investigation to determine whether a person has violated a law.
2. Bring an action in Superior Court to enjoin the act.
3. Examine or have examined the books and records of a person whose business activities require a business license or licensure by a board or commission listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010.

4. Issue subpoenas for the attendance of witnesses and records.

Alaska Statute 08.01.065 requires the department to adopt regulations that establish the amount and manner of payment of application, examination, reporting, and license fees.

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REPORT CONCLUSIONS

In developing our conclusion regarding whether the commission's termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A of this report. Under the State's "sunset" law, these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

The audit concluded that the commission served the public's interest by effectively conducting its meetings, actively amending regulations, and effectively licensing real estate professionals.

The audit also found areas for improvement. The commission did not consistently keep minutes for subcommittee meetings and did not update its regulations and forms to include licensees who are independent contractors. Commission related investigations were not conducted in a timely manner, and the Real Estate Recovery Fund appeared to no longer be necessary. Further, the commission did not monitor compliance with insurance coverage requirements.

In accordance with AS 08.03.010(c)(19), the commission is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the commission's termination date four years to June 30, 2030, which is half of the eight year maximum allowed by statute. The reduced extension reflects the need for more routine oversight to ensure timely corrective action.

Detailed report conclusions are as follows.

The commission conducted its meetings effectively, but did not consistently keep minutes of its subcommittee meetings.

The commission met 31 times from July 2021 through January 2025. A review of 12 commission meetings and seven subcommittee meetings found that meetings were appropriately publicly noticed, generally allowed time for public comment, and a quorum was consistently met.¹ The commission did not, however, consistently prepare minutes for subcommittee meetings. The audit

¹ At the December 14, 2023, meeting that considered a disciplinary matter, quorum was not maintained when it was determined that two members had a conflict of interest and one member was absent. Consideration of the matter was rescheduled to the next commission meeting.

found that six of the seven subcommittee meetings reviewed did not have meeting minutes. (See Recommendation 1)

The commission duplicated some of the activities of a trade association.

The audit found some duplication of efforts between the commission and a trade association, the National Association of Realtors (NAR). Membership in NAR and its regional (Alaska Realtors) and local affiliates is not a state license requirement; however, many licensees are members. NAR sets and enforces ethical standards that are, in some respects, similar to the standards set by Alaska statutes and commission regulations. For instance, both the commission and NAR impose a duty of honesty and good faith dealing. Both require disclosure of conflicts of interest, prohibit misrepresentation of property conditions, and require that client money be kept in a trust account. Both provide a process for members of the public to file a complaint and seek sanctions against a real estate professional. NAR and its affiliates also provide professional education. This education can be used to comply with the education requirements imposed by the commission.

The commission actively amended regulations; however, it did not amend regulations and forms to include licensees who are independent contractors.

The commission issued and amended regulations to implement statutory changes and improve the licensing process. Significant changes included regulations that:

- updated the examination process by fully transitioning to a commission-approved testing service. This change increased access to testing.
- added the option of taking virtual professional education courses. This change helped ensure licensees could continue to comply with professional education requirements during the pandemic.
- implemented legislation related to increased experience requirements. This change helped protect consumers by requiring licensed brokers to have more experience.

-
- updated the property transfer disclosure statement to provide additional information on what structural components need to be replaced, the type of fireplace/woodstove, detail regarding pests and remediation action, and a responsibility disclaimer for licensees. These changes provided potential property purchasers with additional useful information prior to making an offer.
 - required supervision of licensees by both a broker and an associate broker. This change increased oversight, which helps protect buyers and sellers during the closing process.
 - implemented legislation by establishing a temporary military courtesy license to allow active-duty military members and spouses to practice as a real estate broker, associate broker, or salesperson. This change expedited the license process for military members and spouses.
 - updated the consumer disclosure form to reflect “team” relationships amongst licensees. A “team” is made up of licensees within a brokerage who work and advertise under a team name. This change promoted consumer awareness.

The commission did not, however, update its regulations and forms to include licensees who are independent contractors. During fieldwork, auditors learned that real estate brokerages typically do not employ licensees. Rather, brokerages usually enter into independent contractor relationships with licensees. An independent contractor relationship is different than an employment relationship for a variety of purposes, including tax, liability, and labor laws. The legislature amended the commission’s statute in 1998 to reflect this practice by adding AS 08.88.910, which states: “The provisions of this chapter that apply to employment relationships and employees also apply to contracting relationships and independent contractors.”

Despite the long-standing nature of this business practice, the commission’s regulations and forms continue to make extensive use of the term “employing broker” as the only kind of broker

Commission related investigations were not conducted in a timely manner.

relationship.² The commission has six license application forms; each form seeks “Employing Broker Information.” The broker application forms seek particulars of employment information such as “employment begin date” and “employment end date.” The regulations and forms do not explain how an independent contractor applicant or licensee should complete the forms. (See Recommendation 2)

A total of 264 commission related cases were open or opened from July 2021 through January 2025. The audit identified that 108 of these cases were open for over 180 days during the audit period. Eight of the 108 cases were open more than 1,000 days.

Auditors reviewed 14 of the 108 cases that were open for over 180 days and determined that all 14 cases had unjustified periods of inactivity, and other delays, ranging from 160 to 726 days, with an average delay of 14 months. The audit found three primary types of delay with many cases showing multiple types of delay. First, the longest periods of inactivity related to Division of Corporations, Business and Professional Licensing (DCBPL) waiting for a commission member to accept a case for review (6 cases; 124 to 515 days). Second, once accepted for review, auditors found delays associated with commission member review (9 cases; 49 to 441 days). Third, auditors found periods of inactivity related to investigator staffing issues such as vacancies and turnover (7 cases; 55 to 326 days). (See Recommendation 3)

As shown in Exhibit 2 on the following page, open commission related cases more than doubled from July 2024 to January 2025.

² For example, see 12 AAC 64.065; 12 AAC 64.075; 12 AAC 64.077; 12 AAC 64.080; 12 AAC 64.110; 12 AAC 64.130(17).

Exhibit 2

Real Estate Commission Investigations					
<i>as of:</i>	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	January 31, 2025
Cases Open Less than 180 days	23	12	11	14	41
Cases Open 180–364 days	1	10	16	8	15
Cases Open 1–2 years	8	19	10	8	12
Cases Open More than 2 years	3	8	9	3	4
Total Open Cases	35	49	46	33	72

Source: DCBPL investigation casefiles.

The commission issued licenses in compliance with statutes and regulations.

Exhibit 3 on the following page shows that, as of January 2025, there was a total of 2,854 active licenses representing an overall increase of nine percent when compared to the prior 2017 sunset audit. The net change is the result of a 17 percent increase in salesperson licenses since 2017, offset by an eight percent decrease in broker and associate broker licenses. The commission chair explained that changes in the number of licenses are generally related to activity in the real estate market: when sales are up, the overall number of licenses issued increases, and vice versa.

Exhibit 3

Real Estate Commission License and Registration Activity FY 22 through January 31, 2025				
Newly Issued (Exclusive of Renewals)				Total Active as of January 31, 2025
	FY 22	FY 23	FY 24	
Associate Broker	8	9	5	375
Temporary Associate Broker	0	0	2	0
Broker	8	4	6	409
Salesperson	334	245	245	2,070
Temporary Salesperson	0	0	1	0
License Totals	350	258	259	2,854
Real Estate Office Registrations				
Branch	19	9	3	48
Main	39	33	40	543
Office Registration Totals	58	42	43	591

Source: DCBPL license files.

Auditors tested a sample of 20 new and 10 renewal licenses issued during the audit period and found all were issued in compliance with statutes and regulations.

The commission reduced its budget surplus by decreasing some license fees.

The commission's schedule of revenues and expenditures for FY 22 through January 2025 is shown in Exhibit 4 on the following page. The commission receives its revenue from licensure and renewal fees. Renewals are conducted on a biennial basis, creating a two-year cycle in commission revenues. During the audit period, the commission was allocated \$27,355 of general funds to replace revenue lost due to the license fee freeze mandated by the governor to help mitigate the financial impact of the COVID-19 pandemic.

As of January 2025, the commission had a cumulative surplus of \$807,663.

Exhibit 4

Real Estate Commission Schedule of Revenues and Expenditures FY 22 through January 31, 2025 (Unaudited)				
	FY 22	FY 23	FY 24	July 1, 2024 – January 31, 2025
Revenues				
Licensing Fees	820,700	228,875	639,645	86,985
General Funds Received	17,842	4,654	4,859	-
Other Sources	-	2,500	-	-
Total Revenues	838,542	236,029	644,504	86,985
Direct Expenditures				
Personal Services	228,247	281,255	269,033	184,230
Travel	-	10,669	9,954	4,352
Services	42,618	101,281	112,357	16,389
Commodities	122	58	48	12
Total Direct Expenditures	270,987	393,263	391,392	204,983
Indirect Expenditures	187,789	203,101	191,680	95,841*
Total Expenditures	458,776	596,364	583,072	300,824
Annual Surplus (Deficit)	379,766	(360,335)	61,432	(213,839)
Beginning Cumulative Surplus	940,639	1,320,405	960,070	1,021,502
Ending Cumulative Surplus	1,320,405	960,070	1,021,502	807,663

Source: Department of Commerce, Community, and Economic Development management.

* Indirect expenditures are based on prior year estimates as of December 31, 2024.

During FY 22, DCBPL staff reviewed the level of fees in relation to the commission's budget surplus. DCBPL management, in consultation with the commission, concluded that fees were too high, and adopted regulations that decreased several fees, including reducing new and renewal license fees by \$20 and transfer fees by \$105. During FY 25, DCBPL staff conducted another fee analysis and recommended that no fee changes be made for the next license renewal cycle. The commission's schedule of fees from FY 22 through January 2025 is shown in Exhibit 5.

Exhibit 5

Real Estate Commission License and Other Fees FY 22 through January 31, 2025		
	FY 22 Amount	FY23 through January 31, 2025 Amount
License fee	\$140	\$120
Biennial license renewal fee	140	120
Fee for office changes	120	120
Transfer of license fee	225	120
Application fee for initial license	200	200
Initial office registration fee	200	200
License inactivation or reactivation fee	150	150
Duplicate license fee	20	0
Name change fee	75	0
Post-license education certification and new license document fee	50	50
Reinstatement fee for a lapsed license	225	140
Initial course certification fee (per credit hour)	50	50
Biennial course recertification fee (per credit hour)	30	30
Instructor approval fee (per instructor)	200	200
Temporary instructor approval fee (per instructor)	250	250
Instructor approval recertification fee	100	100
Information pamphlet on landlord and tenant rights	5	5
Real Estate Recovery Fund fee	50	50

Source: DCBPL regulations.

The Real Estate Recovery Fund fee is no longer necessary.

The Real Estate Recovery Fund (fund) is established in AS 08.88.450 for the primary purpose of providing a remedy for loss suffered in a real estate transaction “as a result of fraud, an intentional tort, deceit, or the conversion of trust funds or the conversion of community association accounts...” Claims are limited to \$15,000 per transaction, up to a maximum of \$50,000 per licensee. As the payer of last resort, claims must be validated by a claimant’s final court judgment, arbitration award, or settlement agreement with a licensee. The fund may also be used for real estate educational purposes. As shown in Exhibit 6 on the following page, during the audit period no claims were paid and the fund was only used to pay DCBPL staff salaries for time spent on recovery fund related tasks.

DCBPL management advised the commission that personal services expenditures were paid from the fund based on an assumption that 10 percent of the executive administrator’s time and 100 percent of a project assistant’s time was spent on recovery fund related tasks. DCBPL does not maintain positive timekeeping to show that each of these positions worked on educational purposes, which is the only non-claim expenditure allowed by statute.

The commission’s statute requires the fund maintain a balance between \$250,000 and \$500,000. Per AS 08.88.455, the revenues for the fund are recovery fund fees paid by licensees, not to exceed \$125 per licensee. As of November 2019, the recovery fund fee was set by regulation at \$50 per licensee.

As noted in the previous sunset audit, legislation became effective in 2018 mandating that all licensees have errors and omissions insurance (SB 158). From the effective date of SB 158 through January 2025, the fund paid a total of only \$50,202 in claims, while collecting over \$640,000 in recovery fund fees. (See Recommendation 4)

Exhibit 6

Real Estate Recovery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
FY 22 through January 31, 2025
(Unaudited)

	FY 22	FY 23	FY 24	July 1, 2024 – January 31, 2025
Revenues				
Licenses and Permits	101,260	46,705	90,520	22,320
General Funds Received	-	82,225	-	-
Interest and Inv. Income	(4,580)	12,475	21,727	10,531
Prior Year Adjustments	(150)	-	-	-
Total Revenues	96,530	141,405	112,247	32,851
Expenditures				
Personal Services	43,240	74,020	116,395	64,083
Travel	-	-	-	-
Services (Non-Claims)	2	32	29	-
Services (Claims)	-	-	-	-
Commodities	-	-	-	-
Total Expenditures	43,242	74,052	116,424	64,083
Net Change in Fund Balance	53,288	67,353	(4,177)	(31,232)
Fund Balance – Beginning of Year	264,101	317,389	384,742	380,565
Fund Balance – End of Year	317,389	384,742	380,565	349,333

Source: DCBPL management and the State accounting system.

The commission did not require applicants for renewal licenses submit a certificate of coverage of independently obtained errors and omissions insurance as statutorily mandated.

Per AS 08.88.172, licensees are required to have errors and omissions insurance coverage. Licensees can opt to use either the commission's master errors and omissions insurance policy (which has been continually in force since 2017) or elect to obtain such insurance directly from an insurance company.

Per AS 08.88.172(f), applicants for new and renewal licenses who independently obtain coverage apart from the commission's master insurance policy must provide a certificate of errors and omissions insurance coverage. The audit found that the commission required new license applicants to submit a certificate of coverage; however, renewal license applicants were not required to. Instead, the commission accepted an applicant statement certifying that errors and omissions coverage exists. (See Recommendation 5)

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FINDINGS AND RECOMMENDATIONS

The prior 2017 sunset audit made one recommendation:

- Division of Corporations, Business and Professional Licensing’s (DCBPL) chief investigator should continue to improve oversight to ensure cases are actively investigated and completed timely.

The prior sunset audit recommendation was not resolved and is reiterated below as Recommendation 3.

This sunset audit makes four new recommendations.

Recommendation 1:

DCBPL’s director should provide training and update written procedures to ensure minutes are prepared for all commission meetings as required by law.

Auditors reviewed seven subcommittee meetings for compliance with meeting requirements and found that six of the meetings did not have minutes.

Alaska Statute 08.01.070(1) provides: “Each board shall perform the following duties in addition to those provided in its respective law...take minutes and records of all proceedings”. Since subcommittee meetings are a “proceeding” of the Real Estate Commission (commission), meeting minutes are required. Minutes were not maintained because the executive administrator was not aware that minutes were required for subcommittee meetings.

Meeting minutes provide a record of what occurred during a proceeding, and are used by commission members, staff, licensees, and members of the public to monitor commission activity. Lack of meeting minutes erodes the ability of all stakeholders to stay informed of commission actions.

We recommend DCBPL’s director provide training and update written procedures to ensure minutes are prepared for all commission meetings as required by law.

Recommendation 2:

The commission chair should update commission regulations and forms to include independent contractors.

The commission's regulations and forms all make reference to the "employing broker" but do not reference situations where the brokerage enters into independent contractor relationships with licensees.

According to commission members, the real estate industry has evolved away from employment relationships, and licensees are typically independent contractors affiliated with brokerages. While the commission's statute was updated to reflect this change in 1998, the commission did not update its regulations and forms to include independent contractors. The DCBPL director explained that the division has over 800 forms to maintain, and had overlooked this particular concern.

Per AS 08.88.910, the commission's statutes provide that "the provisions of this chapter that apply to employment relationships and employees also apply to contracting relationships and independent contractors." Occupational licensing regulations and forms that do not reflect business practices create confusion.

We recommend the commission chair update commission regulations and forms to include independent contractors.

Recommendation 3:

Department of Commerce, Community, and Economic Development's (DCCED)

commissioner should work with policy makers to improve the recruitment and retention of investigators, and DCBPL management should consider ways to assist the commission in clearing its investigative backlog.

Auditors reviewed 14 commission related cases open for over 180 days during the audit period and found that each case had periods of unjustified inactivity or other delays. The average total of delays in these cases was 14 months. In most of the cases, there were multiple causes for delay as noted below:

- In six cases, there were periods of inactivity ranging from 124 to 515 days related to waiting for a commission member to accept a case for review.
- In nine cases, the time taken by a commission member to review the case ranged from 49 to 441 days. In six of these cases, the time for review exceeded eight months, with the investigator case notes, at times, documenting lack of activity or response from the commission member.
- In seven cases, there were periods of inactivity ranging from 55 to 326 days related to investigator staffing vacancies and turnover.

Per AS 08.01.050(a)(19), DCBPL is responsible for providing investigative services to occupational boards and commissions. Investigations and complaints that sit idle for extended periods increase the risk to public welfare.

We recommend DCCED's commissioner work with policy makers to improve the recruitment and retention of investigators and DCBPL management consider ways to assist the commission in clearing its investigative backlog.

Recommendation 4:

The commission should consider seeking legislation to eliminate the Real Estate Recovery Fund.

Auditors found that the Real Estate Recovery Fund was no longer needed for its primary statutory purpose. The commission collects a \$50 fee from licensees to maintain the fund, but no claims have been paid by the fund since FY 20. The fund was only used to pay staff salary for time spent on "recovery fund related tasks."

The fund no longer paid claims because all licensees have been required to have errors and omissions insurance since 2018, and

access to the fund is fairly restrictive with claims being limited to \$15,000 per transaction, and a maximum of \$50,000 in claims per licensee. Additionally, the fund is the payer of last resort and claims must be supported by a final court judgment, arbitration award, or settlement agreement.

The Real Estate Recovery Fund was established by AS 08.88.450 to provide a source of financial relief for members of the public harmed “as a result of fraud, an intentional tort, deceit, or the conversion of trust funds” caused by a licensee. That purpose is now effectively served through the requirement of errors and omissions insurance per AS 08.88.172.

Continued collection of the real estate recovery fee for a fund that no longer effectively serves the purpose for which it was created increases the fiscal burden for licensees.

We recommend the commission consider seeking legislation to eliminate the Real Estate Recovery Fund.

Recommendation 5:

The commission should require license renewal applicants to submit a certificate of errors and omissions insurance coverage, or seek a statutory change.

The commission does not require renewal license applicants who have independently obtained errors and omissions insurance to submit a certificate. Rather, licensees are only required to certify compliance.

Errors and omissions insurance for licensees is mandatory under AS 08.88.172. Per AS 08.88.172(f), licensees who independently obtain errors and omissions insurance must provide a certificate of coverage with applications for both new and renewal licenses. According to 12 AAC 64.600—.610, license applicants must provide proof of errors and omissions insurance coverage by supplying a certification of insurance showing coverage.

The commission chair stated that certificates of coverage were not required from renewal license applicants because of electronic storage limitations. The DCBPL director stated that the deficiency was the result of human error.

Alaska consumers who contract with licensees that do not maintain errors and omissions insurance coverage risk incurring fiscal harm.

We recommend the commission require applicants for a renewal license to submit a certificate of errors and omissions insurance coverage, or seek a statutory change if determined unnecessary for effective regulation.

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Real Estate Commission (commission) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the commission should be reestablished. Currently, under AS 08.03.010(c)(19), the commission will terminate on June 30, 2026, and will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our audit are to determine:

1. If the termination date of the commission should be extended.
2. If the commission is operating in the public's interest.
3. The status of recommendations made in the prior sunset audit.

Scope

The assessment of commission operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the commission. We reviewed the commission's activities from July 1, 2021, through January 31, 2025. Financial information is presented, unaudited, for the same period.

Methodology

During the course of our audit, we reviewed and evaluated the following:

- The prior sunset audit report (ACN 08-20105-17) to identify issues affecting the commission and to identify prior sunset audit recommendations.

-
- Applicable statutes and regulations to identify commission functions and responsibilities, determine whether statutory or regulatory changes enhanced or impeded commission activities, and help ascertain if the commission operated in the public interest.
 - Commission meeting minutes to gain an understanding of commission proceedings and activities, the nature and extent of public input, whether a quorum was maintained, and whether commission vacancies impeded operations.
 - Commission annual reports to gain an understanding of commission activities.
 - The State's Online Public Notices System to verify commission meetings were adequately public noticed in compliance with state law.
 - Expenditures, revenues, and fee levels for the commission to determine whether fees covered the costs of operations.
 - Various Alaska news websites to identify complaints against the commission or other commission related concerns.
 - Various websites containing information for potential duplication of commission activities.
 - Commission investigation data for cases open or opened from July 1, 2021, through January 31, 2025, to assess the efficiency of the investigative process.

Internal controls over the licensing and investigative processes were assessed to determine if controls were properly designed and implemented. Additionally, to identify and evaluate commission activities, we conducted interviews with State agency staff, the commission chair, and one commission member. Specific areas of inquiry included: commission operations, statutory duties, regulations, duplication of efforts, fee levels, and complaints against the commission.

The audit utilized the following samples:

- A judgmental sample of 14 of 31 commission and subcommittee meetings held from July 1, 2021, through January 31, 2025, was reviewed to gain an understanding of commission proceedings and activities, the nature and extent of public input, whether a quorum was maintained, whether the meetings were public noticed, and whether commission vacancies impeded operations. The sample was expanded to include five subcommittee meetings to review whether meeting minutes were kept. Test results were not projected to the population.
- A total of 264 commission related investigative cases were open or opened from July 2021 through January 2025. The audit identified that 108 of the 264 cases were open for over 180 days during the audit period. Eight of the 108 cases were open more than 1,000 days. Auditors randomly selected a sample of 11 cases from the 264 cases open for over 180 days, and judgmentally selected three from the 108 cases open over 1,000 days, for a total sample size of 14 cases. Cases were reviewed to evaluate the efficiency of the investigative process. Test results were not projected to the population.
- From FY 22 through January 2025, the commission issued 967 new licenses. As of January 2025, there was a total of 2,854 active licenses. Auditors randomly selected a sample of 20 new licenses and 10 renewal applications for testing compliance with statutes and regulations. The sample size was based on low control risk, low inherent risk, and low/moderate audit risk. Test results were not projected to the population.

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APPENDIX SUMMARY

Appendix A provides the sunset criteria used in developing the conclusions regarding whether the Real Estate Commission termination date should be extended.

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APPENDIX A

Analysis of Public Need Criteria AS 44.66.050(c)

A determination as to whether a board or commission has demonstrated a public need for its continued existence must take into consideration the following factors:

1. the extent to which the board or commission has operated in the public interest;
2. the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters;
3. the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest;
4. the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided;
5. the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions;
6. the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved;
7. the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public;

APPENDIX A

(Continued)

8. the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission in its own activities and in the area of activity or interest;
9. the extent to which statutory, regulatory, budgetary, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection;
10. the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated; and
11. the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

Agency Response from the Department of Commerce, Community, and Economic Development



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

OFFICE OF THE COMMISSIONER
Julie Sande, Commissioner

P.O. Box 110800
Juneau, Alaska 99811-0800
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July 24, 2025

Kris Curtis
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811

RECEIVED

JUL 25 2025

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the June 30, 2025, Confidential Preliminary Report, Department of Commerce, Community, and Economic Development (DCCED), Real Estate Commission (commission) Sunset Review. I concur with six of the eight conclusions; those I do not concur with are addressed below. I concur with all five recommendations. Please see the following comments regarding the recommendations:

Conclusion: The commission duplicated some of the activities of a trade association.

The department takes issue with the conclusion that, "The commission duplicated some of the activities of a trade association." We might phrase it that the association duplicates many of the activities of the commission. Many professions have trade or professional associations that licensees opt to join. That those organizations have ethical standards for their members or offer them continuing education is not surprising. However, as the management letter noted, joining the National Association of Realtors (NAR) is not compulsory. Indeed, NAR is not the only national association for real estate professionals. Other associations include the National Association of Real Estate Brokers (NAREB) and the National Real Estate Association (NREA). Given that licensing is mandatory and membership in NAR or one of the other trade associations is optional, saying the legally required entity duplicates an optional, private entity seems misleading about the commission's role.

Conclusion: The commission reduced its budget surplus by decreasing some license fees.

The conclusion above can be found on page 10. The setting of fees is under the division's authority per AS 08.01.065, not the commission. The statement is confusing since the division, in consultation with the commission, decreased some license fees. The authority for fee setting is reference appropriately in the text of this session on page 12 which states, "DCBPL management, in consultation with the commission, concluded that fees were too high, and adopted regulations that decreased several fees..."

Recommendation #1: DCBPL's director should provide training and update written procedures to ensure minutes are prepared for all commission meetings as required by law.

The division has received varied legal guidance over time regarding the requirements for meeting minutes for various sub-units of the commission such as subcommittees, workgroups, and task forces. The most recent guidance is in alignment with this recommendation and the division will provide training to all board liaison staff on sub-unit requirements related to meeting minutes.

Recommendation #2: The commission chair should update commission regulations and forms to include independent contractors.

While the Division of Corporations, Business and Professional Licensing works with the commission and provides advice and guidance, the commission is not under the purview of the department. The commission will determine how it wishes to proceed regarding an update to regulations related to independent contractors.

Should the commission update its regulations on this topic, the division will work with the commission to ensure forms are updated with language reflecting that individuals may be employees or independent contractors as is current industry practice. Forms will be updated once regulations are updated, if the commission opts to do so.

Recommendation #3: Department of Commerce, Community, and Economic Development's (DCCED) commissioner should work with policy makers to improve the recruitment and retention of investigators, and DCBPL management should consider ways to assist the commission in clearing its investigative backlog.

The department concurs that recruitment and retention challenges exist throughout state government and will continue to engage with the Office of the Governor, Department of Administration, the Legislature, and other stakeholders as appropriate to identify holistic solutions.

The division works diligently to keep the investigations team staffed. With one of the largest investigations units in the state (26 PCNs), we try to emphasize the opportunities that size affords staff in an effort to improve retention. We are currently working to reclass the supervisory staff in investigations to create a clearer career ladder within the unit which we believe will improve staff retention.

Additionally, we offer staff a great deal of training. All investigators attend the National Certified Investigator and Inspector Training offered by the Council on Licensure, Enforcement and Regulation (CLEAR). Additionally, they are all trained in interviewing techniques, and all receive training on how to conduct investigations on their specific programs if available, (e.g., chiropractors, physicians, nurses, social workers, etc.). We feel that investing in staff through training ensures staff are confident in their ability to carry out their duties, improving job satisfaction and increasing retention. When we have turnover, we submit the vacant positions for posting within days of learning of them to minimize periods of short staffing.

The division is working with the commission on strategies to address the backlog in investigation cases.

Administrative Order No. 360

I, Mike Dunleavy, Governor of the State of Alaska, under the authority of Article III, Sections 1, 23, and 24 of the Constitution of the State of Alaska, hereby rescind Administrative Order 157 (Directives regarding Administrative Regulations in order to accomplish objectives) and Administrative Order 266 (establishing regulatory efficiency guidelines) and replace them with Administrative Order 360, the purpose of which is to improve the quality, transparency, and efficiency of the State's regulatory environment.

BACKGROUND AND PURPOSE

The State of Alaska is committed to growing its economic base, increasing its gross domestic product ("GDP"), and ensuring Alaskans have the freedom to do business, innovate, and pursue opportunities while complying with state and federal laws. Regulations are essential for interpreting and implementing these laws. However, the state's regulatory system has expanded over time, often adding layers of requirements without considering the burden imposed on Alaska's citizens and businesses. Alaska must be competitive on the world stage – including its regulatory framework – to attract investment and grow its economic base.

The public is best served when regulations are up-to-date, clearly written, account for impact on individual Alaskans and those doing business in the state and allow state agencies to facilitate implementation of laws in the most reasonable and cost-effective manner.

In light of the steady expansion of state regulatory requirements, I am announcing a statewide review of all existing regulations, guidance documents [1], and materials incorporated by reference to reduce unnecessary burdens on Alaska's citizens and businesses. I am also directing that all current guidance documents be published on the Alaska Online Public Notice System to ensure transparency and accountability.

[1] The term "guidance document" in this Order refers to documentation other than regulations produced by an agency often referred to as guidance documents, policies, interpretive bulletins, and the like.

GOALS

This Order is issued to achieve the following goals:

- Promote growth and investment in Alaska by reducing administrative and economic burdens associated with regulatory compliance, including removing barriers, finding solutions, and identifying alternative pathways.

- Streamline permitting processes and improve coordination and efficiency within all permitting departments, including the Department of Natural Resources (“DNR”), the Department of Environmental Conservation (“DEC”), and the Department of Fish and Game (“DFG”).
- Ensure boards and commissions adjust regulatory structures as necessary to maintain critical consumer protection while eliminating unnecessary barriers to entry for new professionals.
- Engage stakeholders early and continuously in the regulatory development and reform process.
- Ensure all regulations are clearly written, legally sound, and supported by a demonstrated need.
- Regularly evaluate existing regulations for effectiveness, redundancy, clarity, and impact.
- Reduce the regulatory burden on all Alaskans.

APPLICABILITY

This Order applies to all executive branch agencies, including departments, boards, commissions, and public corporations (hereafter referred to as “agencies”).

RESPONSIBILITY FOR IMPLEMENTATION

The following agencies (“implementing agencies”) are responsible for ensuring agency compliance with this Order:

- - **The Office of the Governor.** This office will provide oversight and ensure interagency cooperation.
 - **The Department of Law.** This department will coordinate the implementation of and ensure compliance with this Order pursuant to its role under AS 44.62. The Department of Law will provide the training and documentation to be used in implementing this Order.

ORDER

REGULATORY REDUCTION

Each agency shall:

Review existing regulations, guidance documents, and materials incorporated by reference to identify provisions that are outdated, redundant, or unclear.

Develop proposals for the revision, repeal, or streamlining of the regulations, guidance documents, and materials incorporated by reference identified above.

Reduce the number of regulatory requirements by 15 percent by December 31, 2026, and 25 percent (cumulative) by December 31, 2027.

AGENCY REGULATORY LIAISON

The **commissioner of each state department** shall designate an **Agency Regulatory Liaison** (“ARL”) to oversee regulatory reform for agencies housed within their department. Commissioners may designate more than one ARL when approved to do so by the Office of the Governor.

Each department’s ARL shall submit a quarterly progress report to the Office of the Governor, with copies to the Department of Law.

STAKEHOLDER AND PUBLIC ENGAGEMENT

Stakeholder feedback is essential and required at all stages of regulatory reform. Accordingly, each agency shall:

Solicit written and oral input from the public, affected industries, and community organizations regarding which regulations are the most burdensome and should be prioritized for reform, and how the agency’s regulatory system could be reorganized or simplified.

Document and publish stakeholder and public feedback and agency responses.

PERMITTING REFORM

To improve the efficiency and responsiveness of Alaska’s permitting systems, and to support responsible resource and economic development while protecting environmental and public interests, DNR, DEC, and DFG shall focus their initial regulatory reform efforts on permitting process reform. Accordingly, DNR, DEC, and DFG shall:

Review and revise permitting procedures to eliminate unnecessary steps, reduce duplicative reviews, simplify application requirements, streamline internal workflows, and clarify interagency roles to reduce inefficiencies and delays.

Adopt, in regulation, clear timelines and deadlines for permit application processing, review of milestones, and final decision making, including provisions for automatic approval if deadlines are not met.

Ensure transparent processes by making permit application statuses, timelines, and decision rationales available to applicants and the public, to the extent allowable by law.

Promote predictability in decision-making by applying regulatory standards consistently.

Leverage technology, such as artificial intelligence (“AI”), to support digitization, automation, and public access to permitting information.

GUIDANCE DOCUMENTS

Agencies may not utilize or issue guidance documents unless the Department of Law has reviewed the documents and verified the documents (or portions thereof) are not required to be promulgated as a regulation.

Agencies shall post all guidance documents on the Alaska Online Public Notice System.

STATE UNIFIED REGULATORY PLAN

Annually, all agencies shall submit to the Office of the Governor a projected regulatory plan that lists all anticipated rulemaking actions during the subsequent state fiscal year. The Office of the Governor shall approve individual agency plans. The Department of Law shall compile the approved agency plans into a single State Unified Regulatory Plan and post the plan on the Alaska Online Public Notice System.

DURATION

This Administrative Order takes effect immediately and remains in effect until revoked.

DATED this 4th day of August 2025.

Real Estate Commission's Responsibilities

By February 13th

Each Board is required to have a plan for how it will achieve the 25% reduction in regulatory requirements mandated by AO 360. These plans must include the regulation number, proposed change (but you don't have to have draft language), and the number of requirements being reduced.

AO 360 Baseline Requirements

The baseline number of requirements for REC is 203. 130 of these requirements are from the regulations, and 73 requirements are from documents adopted by reference in the regulations. **The 25% target is against the 203 number.**

Statutory Authority	12 AAC Section	Subsection	Discretionary?	Justification	# of Discretionary Requirements
Statutory Authority	Section	Subsection & Regulation Language	Discretionary?	Justification	# of Discretionary Requirements
AS 08.88.051, AS 08.88.071, AS 08.88.081, AS 08.88.171, AS 08.88.191	64.01	(a) A person may apply for the real estate salesperson or broker examination with the commission-approved testing service.	Yes	Requires application with a specific testing service, not mandated by statute.	1
AS 08.88.051, AS 08.88.071, AS 08.88.081, AS 08.88.171, AS 08.88.191	64.01	(b) Deadlines for registration for the examination are set by the commission-approved testing service.	Yes	Deadlines set by service, not statute.	1
AS 08.88.051, AS 08.88.071, AS 08.88.081, AS 08.88.171, AS 08.88.191	64.01	(c) Registration fees for the examination are not refundable.	Yes	Non-refundability is a regulatory choice.	1
AS 08.88.051, AS 08.88.071, AS 08.88.081, AS 08.88.171, AS 08.88.191	64.01	(d) An applicant for licensure shall pass an examination, approved by the commission, before applying for a license as a real estate broker, associate real estate broker, or real estate salesperson. The examination consists of a general part and a state part. An applicant must sit for both parts of the examination during the same examination session.	Yes	Requirement for both parts in one session is regulatory, not statutory.	1
AS 08.88.081, AS 08.88.111, AS 08.88.191	64.04	(a) Before the scheduled examination date, an applicant who has registered to sit for the examination will be sent a confirmation notice or receive a confirmation number by electronic mail from the testing service that specifies the time and place of the examination.	Yes	Confirmation process is regulatory.	1
AS 08.88.081, AS 08.88.111, AS 08.88.191	64.04	(b) An applicant who has not registered for the examination by the deadline described in 12 AAC 64.010(b) may not be admitted to the examination at the sole discretion of the testing service.	Yes	Admission discretion is regulatory.	1
AS 08.88.071, AS 08.88.091, AS 08.88.263, AS 08.88.081, AS 08.88.171	64.059	(a) An applicant who meets the requirements on the relevant checklist set out in this section has demonstrated the necessary qualifications for the license applied for. An applicant who does not meet the requirements on that checklist or whose responses on the form for application do not clearly show that the applicant is qualified to receive a license will not be issued a license unless the commission further reviews the application and determines that the applicant meets the qualifications in AS 08.88 and this chapter for that license.	Yes	Checklist and review process are regulatory.	1
AS 08.88.071, AS 08.88.171, AS 08.88.081	64.065	(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.	Yes	Resolution and recordkeeping requirements are regulatory.	1
AS 08.88.081, AS 08.88.171, AS 08.88.251	64.071	(a) Except as provided in (g) of this section, all licenses lapse January 31 of every even-numbered year unless renewed under this section and in accordance with AS 08.88.091, 08.88.171, and, 08.88.251. A renewal reminder notice will be provided by the commission, either by electronic mail or regular United States mail, to each licensee with a current expiration date at least 60 days before the renewal date.	Yes	Renewal process and reminders are regulatory.	1
AS 08.88.081, AS 08.88.455	64.073	In addition to the required license or renewal fee, an applicant for licensure or for renewal of a license issued under AS 08.88 shall submit with the application a fee for the recovery fund established under AS 08.88.455 in the amount of \$50.	Yes	Recovery fund fee amount is regulatory.	1
AS 08.88.081, AS 08.88.171, AS 08.88.251	64.075	(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.	Yes	Notice and form requirements are regulatory.	1
AS 08.88.081, AS 08.88.291, AS 08.88.311, AS 08.88.171	64.077	(a) Except as provided in (c) of this section, only the registered broker of an office may employ or terminate a licensed associate broker or salesperson.	Yes	Employment authority is regulatory.	1
AS 08.88.081, AS 08.88.331, AS 08.88.341	64.078	(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.	Yes	Supervision methods are regulatory.	1
AS 08.88.081, AS 08.88.351	64.18	(a) Every real estate broker shall establish one or more trust accounts in a federally insured bank authorized to do business in this state, and the name of the account so established must include the words "trust account" or "trustee account."	Yes	Trust account naming and establishment are regulatory.	1
AS 08.88.081, AS 08.88.351	64.22	(a) A broker shall assign a transaction code and establish a transaction ledger for each written offer to purchase real estate. This ledger must include (1) a transaction code; (2) a legal description of the property; (3) the name of the property owner; (4) for all deposits, the (A) date; (B) name of the trustor; and (C) purpose of the funds received; and (5) for all funds paid from the account, the (A) date; (B) check number; (C) name of payee; and (D) purpose of the payment.	Yes	Ledger and recordkeeping requirements are regulatory.	1

AS 08.88.081, AS 08.88.351	64.22	(b) For each property management contract, a broker shall assign a transaction code that is identified with a specific landlord or property. The broker shall track the funds received and disbursed for the landlord in an accompanying transaction ledger. The broker shall also track the funds of each tenant through a related but separate transaction code and transaction ledger. These transaction ledgers must include (1) a transaction code; (2) an identification of the property or unit within the property; (3) the name of the property owner; (4) for all deposits, the (A) date; (B) name of the person making the payment; and (C) purpose of the payment; and (5) for all disbursements from the account, the (A) date; (B) check number; (C) name of the payee; and (D) purpose of the payment.	Yes	Detailed ledger and recordkeeping requirements are regulatory.	1
AS 08.88.081, AS 08.88.351	64.22	(c) A broker shall establish a separate ledger to account for any funds deposited to a trust account to cover service charges in accordance with 12 AAC 64.180(d).	Yes	Separate ledger for service charges is regulatory.	1
AS 08.88.081, AS 08.88.351	64.22	(d) A broker shall establish a ledger for every transaction, including those transactions for which the deposit is held in the trust account of a cooperating broker, title company, or another third party.	Yes	Ledger for every transaction is regulatory.	1
AS 08.88.081, AS 08.88.351	64.22	(e) A broker shall retain the following transaction and trust account records: (1) transaction ledgers; (2) records of deposit showing the date, transaction code, amount of the deposit, and trustor's name; (3) all disbursement records, including voided checks written on the trust account, showing the date, payee, and transaction code; (4) all cancelled checks, bank statements, and monthly reconciliations; and (5) all transaction contracts and supporting documents.	Yes	Record retention requirements are regulatory.	1
AS 08.88.081, AS 08.88.351	64.22	(f) Trust accounts must be reconciled monthly by completing a (1) reconciliation of the bank statement with the check register; (2) reconciliation of the monthly deposits and expenditures with the independent transaction ledger for each transaction; and (3) cross-check of the bank balance with the sum of the transaction ledgers.	Yes	Monthly reconciliation process is regulatory.	1
AS 08.88.081, AS 08.88.351	64.23	(a) For trust funds other than earnest money, rents, or security deposits, including mortgage payments or funds for repairs, records must be kept consistent with the requirements of 12 AAC 64.220.	Yes	Recordkeeping for other trust funds is regulatory.	1
AS 08.88.081, AS 08.88.351	64.24	(a) Each withdrawal of a broker's commission from a trust account must be separate and identified as to the specific transaction.	Yes	Withdrawal identification is regulatory.	1
AS 08.88.081, AS 08.88.351	64.24	(b) A broker shall withdraw his or her commission from a trust account within 15 days after the date that the transaction has been closed or otherwise settled.	Yes	15-day withdrawal requirement is regulatory.	1
AS 08.88.081, AS 08.88.351	64.24	(c) A broker shall disburse from a trust account the fee earned for providing property management services. The disbursement must be made on a regular monthly basis after the collection of monthly receipts and disbursement of expenses for that management contract are completed.	Yes	Monthly disbursement requirement is regulatory.	1
AS 08.88.071, AS 08.88.331, AS 08.88.401, AS 08.88.081, AS 08.88.351	64.24	(d) A broker licensed under AS 08.88 may pay a commission to a person who does not hold a license under AS 08.88, but is licensed to perform real estate activities in another licensing jurisdiction, for assistance to the broker licensed under AS 08.88 in the performance of an act for which a license is required under AS 08.88. The broker licensed under AS 08.88 must obtain, and retain for a period of three years, (1) a request from the person licensed to perform real estate activities in another licensing jurisdiction for payment of the commission; and (2) a copy of an active, current real estate license for the person requesting the commission from the jurisdiction where the person is licensed to perform real estate transactions.	Yes	Documentation and retention requirements are regulatory.	1
AS 08.88.071, AS 08.88.331, AS 08.88.401, AS 08.88.081, AS 08.88.351	64.24	(e) Subject to AS 08.88.401(b), a real estate broker licensed under this chapter may pay a fee or commission directly to an associate broker or real estate salesperson licensed in this state or associate broker or salesperson doing business as a legal entity, organized and validly existing under the laws of this state, provided the ownership of the legal entity is an associate broker or salesperson employed by the broker.	Yes	Payment structure and entity requirements are regulatory.	1
AS 08.88.071, AS 08.88.081, AS 08.88.351	64.25	A broker may not (1) pay a salesperson's commission directly from the trust account; (2) pay bills for the broker's business or personal obligations from the trust funds; (3) use trust funds to pay the maintenance expenses of a trust account; (4) commingle funds by depositing the broker's own funds in a trust account, except those described in 12 AAC 64.180(d); (5) withdraw funds from a trust account without fully complying with the recordkeeping requirements of 12 AAC 64.220; (6) refuse to provide an accounting to the principals of a transaction for funds being held in trust; or (7) refuse to return a deposit to a prospective buyer whose offer was not accepted; the broker may delay the return of the deposit until one business day after the prospective buyer's check has cleared.	Yes	Prohibited activities are regulatory.	1
AS 08.88.071, AS 08.88.081, AS 08.88.351	64.26	Failure to comply with 12 AAC 64.180 - 12 AAC 64.271 or failure to turn over to the commission, upon the request of the commission, records that are required by this chapter is considered fraudulent and dishonest conduct within the meaning of AS 08.88.071(a)(3)(A)(iv).	Yes	Definition of fraudulent conduct is regulatory.	1
AS 08.88.071, AS 08.88.081, AS 08.88.351	64.271	Non-cash deposit: Requirements for handling non-cash deposits in trust accounts.	Yes	Handling of non-cash deposits is regulatory.	1
AS 08.88.081, AS 08.88.351	64.4	Real estate education course requirements, including course approval, content, and recordkeeping.	Yes	Course approval and content requirements are regulatory.	1

AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(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.	Yes	Course recency and approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(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: (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 - three contact hours; and (H) federal fair housing and Real Estate Settlement Procedures Act (RESPA) laws - two contact hours.	Yes	Specific contact hour requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(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.	Yes	Topic and hour requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(d) To document the real estate education received, an applicant shall list on the application form the following information: (1) course title and commission course approval number, if applicable; (2) course sponsor; (3) number of contact hours; and (4) instructor of the course.	Yes	Documentation requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(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.	Yes	Exemption from repeating education is regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(f) A licensee is responsible for maintaining adequate and detailed records, including course certificates or transcripts, showing completion of education courses claimed, and shall make the records available to the commission upon request. Records must be retained for three years after the date a course was taken.	Yes	Recordkeeping and retention requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(g) For the purposes of this section and AS 08.88.091, (1) one contact hour equals a minimum of 50 minutes of instruction; (2) one academic semester credit hour equals 15 contact hours; (3) one academic quarter credit hour equals 10 contact hours.	Yes	Conversion of credit hours is regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.41	(h) Notwithstanding (a)(2) of this section, if, during a disaster, the real estate salesperson or broker examination is not administered, an applicant who has completed the real estate education courses required in (b) or (c) of this section may submit the courses as part of a completed application under 12 AAC 64.060(a) up to 60 days after testing has resumed.	Yes	Disaster-related application extension is regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.42	Real estate continuing education requirements for license renewal, including course approval, content, and recordkeeping.	Yes	Continuing education requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.43	Requirements for instructors of real estate education courses, including qualifications, approval, and recordkeeping.	Yes	Instructor qualification and approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.44	Requirements for approval of real estate education course sponsors, including application, qualifications, and recordkeeping.	Yes	Sponsor approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.45	Requirements for approval of real estate education courses, including application, content, and recordkeeping.	Yes	Course approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.46	Requirements for reporting completion of real estate education courses, including forms, deadlines, and recordkeeping.	Yes	Reporting requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.47	Requirements for audits and inspections of real estate education courses, sponsors, and instructors.	Yes	Audit and inspection requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.475	Requirements for distance education courses, including approval, content, and recordkeeping.	Yes	Distance education requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.48	Requirements for continuing education course approval, including application, content, and recordkeeping.	Yes	Continuing education course approval is regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.485	Requirements for reporting completion of continuing education courses, including forms, deadlines, and recordkeeping.	Yes	Reporting requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.49	Requirements for audits and inspections of continuing education courses, sponsors, and instructors.	Yes	Audit and inspection requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.495	Requirements for approval of continuing education course sponsors, including application, qualifications, and recordkeeping.	Yes	Sponsor approval requirements are regulatory.	1

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AS 08.88.081, AS 08.88.091, AS 08.88.171	64.83	Requirements for reporting completion of continuing education courses, including forms, deadlines, and recordkeeping.	Yes	Reporting requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.84	Requirements for audits and inspections of continuing education courses, sponsors, and instructors.	Yes	Audit and inspection requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.85	Requirements for approval of continuing education course sponsors, including application, qualifications, and recordkeeping.	Yes	Sponsor approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.86	Requirements for continuing education for license renewal, including course approval, content, and recordkeeping.	Yes	Continuing education requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.87	Requirements for instructors of continuing education courses, including qualifications, approval, and recordkeeping.	Yes	Instructor qualification and approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.88	Requirements for approval of continuing education courses, including application, content, and recordkeeping.	Yes	Course approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.89	Requirements for reporting completion of continuing education courses, including forms, deadlines, and recordkeeping.	Yes	Reporting requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.9	Requirements for audits and inspections of continuing education courses, sponsors, and instructors.	Yes	Audit and inspection requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.91	Requirements for approval of continuing education course sponsors, including application, qualifications, and recordkeeping.	Yes	Sponsor approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.92	Requirements for continuing education for license renewal, including course approval, content, and recordkeeping.	Yes	Continuing education requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.93	Requirements for instructors of continuing education courses, including qualifications, approval, and recordkeeping.	Yes	Instructor qualification and approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.94	Requirements for approval of continuing education courses, including application, content, and recordkeeping.	Yes	Course approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.95	Requirements for reporting completion of continuing education courses, including forms, deadlines, and recordkeeping.	Yes	Reporting requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.96	Requirements for audits and inspections of continuing education courses, sponsors, and instructors.	Yes	Audit and inspection requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.97	Requirements for approval of continuing education course sponsors, including application, qualifications, and recordkeeping.	Yes	Sponsor approval requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.98	Requirements for continuing education for license renewal, including course approval, content, and recordkeeping.	Yes	Continuing education requirements are regulatory.	1
AS 08.88.081, AS 08.88.091, AS 08.88.171	64.99	Requirements for instructors of continuing education courses, including qualifications, approval, and recordkeeping.	Yes	Instructor qualification and approval requirements are regulatory.	1
AS 08.88.172	02.510	(a): The master errors and omissions insurance policy must provide to each individual licensee, at a minimum, the following terms of coverage:	No	Mandated by statute (AS 08.88.172)	0
AS 08.88.172	02.510	(a)(1): Not less than \$100,000 limit of liability for each licensee per covered wrongful act or per covered claim depending on the policy form used by the insurer; claims expenses including the cost for investigation or defense must be in addition to the limit of liability; if the limit of liability is on a (A) covered wrongful act basis, two or more claims arising out of a single wrongful act or a series of related wrongful acts may be considered one claim; (B) covered claim basis, two or more related wrongful acts may be considered one claim;	No	Minimum coverage required by statute	0
AS 08.88.172	02.510	(a)(2): An annual aggregate limit of liability of not less than \$300,000 per licensee;	No	Minimum coverage required by statute	0
AS 08.88.172	02.510	(a)(3): A deductible amount for each covered wrongful act of not more than \$5,000 for every \$300,000 annual aggregate limit of liability; an additional deductible for investigation and defense costs may be considered;	Yes	Additional deductible for investigation/defense costs is not mandated by statute	1
AS 08.88.172	02.510	(a)(4): An extended reporting period of 90 days and an option to purchase an additional three years extended reporting period for a premium not to exceed 200 percent of the premium charged for the last year of the terminating coverage;	Yes	Option to purchase additional reporting period is discretionary	1
AS 08.88.172	02.510	(a)(5): The ability of a licensee, upon payment of an additional premium, to obtain higher limits of coverage or to purchase additional coverages from the group insurer as may be available from the insurer;	Yes	Option to purchase higher limits/additional coverage is discretionary	1
AS 08.88.172	02.510	(a)(6): The coverage provided under the master errors and omissions insurance policy must be individual and specific to the licensee and must cover the licensee regardless of changes in real estate broker or changes in the business relationship between a real estate broker and the licensee;	No	Mandated by statute for licensee protection	0
AS 08.88.172	02.510	(a)(7): Prior acts coverage must be offered to a licensee who has maintained the same or similar coverage, continually in-force until the date and the time that coverage begins under the master errors and omissions insurance policy coverage.	Yes	Prior acts coverage offer is discretionary	1
AS 08.88.172	02.510	(b): The master errors and omissions insurance policy must contain a provision requiring the consent of the insured to settle a claim except that the insured may not unreasonably withhold consent.	Yes	Consent to settle provision is not mandated by statute	1
AS 08.88.172	02.510	(c)(1): The insurer that is selected to provide the master errors and omissions insurance policy shall maintain an A.M. Best rating of "B+" or better and financial size category of class VI or higher;	Yes	Specific rating is not mandated by statute	1

AS 08.88.172	02.510	(c)(2): The insurer must maintain a certificate of authority issued under AS 21.09 by the director of insurance to transact insurance business in this state and be in compliance with AS 21;	Yes	Certificate of authority and compliance is regulatory, not statutory	1
AS 08.88.172	02.510	(c)(3): The insurer must provide the master errors and omissions insurance policy after notification by the Real Estate Commission that it is the successful bidder of a competitive bidding process under AS 36.30;	Yes	Competitive bidding process is regulatory, not statutory	1
AS 08.88.172	02.510	(c)(4): The insurer must enter into contract to provide the master errors and omissions insurance policy in conformity with AS 08.88.172, 12 AAC 02.510 – 12 AAC 02.590, and AS 21;	Yes	Contracting process is regulatory, not statutory	1
AS 08.88.172	02.510	(c)(5): The insurer must collect premiums, maintain records, and report to the Real Estate Commission the names of those insured and prior claims experience if known, date of claim, amount paid, nature of claim, and claims information on a quarterly basis or an annual basis or on request by the Real Estate Commission.	Yes	Reporting requirements are regulatory, not statutory	1
AS 08.88.172	02.520	(a): Except as provided in this section, the master errors and omissions insurance policy may not exclude coverage for claims brought against the insured licensee arising out of a wrongful act by the licensee when performing a professional service for which a real estate license is required. The policy may limit or exclude coverage for claims brought against a licensee that arise as follows:	No	Mandated by statute for coverage	0
AS 08.88.172	02.520	(a)(1): Out of claims or lawsuits made or brought by any insured person against any other insured person within the same firm or from compensation disputes between licensees;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(2): Out of loss assumed under a contract or an agreement, except for liability the insured would have had in the absence of the agreements;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(3): From a criminal, dishonest, fraudulent, or intentional act or omission; this exclusion does not apply to an insured person who did not personally participate in committing the act or omission and who, upon having knowledge of the act or omission, reported it to the Real Estate Commission, or appropriate law enforcement authorities;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(4): From unlawful discrimination committed by or for the insured person;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(5): From fines or penalties imposed by a tribunal or other governmental agency;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(6): From bodily injury, personal injury, advertising injury, or property damage;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(7): From related business activities for which a license is not required under AS 08.88;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(8): From the presence of or the actual, alleged, or threatened discharge, dispersal, release, or escape of hazardous materials, nuclear materials, or pollutants;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(9): From prior wrongful acts unless specific prior wrongful acts coverage is provided;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(10): From any violation of 15 U.S.C. 77a – 77aa (Securities Act of 1933) or 15 U.S.C. 78a – 78mm (Securities Exchange Act of 1934) or any state blue sky or securities law or similar state or federal statutes;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(11): Other standard exclusions that are typical in a professional liability insurance policy and that have been approved by the director of insurance under AS 21.42;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(12): From the insolvency of an insured person;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(13): From any injury or damage that the insured had reason to expect;	Yes	Exclusion is discretionary	1
AS 08.88.172	02.520	(a)(14): From the conversion, misappropriation, commingling, or defalcation of funds or other property.	Yes	Exclusion is discretionary	1
AS 08.88.172	02.530	(a): An insurer issuing equivalent coverage under AS 08.88.172(c)(2) shall hold a certificate of authority issued under AS 21.09. All activities contemplated under AS 08.88.172 must be covered. The insurance must meet the minimum coverage standards of 12 AAC 02.510(a)(1) – (3), 12 AAC 02.510(b), and 12 AAC 02.510(c)(1) and (5), except that:	No	Mandated by statute for equivalent coverage	0
AS 08.88.172	02.530	(a)(1): A policy with a higher deductible amount or self-insured retention will qualify as equivalent coverage for purposes of AS 08.88.172(c)(2) if, when applying to obtain or renew the license, the insured licensee provides the Real Estate Commission with (A) an affidavit certifying that the insured licensee has the financial resources in set-aside funds to pay the higher deductible amount or self-insured retention; and (B) a certificate of insurance from the insured licensee's insurer;	Yes	Higher deductible and affidavit/certificate requirements are discretionary	2
AS 08.88.172	02.530	(a)(2): A broker employing other real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance with coverage of a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the broker are covered.	Yes	Alternative coverage amounts are discretionary	1
AS 08.88.172	02.540	(a): If equivalent insurance coverage obtained by a licensee under AS 08.88.172(c)(2) is to lapse or not be renewed, the insurer shall notify the Real Estate Commission of the intent to lapse or not to renew a minimum of 30 days before the expiration date of the term. It is the responsibility of the broker or licensee, as applicable, to instruct the insurer to provide the notice required by this section to the Real Estate Commission with named licensees covered.	Yes	Notification requirement is discretionary	1
AS 08.88.172	02.550	(a): The maximum amount of premium to be charged a licensee annually under the master errors and omissions insurance policy may not exceed \$2,500.	Yes	Premium cap is discretionary	1

AS 08.88.172	02.560	(a): Every three years after the initial procurement of the master errors and omissions insurance policy, the department may adjust the amount of coverage under 12 AAC 02.510(a). The department will not make an adjustment if the department finds the adjustment will significantly reduce the number of insurers willing to bid on a contract to offer the master errors and omissions insurance policy. An adjustment in the limits of liability under 12 AAC 02.510(a) must be an increment of no less than \$25,000. The department will give notice of the adjustments under this section by posting the amounts on its Internet website. An adjustment under this section does not take effect until the renewal or the issuance of a new master errors and omissions insurance policy.	Yes	Adjustment process and increment are discretionary	2
AS 08.88.172	02.590	(a): In this chapter, unless the context requires otherwise: (1) "aggregate limit" means the maximum liability of an insurer regardless of the number of claims during the policy term; (2) "director of insurance" means the person appointed under AS 21.06.010 to head the division of insurance of this state; (3) "equivalent coverage" means errors and omissions insurance coverage obtained independently of the master errors and omissions insurance policy available from the Real Estate Commission and that complies with the requirements, terms, and conditions as set out in 12 AAC 02.530; (4) "errors and omissions insurance" means professional liability insurance that provides coverage to holders of active real estate brokers, associate brokers, and salespersons licensed in this state for wrongful acts made during the course of real estate transactions, subject to the coverages, limitations, and exclusions of one or more specific insurance policies in place; (5) "extended reporting period" means a designated period of time after an errors and omissions insurance policy has expired during which a claim may be made and coverage triggered as if the claim has been made during the policy period; (6) "master errors and omissions insurance policy" means the policy obtained by the Real Estate Commission under AS 08.88.172 that meets the requirements of 12 AAC 02.510 – 12 AAC 02.590; (7) "prior acts coverage" means the insurance policy provides coverage for claims that are made during a current policy period, but one or more acts causing the claim or injuries for which the claim is made occurred before the inception of the current policy period; (8) "wrongful act" means a negligent act, error, or omission.	No	Definitions are not regulatory requirements	0

Discretionary Requirements

Real Estate Commission Adopted by Reference Discretionary Requirements:

Document Adopted by Reference	# of discretionary requirements
Alaska Real Estate Commission Consumer Disclosure	12
Alaska Real Estate Commission Waiver of Right to Be Represented	13
State of Alaska Residential Real Property Transfer Disclosure Statement	28
State of Alaska Residential Real Property Transfer Disclosure Statement - Exemption for First Sale	9
State of Alaska Residential Real Property Transfer Disclosure Statement - Waiver by Agreement	11
Total:	73

Alaska Real Estate Commission Consumer Disclosure: 12

Requirement Breakdown

Specific Assistance (Licensee Duties)

1. Exercise reasonable skill and care
2. Honest and good faith dealing
3. Timely presentation of all written communications
4. Disclose all material information about property condition
5. Timely accounting of money and property received

Subtotal: 5

Representation (Additional Duties)

6. Not act adversely to the consumer
7. Disclose conflicts of interest
8. Advise consumer to seek expert advice when needed
9. Maintain confidentiality (unless required by law)
10. Make a good faith and continuous effort

Subtotal: 5

Neutral Licensee (Additional Duties)

11. Not disclose terms or amount the consumer is willing to pay/accept if different from offer
12. Must attach waiver of right to be represented

Subtotal: 2

Duties Not Owed (Clarified by Statute)

These are not counted as requirements because they explicitly state what licensees are not required to do.

Alaska Real Estate Commission Waiver of Right to Be Represented: 13

Requirement Breakdown

Duties of a Neutral Licensee (Required Actions)

1. Exercise reasonable skill and care
2. Honest and good faith dealing
3. Timely presentation of all written communications
4. Disclose all material information about property condition
5. Timely accounting of money and property received
6. Not take actions adverse to the consumer
7. Disclose conflicts of interest
8. Advise consumer to seek expert advice when needed
9. Maintain confidentiality (unless required by law)
10. Not disclose terms or amount the consumer is willing to pay/accept if different from offer

Subtotal: 10

Additional Authorization (Optional but Regulated Conduct)

11. Analyze and report merits of the transaction to each party

12. Discuss price, terms, or conditions each party would or should offer or accept
13. Suggest compromises in bargaining positions

Subtotal: 3

State of Alaska Residential Real Property Transfer Disclosure Statement: 28

Requirement Breakdown

Statutory Requirements (Counted if Discretionary in Implementation)

1. Seller must complete the disclosure before buyer makes a written offer
2. Seller must disclose known defects or conditions in good faith
3. Seller must amend the disclosure if information becomes inaccurate
4. Seller must disclose if the property was built before 1978 and provide lead-based paint disclosure
5. Seller must disclose if they are aware of any material defects in over 100 specific property features (e.g., roof, plumbing, heating, water supply, etc.)
6. Seller must disclose if they are aware of legal actions, zoning issues, easements, or environmental hazards
7. Seller must disclose utility costs and system types
8. Seller must disclose if the property has been inspected, or energy rated
9. Seller must disclose any remodeling or construction and whether permits were obtained
10. Seller must sign and certify the disclosure is accurate to the best of their knowledge
11. Buyer must acknowledge receipt of the disclosure
12. Buyer must be informed of their responsibility to investigate sex offenders and agricultural nuisances
13. Seller must use the amendment form if any information changes after delivery
14. Seller must initial each page and provide signatures
15. Buyer has the right to terminate the offer within 3 or 6 days of receiving the disclosure or amendment

Subtotal: 15 core requirements

Additional Discretionary Requirements (Form-Specific)

These are not explicitly required by statute but are imposed by the form itself:

16. Seller must indicate whether each of 100+ property features has been repaired, replaced, or needs repair
17. Seller must provide documentation or explanation for any “yes” answers
18. Seller must list available documents (e.g., surveys, covenants, water tests)
19. Seller must disclose average monthly utility costs
20. Seller must provide detailed information about heating, sewer, and water systems
21. Seller must disclose any known pest infestations or damage
22. Seller must disclose any noise, pets, or smoking history
23. Seller must disclose any encroachments or shared property features
24. Seller must disclose any flood, soil, or drainage issues
25. Seller must disclose any prior insurance claims for environmental damage
26. Seller must disclose any open building permits or unpermitted work
27. Seller must disclose any known burial sites or suicides on the property
28. Seller must complete and sign the Explanation Addendum if applicable

Subtotal: 13 discretionary requirements

State of Alaska Residential Real Property Transfer Disclosure Statement - Exemption for First Sale: 9

Requirement Breakdown

Statutory Requirements (Counted if Discretionary in Implementation)

1. Seller must certify that the property has never been occupied, and this is the first transfer
2. Seller must sign and date the certification

3. Buyer must sign and acknowledge receipt of the exemption form
4. Buyer is independently responsible for checking the sex offender registry
5. Buyer is independently responsible for checking for nearby agricultural operations
6. Seller must initial and date the form
7. Buyer must initial and date the form
8. If the information changes after delivery, seller must amend the form
9. Any inspection reports generated by the purchase agreement become part of the disclosure

Subtotal: 9 discretionary requirements

These are agency-imposed or form-specific obligations that go beyond the statutory exemption and are therefore countable under the Regulatory Reduction Guide.

State of Alaska Residential Real Property Transfer Disclosure Statement - Waiver by Agreement: 11

Requirement Breakdown

Discretionary Requirements (Form-Imposed or Agency-Defined)

1. Seller and buyer must agree in writing to waive the disclosure requirement
2. Seller must sign and date the waiver
3. Buyer must sign and date the waiver
4. Seller must initial and date the form
5. Buyer must initial and date the form
6. Buyer is independently responsible for checking the sex offender registry
7. Buyer is independently responsible for checking for nearby agricultural operations
8. Buyer is advised to read the full disclosure statement even if waived
9. Parties are encouraged to seek professional advice or inspections
10. Seller must amend the waiver if information changes after delivery

11. Any inspection reports generated by the purchase agreement become part of the disclosure

March 2025 Work Meeting Proposed Regulation Changes

12 AAC 64.075. EMPLOYMENT AND TRANSFER

- Proposal: Amendment to Office Change Procedure for Brokers and Associate Brokers in Charge – 10 day

12 AAC 64.110(A) AND (B)- TO ADD THE WORD “PHYSICAL” BEFORE PRINCIPAL OFFICE IN THIS STATE.

- Draft revision to verbiage brought forward at the November 2024 work meeting regarding physical office in the state.

12 AAC 64.064. EDUCATION REQUIREMENTS AFTER INITIAL LICENSE.

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

12 ACC 64.064 (G) BROKER/ASSOCIATE BROKER LAPSE DUE TO NON-COMPLIANCE WITH POST-LICENSING EDUCATION (PLE)

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

12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.

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

12 AAC 64.078. TEMPORARY ABSENCE OF BROKER OF RECORD.

- 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 64.065. LICENSE REQUIRED FOR EMPLOYEES, DIRECTORS, AGENTS, AND OFFICERS.

- Replace the word “Corporation” with “Entity”

12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION.

- Add : minimum size of text of office name vs team name

12 AAC 64.580. LICENSEE WHO PERFORMS COMMUNITY ASSOCIATION MANAGEMENT.

In addition to the requirements in AS 08.88.615, a licensee engaged in community association management must

- (1) comply with the provisions of AS 08.88.341, and must include the
 - (A) services provided;
 - (B) fees charged;
 - (C) timeframe of the relationship between the licensee and the entity;
 - (D) consumer pamphlet as provided for in 12 AAC 64.118;
- (2) comply with local, state, and federal laws;
- (3) disclose any conflict of interest as outlined in AS 08.88.391;
- (4) collect funds to comply with 12 AAC 64.180-12 AAC 64.271; and
- (5) provide the resale certificate within 10 days of written request under AS 34.08.510 - 34.08.700.

State of Alaska 2026 HOLIDAY CALENDAR

State Holidays

Date	Holiday
01/01/2026	New Year's Day
01/19/2026	MLK Jr.'s Birthday
02/16/2026	Presidents' Day
03/30/2026	Seward's Day
05/25/2026	Memorial Day
06/19/2026	Juneteenth Day
07/04/2026	Independence Day (observed 07/03/2026)
09/07/2026	Labor Day
10/18/2026	Alaska Day (observed 10/19/2026)
11/11/2026	Veterans' Day
11/26/2026	Thanksgiving Day
12/25/2026	Christmas Day

Please refer to appropriate collective bargaining unit agreement for more information regarding holidays.

Holiday



JANUARY

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JULY

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FEBRUARY

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AUGUST

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MARCH

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SEPTEMBER

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APRIL

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OCTOBER

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MAY

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NOVEMBER

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29	30					

JUNE

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Old Business



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALASKA REAL ESTATE COMMISSION

550 West 7th Avenue, Suite 1500
Anchorage, Alaska 99501-3567
Main: 907.269.8160
Fax: 907.269.8156

September 19, 2025

Course Sponsors:

Real Estate regulations require the Commission notify course sponsors of the topics that satisfy the 8 hours of designated continuing education (DCE) requirement for the next licensing period.

Each licensee is required to complete at least 20 hours of continuing education (CE) during each biennial licensing period, 8 designated hours (DCE) and 12 elective hours (ECE).

The Commission approved the topics below as the 8 hours of DCE for the licensing period-
February 1, 2026 -January 31, 2028.

Required (DCE) Topics	Hours
Fraud Prevention: Wire Fraud and Deed Fraud	2
Advertising, Social Media and AI Compliance	2
Broker Supervision and Conflict Resolution	2
Required Licensee Disclosures	2

2024-2026

DCE Courses & Guidelines

DCE TOPIC	HOURS	MUST INCLUDE AT LEAST 2 OF THE FOLLOWING SUBJECT AREAS
Environmental Issues & Land Use	2	<ul style="list-style-type: none"> • Subject Area #7: Energy Conversation • Subject Area #8: Health, Safety, Environmental Issues and ADA Compliance • Subject Area #13: Land Use, Planning, Zoning and Building Codes • Subject Area #14: Legal Descriptions
Fair Housing & Property Management	2	<ul style="list-style-type: none"> • Subject Area #1: Licensee Relationships • Subject Area #4: Communications, Negotiations, and Real Estate Counseling Skills • Subject Area #8: Health, Safety, Environmental Issues & ADA Compliance • Subject Area #9: Fair Housing, and Equal Opportunity Laws • Subject Area #20: Residential Property Management • Subject Area #34: Alaska Landlord Tenant Law
Required Licensee Disclosures	2	<ul style="list-style-type: none"> • Subject Area #1: Licensee Relationships • Subject Area #4: Communications, Negotiations, and Real Estate Counseling Skills • Subject Area #15: Listing Responsibilities • Subject Area #18: Prohibited Conduct • Subject Area #33: Risk Management
Counseling Consumers	2	<ul style="list-style-type: none"> • Subject Area #1: Licensee Relationships • Subject Area #2: Closing Transactions • Subject Area #4: Communications, Negotiations, and Real Estate Counseling Skills • Subject Area #6: Contracts • Subject Area #10: Financing Real Estate • Subject Area #15: Listing Responsibilities • Subject Area #16: Marketing Property • Subject Area #19: Property Disclosure and Inspections • Subject Area #35: Customer Client Services

2022 - 2024 DCE Guidelines

DCE TOPIC	HOURS	MUST INCLUDE AT LEAST 2 OF THE SUBJECT AREAS
Situational Ethics	2	<ul style="list-style-type: none"> • The relationship between Ethics & License law; including the use of the AREC • Ethics & Broker Policy • Discussions of specific situations working with licensees in a transaction including but not limited to single licensees, teams and/or transaction coordinators • Handling multiple offers with Licensees, Sellers and Buyers • Confidentiality and transactions with previous Consumers: Buyers, Sellers, Other Licensees (listing/selling), Representation vs. Specific Assistance • Ethical handling of negotiations • Ethical handling of conflicts of interest
Property Disclosures & Inspections	1	<ul style="list-style-type: none"> • Liability/Responsibility of Licensees: recommending inspectors, facilitating communications between inspectors & consumers, attendance at inspections, and managing expectations during inspection process • Delivery of State of Alaska Residential Real Property Transfer Disclosure, and amendments, to the Buyer • Disclosing results of inspections - requirements for inspections to be disclosed to future Buyers and added to property disclosure • Educating Buyers/Sellers on purpose for inspection • Requirements for timely delivery of the State of Alaska Residential Real Property Transfer Disclosure, addendums and/or amendments • Identifying property types and what disclosures are required • Managing risk with disclosures even when not required by law
Contract & Real Estate Licensing Law	2	<ul style="list-style-type: none"> • Elements of a valid contract • Contracts Used in Real Estate: Listing Agreement, Purchase & Sale Agreement, Property Management Contracts, Buyer Representation Agreements, Limited/Personal Services Agreements • Facilitating receipt and disposition of multiple offers

		<ul style="list-style-type: none"> • Effects of incomplete contracts: missing dates/deadlines, unchecked boxes, missing signatures, incomplete/ambiguous clauses • Counter Offers, Addendums, Amendments and Attachments • Correcting errors and amending/changing mutually agreed offers • Risk Management/Licensee Responsibilities for monitoring the timelines and obligations of the parties to the contract
Prohibited Conduct	1	<ul style="list-style-type: none"> • Employment of licensed or unlicensed personnel • Payment of commissions: Referral Fees, Consumers, Personnel (licensed vs. unlicensed) • Failure to Disclose: Licensee relationships, Compensation, Conflict of Interest, License Status • False advertising/ misrepresentation/ fraud • Falsifying licensee applications/ credentials • Identifying what constitutes a "material fact" • Violation of local, state and federal law
Advertising & Social Media	1	<ul style="list-style-type: none"> • Ethics in advertising • Discriminatory Advertising/Fair Housing • Accurate descriptions/photos of properties • Statutory Requirement for use of Brokerage Name vs. Team Name vs. Licensee/Business Name • Internet Advertising: Advantages, Pitfalls, Checking for Compliance • Requirements for consumers advertising their properties when listed with a Brokerage • Copyright infringement and Trademark infringement • Best practices for social media advertising
Licensee Relationships	1	<ul style="list-style-type: none"> • Defining different types of Licensee Relationships • Identifying the appropriate Licensee Relationship for the situation • Best practices when changing Licensee Relationships with a consumer • Timely presentation of the Alaska Real Estate Consumer Disclosure • Working with Teams: Best practice for Teams presenting the Consumer Disclosure • Duties NOT owed in a Licensee Relationship • Duration of the relationship and continuing obligations

2020 - 2022 DCE GUIDELINES

DCE TOPIC	HOURS	MUST INCLUDE AT LEAST 2 OF THE SUBJECTS AREAS:
Broker Supervision and Management-	2	<ul style="list-style-type: none"> • Definition of supervision • Broker responsibility for policies and procedures <ul style="list-style-type: none"> -Licensee relationships -Teams • Broker policy & implementation of client confidentiality • Responsibilities of Brokers with branch offices <ul style="list-style-type: none"> -Direct supervision -Advertising -Display of license certificates -Home offices • Brokers engaged in property management <ul style="list-style-type: none"> -Policies for licensee owned property -Overseeing records of transactions • Recordkeeping responsibilities • Consequences for failure to supervise • Reporting violations • Teaching professionalism
Ethics	2	<ul style="list-style-type: none"> • Business ethics as it relates to real estate • Ethics as it relates to the Alaska Real Estate • Commission Consumer Disclosure • Ethical handling of conflicts of interest • Protecting client confidentiality • Ethics models in other professions (i.e. medical) • Disclosures
Prohibited Conduct	2	<ul style="list-style-type: none"> • Receiving/paying commissions • False advertising/misrepresentation • Falsifying license applications/credentials • Misrepresentation, fraud • Failing to disclose <ul style="list-style-type: none"> -Licensee relationships -Conflicts of interest -Compensation -Property information -License status • Employment of unlicensed personnel • Violation of local, state, federal law

2020 - 2022 DCE GUIDELINES

Advertising and Social Media	2	<ul style="list-style-type: none">Advertising requirements for property<ul style="list-style-type: none">-Consumer owned<ul style="list-style-type: none">-Written authorization-Name of brokerage-Licensee owned<ul style="list-style-type: none">-Name of brokerage-License statusAdvertising of home officesRisks of social media<ul style="list-style-type: none">-Failure to comply with local, state, federal statute advertising regulations-Claims of defamation & libel-Copyright infringement-Trademark infringement-Breach of ethics (NAR COE article 12 & 15)-Discrimination-MisrepresentationHow to properly advertise on social media
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DCE COURSE TITLE 2018 - 2020	Must include at least some of the following but not necessarily all:
Ethical Situations – 2 hours	<ul style="list-style-type: none"> • Discussions of specific situations working with <u>buyers and/or tenants</u>: advertising, showing, offers, accepted agreements through closing etc. • Discussions of specific situations working with <u>sellers and/or landlords</u>: advertising, showing, offers, accepted agreements through closing etc. • Discussions of specific situations working with other licensees in a transaction including but not limited to single licensees as well as teams etc. • Discussion of differences and unique responsibilities working with out of area owners/sellers and/or buyers/tenants etc. • Discussion of situations working with out of area licensees etc.
Understanding and working with title reports, encroachments, and easements – 2 hours	Course should include but not be limited to discussion of the proper ways to investigate these and other related items (how and when); help the consumer locate experts to assist them in understanding the potential impact for the consumer on a property and transaction; and to understand where possible and when necessary who they and the consumer can work with to reduce or eliminate negative impacts of these.
Contract law as it pertains to documents used in real estate – 2 hours	Understand how to have a successful real estate contract with/for a consumer including but not limited to; making sure you know and verify who has the authority to sell or rent property; how to confirm the complete legal description of a property and why it is important; how to help the consumer confirm that the zoning for the property allows its intended use; the importance of following provisions of a written contract making sure that the parties follow through on their obligations; importance of making it a habit to get any change, modification or deletion in writing and explaining why that is important to consumers; the reasons why state required disclosures are necessary to protect the consumer; and the importance of complete disclosure of what is and what is not included in a sale/rental as well as what the condition of a property will be when it is turned over to the other party.
Inspections and Disclosure -2 hours	<ul style="list-style-type: none"> • Differences between the types of inspections that are available for different types and uses of properties and their purposes (tailor to the audience i.e. residential, commercial, property management) • Need and requirements of inspections of living structures versus personal property and how each is handled. • Requirements of when to get and how to explain the disclosure form to consumers. What happens if it is not provided to buyer prior to signing an agreement? As well as what to do when new property material facts are received. • Discussions on why a consumer should and how a consumer can investigate information given to them through disclosure forms

2016 - 2018 DESIGNATED CONTINUING EDUCATION (DCE) GUIDELINES

DCE TOPIC	HOURS	SUBJECT AREAS MUST INCLUDE AT LEAST TWO OF THE FOLLOWING TOPICS
Situational Ethics- (topics 1,15,16,17,19,21,30,33,38)	2	-complicated scenarios e.g. open house scenarios -negotiation practices -employing good risk management techniques
Contract Law (topics 1, 6, 9, 14, 18, 22, 29, 33)	2	-understanding forms -fundamentals of contract law -rescission agreements -basic contract law
Consumer Protection- to include TRID (topics 6, 9, 10, 15,19, 22, 29)	2	-TRID (Truth in Lending/RESPA Integrated Disclosure) -anti-trust price fixing -fair housing -advertising -property disclosure
Practical Licensee Relationship Disclosure (topics 1, 6, 15, 16, 30, 39, 41)	2	-complicated scenarios e.g. teams -consumer disclosure -basics of a relationship -understanding the various relationships and options for licensees

Disciplinary Matrix

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Advertising	Broker Associate Broker Salesperson	<p>Making, authorizing, directing, or aiding in 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.</p> <p>Failure to maintain a sign at the offices registered with the Commission</p> <p>Failure to include brokerage name in any form of advertisement</p> <p>Advertising a home office or a business/office name that is not registered with the Commission</p>	<p>AS 08.88.071(a)(3)(D) AS 08.88.291(a) AS 08.88.301 AS 08.88.311(b) AS 08.88.381 AS 08.88.401(c) 12 AAC 64.110 12 AAC 64.112 12 AAC 64.120 12 AAC 64.127 12 AAC 64.128(c) 12 AAC 64.130(1), (8) & (11)</p>	<p>1st or MINOR Offense:</p> <ul style="list-style-type: none"> Letter of Advisement or up to \$500 Imposition of Civil Fine. <p>2nd+ or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement: Up to \$5,000 Fine Up to 1 Year Probation Suspension* Up to 9 Hours Education Reprimand Revocation* <p>\.Should.be.used.sparingly.™. reserved.for.serious-repeat.offender.type.situations</p>
Breach of Fiduciary Duty	Broker Associate Broker Salesperson	<p>Failure to disclose conflicts of interest</p> <p>Failure to act within the provisions of the licensee relationships & duties identified in AS 08.88, Article 5 and 12 AAC 64.</p>	<p>AS 08.88.071(a)(3) AS 08.88.071(d) AS 08.88.173 AS 08.88.175 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</p>	<p>1st or MINOR Offense:</p> <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine <p>2nd+ or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement: Up to \$5,000 Fine Up to 2 Years of Probation Suspension* Up to 9 Hours Education Reprimand Revocation* <p>\.Should.be.used.sparingly.™. reserved.for.serious-repeat.offender.type.situations;</p>

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 20 hours 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: • \$2,500 fine for false/inaccurate response (all or part of this amount may be suspended based on the gravity of the offense); plus \$50 unsuspended for each deficient hour(s). • Provide documentation of <ul style="list-style-type: none"> ○ 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

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
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)(II) 12 AAC 64.130(1), (5) & (15)	Seriousness of Crime Should Be Considered: <ul style="list-style-type: none"> • Consent Agreement: • Fine • Probation • Suspension* • Limitations on Practice • Education • Reprimand • - Revocation*
Falsified Application	Broker Associate Broker Salesperson	Procuring a license by deceiving the Commission or aiding another to do so. 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)	AS 08.88.071(a)(3)(B) 12 AAC 64.130(1), (11) & (15) 12 AAC 64.160(a)	Initial Application: <ul style="list-style-type: none"> • Letter of Advisement • Up to \$1,000 Imposition of Civil Fine • Consent Agreement: • Up to 2 Years Probation • Up to 2 Hrs. Education • Reprimand • License Denial Renewal Application: <ul style="list-style-type: none"> • Letter of Advisement • Up to \$1,000 Imposition of Civil Fine • Consent Agreement: • Up to 2 Years Probation • Suspension* • Up to 2 Hours Education • Reprimand • Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
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 state 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 up to \$500 Imposition of Civil Fine <p>2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement: Up to \$10,000 Fine Up to 5 Years Probation Suspension* Up to 20 Hours Education 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:</p> <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine <p>2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement: Up to \$10,000 Fine Up to 5 Years Probation Suspension* Up to 20 Hrs Education Reprimand Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
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)	<p>1st or MINOR Offense:</p> <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine <p>2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement: Up to \$5,000 Fine Up to 18 Months Probation Suspension* Limitations on Practice Quarterly Reports from Therapist, Broker & Licensee Completion of a Treatment Program Consume No Controlled Substances/ Alcohol AA/NA Meetings 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	<p>1st or MINOR Offense:</p> <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine <p>2nd + or SERIOUS Offense:</p> <ul style="list-style-type: none"> Consent Agreement Up to \$5,000 Fine Up to 18 Months Probation Suspension* Up to 10 Hours Education Reprimand Revocation*

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
Trust Account	Broker	<p>Failure to keep proper trust account Ledgers.</p> <p>Failure to provide all monies from a real estate transaction into the trust account within 5 days.</p> <p>Paying fees/commissions/other compensation to individuals prohibited from receiving compensation.</p> <p>Engaging in any other prohibited trust account activity.</p>	<p>AS 08.88.351</p> <p>AS 08.88.401(d)</p> <p>12 AAC 64.130(3), (7) & (12)</p> <p>12 AAC 64.180 - 271</p> <p>12 AAC 64.SS0(c)</p> <p>12 AAC 64.570(2)(D)</p> <p>12 AAC 64.580(4)</p>	<ul style="list-style-type: none"> • Consent Agreement: • Up to \$50,000 Fine • Up to 2 Years Probation • Suspension* • Limitations on Practice • Up to 12 Hours Education • Reprimand • Revocation*
	Associate Broker Salesperson	<p>Failure to provide all monies from a real estate transaction to the brokerage immediately.</p> <p>Paying fees/commissions/other compensation to individuals prohibited from receiving compensation.</p> <p>Engaging in any other prohibited trust account activity.</p>	<p>AS 08.88.071(a)(3)(H)</p> <p>AS 08.88.331</p> <p>12 AAC 64.130(3), (7) & (12)</p> <p>12 AAC 64.140(2)</p> <p>12 AAC 64.SS0(c)</p> <p>12 AAC 64.570(2)(D)</p> <p>12 AAC 64.580(4)</p>	
Unlicensed Practice	No License Revoked License	Performing/Engaging in activities or offering to perform/engage in activities that requires a real estate license.	<p>AS 08.88.161</p> <p>AS 08.88.165</p> <p>AS 08.88.167</p> <p>AS 08.88.401(f)(5); 12 AAC 64.090(e)</p> <p>12 AAC 64.095(a)</p> <p>12 AAC 64.905</p>	<ul style="list-style-type: none"> • Temporary Cease & Desist Order (TCDO) • Up to \$5,000 Fine <p>\\reference.AS.64.447.23 when considering a fine. not an easy sanction to issue-enforce\\</p>

REAL ESTATE COMMISSION DISCIPLINARY SANCTIONS MATRIX

Category	Type of License Affected	Description of Violation	Authority	Disciplinary Sanctions
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	1st or MINOR Offense: <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine 2nd + or SERIOUS Offense: <ul style="list-style-type: none"> Consent Agreement: Up to \$5,000 Fine Suspension* Up to 10 Hours Education Reprimand Revocation*
Violation of Licensing Regulation		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	1st or MINOR Offense: <ul style="list-style-type: none"> Letter of Advisement or up to \$2,500 Imposition of Civil Fine 2nd + or SERIOUS Offense: <ul style="list-style-type: none"> Consent Agreement: Up to \$5,000 Fine Up to 1 Year Probation Suspension* Up to 10 Hours Education Reprimand Revocation*

2025 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Licensing Examiner, and REC Investigator will all support us in reaching our goals.

Guiding Principle	Objective How will we meet this guiding principle?	Who will complete this task?	Status/Notes
1. Commission Business/Inform Licensees	To review and revise 12 AAC 64.064 (g). Education requirements after initial licensure regarding broker/associate broker completion of post licensing education. Review regulations in other areas in the regulations that may also need revision, due to changes, endorsement and offices.	Commissioner Doran and Committee	On hold. Admin Order 358. In progress, included with current proposed regulations. Review and discussed at March and May meetings.
2. Commission Business/Inform Licensees	Payment of commissions/EM through title company's	Commissioners & Staff	
3. Protect the Consumer/Inform Licensee	-Broker Supervision to strengthen the standards within the real estate industry regarding broker supervision and offices. -To define and review the regulations pertaining to broker supervision. -To define and review brokerage offices.to be completed in a committee.	T Heaton- Committee Chair D Doran – Committee Co- chair	
4. Protect the Consumer/Inform Licensee	Possible new/revised regulations. Topics to consider: -Office change process, including: -Change of broker and AB in an office -Change of office name -Change of ownership of an office -How to deal with an office change what there is a change of broker by owner when the owner is not a licensed broker or does not hold a license -Audit of E & O Insurance -Audit of offices – physical address/location -Advertising – size of brokerage and team names. -Instructor approval- 12 AAC64.440(f)	Commission to have work session meeting, open to public for public comment	On hold. Admin Order 358. In progress. Included in current proposed regulations. Review and discussed at March and May meetings.

Last Edited 12/3/25

2025 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Licensing Examiner, and REC Investigator will all support us in reaching our goals.

Guiding Principle	Objective How will we meet this guiding principle?	Who will complete this task?	Status/Notes
5. Protect the Consumer/inform Licensees	Create regulations that will protect the public with regards to the NAR Settlement requirements. Buyer Agreement completed before licensee shows property.	Commission Member Elizabeth Schok/PeggyAnn McConnochie	On hold. Commission to continue to monitor with the industry. May need new or revised regulations and possible statutes.
6. Commission business/inform licensees	Disciplinary Matrix – Commission to review matrix and make changes as necessary.	Commission	Pending, Dec 11 th REC Mtg, work on revisions of probation verbiage. Complete: September 18, 2025 REC Mtg, made changes to CE and trust accounts verbiage.
7. Commission business/inform licensees	Reinstatement License application – Review the length of time between application of license.	Commission member Doran to head this task.	
8. Commission business/inform licensees	Determine the DCE topics for the 2026-2028 licensing period, notification to course sponsors by 10/1/2025, per 12 AAC 64.500(d).	Commission	Complete. On September 18, 2025, selected DCE topics.
9. Commission business/inform licensees	Deposits, ACH wires, money transfers, and wire fraud	Commission member: L Logan	
10. Commission business/inform licensees	Earnest monies, trust funds held in AK bank and not an outside bank	Commission member: L Logan	

Last Edited 12/3/25

Executive Administrator's Report

**REC Licensing Report
December 2025**

Previous Qtr

New Licensees: 9/6/2025 - 12/2/25	35	53	Transfers Ending:	Jun-25	Sep-25	Dec-25
Total Number of <u>Active</u> Licensees with 1/31/2026 exp	2,902	2,924	Total	90	87	48
Total Number of <u>Active</u> Licensees with 1/31/2028 exp	26	n/a				
Total Number of Licensees with 1/31/2026 exp*	3202	3178	PLE Completed:	Jun-25	Sep-25	Dec-25
Total Number of Licensees with 1/31/2028 exp*	26	n/a		38	32	33

ACTIVE: 1/31/26 exp	Jun-25	Sep-25	Dec-25	Change	Upgrades:	Endorsement:		
Broker	417	419	418	-1	6	3		
Associate Broker	381	389	390	1				
Salesperson	2,083	2,119	2,094	-25				
Total Active:	2,881	2,927	2,902	-25	In this reporting period	Jun-25	Sep-25	Dec-25
					License Returned	139	150	183
CURRENT ACTIVE OFFICES	Jun-25	Sep-25	Dec-25	Change	Probation License	3	3	3
Main Offices	561	559	560	1	Suspended	0	0	0
Branch Offices	48	50	50	0	Revoked	0	0	0
Total Offices:	609	609	610	1	Surrendered	0	0	1

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/26								
	Jun-25	Sep-25	Dec-25	Change	INACTIVE: 1/31/26 exp	Jun-25	Sep-25	Dec-25
Broker	0	0	1	1	Broker	1	1	1
Associate Broker	0	0	0	0	Associate Broker	5	4	4
Salesperson	55	16	14	-2	Salesperson	19	25	18
Total:	55	16	15	-1	Total Inactive:	25	30	23

New Licenses Issued	Jun-25	Sep-25	Dec-25	Change	LAPSED: 1/31/24 exp	Jun-25	Sep-25	Dec-25
Broker	1	0	0	0	Broker	22	23	22
Associate Broker	4	2	1	-1	Associate Broker	21	21	21
Salesperson	52	61	34	-27	Salesperson	308	303	300
Total:	57	63	35	-28	Total Lapsed:	351	347	343

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2026 expiration date

REC EDUCATION REPORT

December 11, 2025

(as of 12/1/2025)

Course Type	Currently Approved
Pre-licensing (SPL)	18
Broker Upgrade Pre-Licensing (BPL)	5
Elective Continuing Education (ECE)	417
Designated Continuing Education (DCE)	135
Post Licensing Education (PLE)	66
Total	641
Initial courses approved between 9/5/2025 and 11/26/2025	48
Approved Instructors expiring 4/1/2030	75
<u>New Instructors</u> <ul style="list-style-type: none">• Emil Mackey Juneau• Maura Neill Georgia• Bobbi Howe Missouri• Marli Williams Oregon• Paula Monthofer Georgia	5
Temporary Instructors	0

Recovery Fund Report

Statement of Net Positions
Real Estate Recovery Fund
September 30, 2025

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	For the Fiscal Year Ending June 30, 2023	For the Fiscal Year Ending June 30, 2024	For the Fiscal Year Ending June 30, 2025	For the Fiscal Year Ending June 30, 2026	For the Fiscal Year Ending June 30, 2027
ASSETS													
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 314,580	\$ 376,387	\$ 310,403
Total Assets	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	380,564	314,580	376,387	310,403
LIABILITIES													
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	17,778	18,667	10,308	18,667
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	17,778	18,667	10,308	18,667
FUND BALANCES													
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	362,785	295,914	366,079	291,737
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	362,785	295,914	366,079	291,737
Total Liabilities and Fund Balances	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 314,580	\$ 376,387	\$ 310,403
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16 \$ 460,017	Average of 6/30/16 & 6/30/17 \$ 428,988	Average of 6/30/17 & 6/30/18 \$ 393,361	Average of 6/30/18 & 6/30/19 \$ 336,095	Average of 6/30/19 & 6/30/20 \$ 305,940	Average of 6/30/20 & 6/30/21 \$ 299,153	Average of 6/30/21 & 6/30/22 \$ 290,745	Average of 6/30/22 & 6/30/23 \$ 351,065	Average of 6/30/23 & 6/30/24 \$ 382,652	Average of 6/30/24 & 6/30/25 \$ 347,572	Average of 6/30/25 & 6/30/26 \$ 378,475	Average of 6/30/26 & 6/30/27 \$ 343,395

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 FY26 Liabilities projected using FY24

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through September 30, 2025
and
Projected for Fiscal Years Ending June 30, 2026 and June 30, 2027

	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	For the Fiscal Year Ended 6/30/23	For the Fiscal Year Ended 6/30/24	For the Fiscal Year Ended 6/30/25	For the Quarter Ended 9/30/25	For the Quarter Ended 12/31/25	For the Quarter Ended 3/31/26	For the Quarter Ended 6/30/26	For the Fiscal Year Ended 6/30/26	For the Fiscal Year Ended 6/30/27
REVENUES																	
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	55,065	101,260	46,705	90,520	39,020	8,170	-	-	-	(1) 90,520	(1) 39,020
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,580)	12,475	21,727	18,843	2,598	-	-	-	(2) 21,727	(2) 18,843
Prior Year Adjustments								(150)		0	0	-	-	-	-	0	0
General Fund Contributions								-	82,225	0	0				3	0	0
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	55,374	96,530	141,404	112,247	57,863	10,768	-	-	-	112,247	57,863
EXPENDITURES																	
Personal Services	113,145	112,763	115,097	134,846	126,366	118,457	125,468	43,240	74,020	116,395	123,820	28,283	-	-	-	(3) 116,395	(3) 123,820
Travel	0	-	-	-	-	-	0	0	0	0	0					0	0
Commodities	0	89	-	617	-	-	0	0	0	0	0					0	0
Services - Non-claims	732	5,085	13	10	5,000	497	9	2	32	29	26	-	-	-		29	26
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	0	0	0	0	0					0	0
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	144,253	125,477	43,243	74,052	116,424	123,846	28,283	-	-	-	116,424	123,846
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(4,177)	(65,983)	(17,515)	-	-	-	(4,177)	(65,983)
Other Financing Sources (Uses)	-	-	-	-	-	-	-			0	0	-				-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(4,177)	(65,983)	(17,515)	-	-	-	(4,177)	(65,983)
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	380,564	314,580	297,065	297,065	297,065	384,741	380,564
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 314,580	297,065	297,065	297,065	297,065	\$ 380,564	\$ 314,580

(1) For FY26, licenses and permits revenue projected to be the same as FY24.

(2) Projecting through FY26 based on FY24 rate of earnings.

For FY24, 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. GF allocation \$82K reduction to PS. Received General Fund allocation

(3) transferred personal services cost from fund 1040 to match GF revenue to expenses. See CH8 230016657 and CH8 240006403. Reference bill number HB281 SLA2022SEC1PG5LN24-28.

Statement of Cash Flows
Real Estate Recovery Fund
September 30, 2025

	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	For the Fiscal Year Ended 6/30/23	For the Fiscal Year Ended 6/30/24	For the Fiscal Year Ended 6/30/25	For the Fiscal Year Ended 6/30/26	For the Fiscal Year Ended 6/30/27
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⁾	\$ 55,065 ⁽¹⁾	\$ 101,260 ⁽¹⁾	\$ 46,705 ⁽¹⁾	\$ 90,520 ⁽¹⁾	\$ 39,020 ⁽¹⁾	\$ 90,520 ⁽¹⁾	\$ 39,020 ⁽¹⁾
GF Contributions									\$ 82,225			\$ -	
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(118,457) ⁽²⁾	(125,468) ⁽²⁾	\$ (43,240) ⁽²⁾	\$ (74,020) ⁽²⁾	(116,395) ⁽²⁾	(123,820) ⁽²⁾	\$ (116,395) ⁽²⁾	(123,820) ⁽²⁾
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	- ⁽³⁾	- ⁽³⁾	\$ - ⁽³⁾	- ⁽³⁾
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	(2)	(32)	(29)	(26)	(29)	(26)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	49,612	(70,412)	58,017	54,877	(25,904)	(84,826)	(25,904)	(84,826)
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⁾	309 ⁽³⁾	(4,730) ⁽³⁾	12,475 ⁽³⁾	21,727 ⁽³⁾	18,843 ⁽³⁾	21,727 ⁽³⁾	18,843 ⁽³⁾
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,730)	12,475	21,727	18,843	21,727	18,843
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(4,177)	(65,983)	(4,177)	(65,983)
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	380,564	380,564	376,387
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 314,580	\$ 376,387	\$ 310,403

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Commission Member Comments and Questions