

State of Alaska

Real Estate
Commission
Meeting

December 18, 2024

Call to Order

Roll Call

Alaska Real Estate Commission Roster

<u>BOARD MEMBER</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
Cheryl Markwood, <i>Chair</i> <i>Broker, Broker At Large</i> Fairbanks	3/01/2019 Reappointed: 3/01/2023	3/01/2027
Chad Stigen <i>Associate Broker, Broker At Large</i> Palmer	6/30/2021	3/01/2025
Devon Thomas, Education Liaison <i>Broker, 3rd Judicial District</i> Wasilla	10/22/2021 Reappointed: 3/01/2023	3/01/2027
Elizabeth Schok <i>Associate Broker, 4th Judicial District</i> Fairbanks	3/01/2021	3/01/2025
Traci Heaton, <i>Vice Chair</i> <i>Broker, 1st Judicial District</i> Juneau	3/01/2021	3/01/2025
<i>Public Member</i> Jimi Cash	08/01/2024	3/01/2027
<i>Public Member</i> Vacant		

Approval of 6/19 Agenda

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

Tentative Meeting Agenda

**REAL ESTATE COMMISSION MEETING
December 18, 2024
VIA Zoom**

Join Zoom Meeting: <https://us02web.zoom.us/j/89618019913>
Meeting ID: 896 1801 9913 Passcode: 396110

Wednesday, December 18, 2024

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

- | | | |
|------------|---|------------------|
| 9:00 a.m. | 1. Call to Order <ul style="list-style-type: none">a) Roll Callb) Approval of 12/18 Agendac) Statements of Conflicts of Interest | Markwood |
| 9:05 a.m. | 2. Public Comments | |
| 9:10 a.m. | 3. Review Meeting Minutes <ul style="list-style-type: none">a) September 17, 2024b) November 14, 2024, Work Meeting | |
| 9:15 a.m. | 4. Investigations <ul style="list-style-type: none">a) Statistical Report | Hines |
| 9:30 a.m. | 5. Division Update <ul style="list-style-type: none">a) Revenue/Expenditure Report, FY 24/4th Qtrb) Fee Analysis, 2026-2028 Renewals
(Real Estate and Recovery Fund fees) | Dumas |
| | 6. New Business <ul style="list-style-type: none">a) DCE Topics for 2026-2028 Discussion/Committee | Harris |
| 11:00 a.m. | 7. Old Business <ul style="list-style-type: none">a) Review of Proposed Regulationsb) FY 2024 Strategic Plan – update | Harris/Osborne |
| | 8. Executive Administrator's Report <ul style="list-style-type: none">a) Licensing/Education Reportb) Recovery Fund Report | Harris
Givens |
| | 9. Commission Member Comments and Questions | |
| | Adjournment | |

* Next REC meeting March 20, 2025

Statements of Conflicts of Interest

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

Review of Meeting Minutes

September 17, 2024

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

**REAL ESTATE COMMISSION
MEETING MINUTES**

September 17, 2024

“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 17, 2024, at 550 W 7th Avenue, Ste 1560, Anchorage, AK, via Zoom.

Tuesday, September 17, 2024

Agenda Item 1 - Call to Order

Chairperson Cheryl Markwood called the meeting to order at 9:03 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
Jimi Cash, Public Member

Members Absent (excused):

Chad Stigen, Associate Broker, Broker at Large

Staff Present:

Nancy Harris, Executive Administrator, REC, Anchorage
Kerry Givens, Project Assistant, REC, Anchorage
Dennis Hines, Investigator, REC/APR, Anchorage

Guests Present via Zoom:

Errol Champion, Former Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau
Francisca Tracy, Compliance Analyst, The CE Shop, CO
Jerry Royse, Broker/Educator with Royse & Associates, Anchorage
Victoria Roberts, Broker/Educator with EXP Realty, LLC, Anchorage
Michelle Scott, Salesperson, Anchorage

Agenda Item 1(b) - Approval of 9/17 Agenda

Commission members reviewed the agenda as presented.

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

Resolved to approve the September 17, 2024, meeting agenda as presented.

There were no opposition. Motion passed.

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

There were no conflicts of interest statements or ethics violations to report.

Agenda Item 2 – Public Comments

Errol Champion, former Liaison for AAR, and Broker of Coldwell Banker Race Realty presented the report from the AK Realtors for Mark Maisley. Mr. Champion stated that Governor Dunleavy signed SB179 on August 13, 2024, which is great news. The AK Association of Realtors have been working on this bill for some time. SB 179 precludes cities, state, and boroughs from levying a transfer fee, or excise tax, or any other taxes on the proceeds of a real estate transaction. AK remains one of 11 states that does not allow for transfer fees to be assessed by local government. Mr. Champion said they are pleased to have it on the books.

Ms. Harris read 2 public comments received by email into the record.

The first public comment received by email was from Gene DuVal, an associate broker. Mr. DuVal commented about the “NAR Settlement” (Sitzer-Burnett) and stated a few points and his recommendation for the REC.

The second public comment received by email was from PeggyAnn McConnochie, Broker and Educator with ACH Consulting, LLC. Ms. McConnochie presented a question to the REC also related to the NAR Settlement regarding if buyer-broker agreements are exclusive contracts and therefore, the broker’s property? She said once this is defined the next steps would be to make changes to regulations.

Ms. Markwood closed public comment at 9:11 am.

Agenda Item 3 – Review of Meeting Minutes

August 2, 2024, Meeting Minutes – 3(a)

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

Resolved to approve the August 2, 2024, meeting minutes as presented.

There were no opposition. Motion passed.

Agenda Item 4 – Investigations

Agenda Item 4(a) – Statistic Report

Statistical Report – 4(a)

Mr. Hines, Investigator for the Real Estate Commission, presented the investigation statistical report to the Commission for the reporting period of June 4, 2024, through September 4, 2024. He reported 4 closed cases, 43 opened cases, 11 cases in intake, 23 complaints, 5 cases under investigation, 1 case being monitored and 3 matter in litigation, from the last report.

Agenda Item 5 – Old Business

FY 2023/2024 Strategic Plan- update – 5(b)

Ms. Harris gave an update of the current items on the 2024 REC strategic plan.

- Review and revise regulation 12 AAC 64.064(g), regarding associate broker/broker Post Licensing Education (PLE) completion.
- Payment of commission /EM through title companies
- Review of upcoming licensing renewal fees (fee analysis) for 2024-2026 at the December meeting
- Broker Supervision
- Possible new or revisions to regulations under several topics
- Create regulations that will protect the public with regards to the NAR Settlement requirements
- Review and possible revisions to the REC Disciplinary Matrix
- Review the reinstatement application process and length of time to license

Ms. Doran asked questions to clarify what was needed for changes to regulation 12 AAC 64.064(g), regarding PLE requirements for brokers and associate brokers in charge. She proposed to not allow a licensee who holds a salesperson license to upgrade their license to a broker or associate broker-in-charge of a branch office until the licensee has completed their PLE. The intent that the licensee would not jeopardize licensees that would be under their supervision if they did not complete their PLE within their required period.

The Commission also discussed what is consequence to a licensee's who upgraded to a broker or associate broker but did to complete their PLE, and their license revert to a salesperson license. Licensees that were a broker or associate broke -in -charge who did not complete their PLE, now a salesperson, would be required to complete all broker requirements, (30 hours broker education, broker exam, etc) and reapply for their broker's license.

Staff asked Ms. Doran to email the language for the proposed revisions and they would take to the next work meeting.

Regulation Project – filed, eff 9/20/24, 12 AAC 64.118, 119, and 930 – 5(b)

Ms. Harris said she had included filed/completed regulation project information in the packet for the Commissioner in case they did not receive it. The forms will be effective on September 20, 2024. All previous forms are no longer effective and should not be used after 9/20/2024.

Agenda Item 6 – New Business

Proposed Regulations – McConnochie/Schok, Div, & Work Mtg – 6(a)

Ms. Schok and real estate educator Ms. McConnochie worked on revisions to some regulations as the result of the NAR Settlement. The revisions Ms. Schok, and Ms. McConnochie recommended regulation revisions were:

12 AAC 64.117, Broker's Written Policy, with an addition of a #6, "for the mandatory usage of a written buyer licensee contract with signatures prior to consumer viewing a property"; and....

12 AAC 64.118 Consumer Disclosure with adding a sentence to read: Real estate licensee to provide a written buyer licensee contract to every buyer prior to buyer viewing a property.

The definition of personal services contracts that is currently in regulation was included with their presentation. The definition speaks to the inclusion of listings, fee agreements between broker and buyers or sellers...

Also recommended to revise throughout regulations where it reads "commission" regarding a fee paid for personal services to replace with "compensation".

Some Commission members were concerned with moving forward with these changes with all the uncertainty and misunderstanding in the real estate industry and the settlement not yet finalized.

Ms. Heaton asked if the REC has ever considered providing state forms for purchase and sale agreements. She said she would like to see consistency throughout the state.

Ms. Schok also stated that for both recommended revisions, the statement should read,

12 AAC 64.117, #6, "for the mandatory usage of a written buyer licensee contract with signatures prior to consumer viewing a property *unless that buyer is an unrepresented party*"; and....

12 AAC 64.118 Consumer Disclosure with adding a sentence to read: "Real estate licensee to provide a written buyer licensee contract to every buyer prior to buyer viewing a property *unless that buyer is an unrepresented party*."

Ms. Markwood thanked Ms. Schok and Ms. McConnochie for their work on these regulations.

Ms. Harris spoke to the recommended revision to E & O from Deputy Director Glenn Saviers. Currently the regulation as written that E & O Insurance should be under the broker and not the brokerage.

#1: It has come to the division's attention that as 12 AAC 02.530(2) is currently written, E&O insurance covering all licensees within a brokerage must be held by the **broker**, not the brokerage. Up until this point and for the last many years (we aren't sure how many), brokerages have been allowed to hold the E&O insurance for their licensees. The Real Estate Commission (REC) will need to determine if they want to amend 12 AAC 02.530 to allow this to continue or if they want to enforce the need for the employing broker, not the brokerage, to hold the E&O insurance.

#2: Additionally, the division has identified that it would be in the public's best interest for 12 AAC 02.530 to be amended to require verification of E&O insurance requirements when a license is transferred, reactivated, or reinstated, rather than only when it is first issued. We also believe the division should be able to audit compliance with E&O requirements, like we do for continuing education.

Proposed Solutions for Issue #1 from Deputy Director Saviers:

Option 1 (CBPL's Recommendation): Amend 12 AAC 02.530(2) to allow the brokerage to get the E&O insurance, but require it to be under the name of the office (i.e., each individual office obtains its own E&O insurance):

(2) a [BROKER] **registered principal office or branch office** employing [OTHER] real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance coverage with a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the [BROKER] **individual registered principal office or branch office** are covered. **The insurance must be under the office name exactly as it appears on the license.**

Option 2: Leave 12 AAC 02.530(2) as is, and the division will do an education campaign to let brokers and brokerages know when this will be enforced so they have time to make the necessary change.

Ms. Harris stated the other recommended revisions in the meeting packet were presented at the May 15, 2024, work meeting.

12 AAC 02.530 – Standards for Equivalent Coverage and 12 AAC 02.540. Notification required for Cancellation. These can only be recommendations because these are Division regulations.

12 AAC 64.600- insurance required. Adding language to require E & O Insurance with a transfer and inactivation of a license as well as initially and with renewal and to add a requirement to audit licensees for compliance of E & O Insurance.

12 AAC 64.610 Time for Filing Certification of Equivalent Coverage. Add language to require E & O Insurance with a transfer and inactivation of a license as well as initially and with renewal.

12 AAC 64.071- License Renewal. Adding a requirement that applicant submit certification to verify that the E & O requirement has been satisfied and verbiage to allow an audit of E& O compliance.

Regulations discussed at the August 2, 2024, work meeting.

12 AAC 64.065, License Required for Employees, Directors, Agents and Officers. Changing the word “corporations” to “entity” for clarification.

12 AAC 64.075- Employment and Transfer. Adding a new section giving a time frame to work while waiting for a change of broker or associate broker in charge for an office change.

12 AAC 64.078- Temporary Absence of Broker of Record. Revise with clarifying language for “persons” in (b) (2).

These recommendations will be brought back to the December meeting in a final form for the Commission’s consideration.

Set date of 2nd Work Meeting – 6(b)

Commission member set the next work meeting date as November 14, 2024, to begin at 10 am.

Commission members set the meeting dates for 2025.

March 20

June 12

Elections – Vice Chairman and Education Liaison 6(c)
Election for Vice Chairman –

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

Resolved to nominated Ms. Traci Heaton to continue as Vice Chair for REC.

Roll call vote: Schok– yes, Doran, -yes; Markwood -yes; Stigen – absent, Cash – yes, and Heaton – yes.

Election for Education Liaison –

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

Resolved to nominated Ms. Devon Doran to continue as Education Liaison for the REC.

Roll call vote: Heaton – yes, Schok-yes; Markwood -yes; Stigen – absent, Cash-yes, and Doran – yes.

Agenda Item 7 – Executive Administrator’s Report

Licensing /Education Report – 7(a)

Mr. Givens presented the licensing report to the Commission for dates between, June 6, 2024, through September 1, 2024. Mr. Given stated there were 45 new licenses issued; 2892 active licensees, 2956 total number of licensees with an 1/31/2026 expiration date; 4 inactive licensees; 2 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 87 transfers; 35 licensees completed their PLE requirements, 4 upgrades from salesperson to associate broker, 1 license by endorsement, 22 licensees in a license returned status, 77 inactive license with an 1/31/2024 expiration date and 346 a lapsed licenses with a 1/31/2024 expiration date.

Mr. Givens presented the education report for June 19, 2024. He reported that as of 9/4/2024, there were 16 pre-licensing courses; 4 broker upgrade courses; 315 elective (ECE) and 78 designated (DCE) courses and 55 Post Licensing courses with a total of 468 approved courses. There were 48 initial courses approved between 6/5/24 and 9/4/2024.

There are a total of 122 instructors. There were 5 new instructors from the last report, and no temporary instructors.

Recovery Fund Report – 7(b)

Ms. Harris presented the Recovery Fund Report ending June 30, 2024. The Commission received \$90,250 in revenue for license fees processed for the fiscal year ending 6/30/24 with a

total revenue for the year of \$112,247. The total expenditures for the fiscal year ending 6/30/24 was \$116,424. The beginning year balance was \$384,741 and the end of year fund balance of \$380,564. The Commission will review the fees at their December meeting.

Agenda Item 8 – Commission Member Comments & Questions

Ms. Doran thanked everyone for all their hard work. She appreciates everyone taking their time to work on all that is needed.

Ms. Schok said she echoed what Ms. Doran said. She said she appreciates everyone's hard work and said the Commission is doing good work.

Ms. Cash said he is appreciative to be on the Commission and that he is learning a lot.

Ms. Heaton said she echoed the previous comments and appreciates everyone's time. She said she enjoyed working on the Commission and is looking forward to next year.

Ms. Markwood said she would like to reiterate what everybody has said and that the Commission is doing some great work. She said in the next couple of days we will continue to champion the new forms that are coming out and make sure that our local industry receives that information and get those forms out to the public. She said the state convention is this weekend and for those Commission members that are attending to have a great time. She said she looks forward to the next REC work meeting November 14th for continued dialogue and conversations regarding regulatory changes and issues we face in our state. She thanked Ms. Schok and Ms. McConnochie for their work on the regulations. She stated the next REC meeting is December 18, 2024. She said it is the end of the year and the Commission has gotten a lot accomplished. She thanked the Commission members and staff for all their time, effort and their hard work. She said she is glad when we can get everyone together so that we can move things forward.

Adjournment

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

Resolved to adjourn the meeting.

There were no opposition. Motion passed.

Meeting adjourned at 10:17 a.m.

Next meeting: December 18, 2024.

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

November 14, 2024

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

**REAL ESTATE COMMISSION
WORK MEETING
MEETING MINUTES**

November 14, 2024

"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 work meeting of the Real Estate Commission was held November 14, 2024, at 550 W 7th Avenue, Ste 1560, Anchorage, AK via Zoom.

Thursday, November 14, 2024

Agenda Item 1 - Call to Order

Chairperson Cheryl Markwood called the meeting to order at 10:01 a.m.

No quorum needed for a work meeting.

Agenda Item 2 – Introductions

Present via Zoom

Cheryl Markwood, Broker, Broker at Large, Chairperson, Fairbanks
Elizabeth Schok, Associate Broker, 4th Judicial District, Fairbanks
Traci Heaton, Broker, 1st Judicial District, Juneau
Devon Doran, Broker, 3rd Judicial District, Wasilla
Jimi Cash, Public Commission member
Francisca Tracy, Compliance Analyst, The CE Shop, PA
Jerry Royse, Broker and RE Educator, Royse & Associates, Anchorage
Lonnie Logan, Broker and RE Educator, Realty One Group Aurora, Anchorage
Angie Ferris, Broker, Ferris Group, LLC, Wasilla
Annie Silas, public
Chavonne Cutright, Broker, CR Consulting, LLC., Palmer
Savannah Melendez, public
Season Baker, Broker, Alaska Real Estate 49, LLC., Palmer
William Derek, Broker, Landman In the Sky, Inc., Chugiak

Staff Present:

Nancy Harris, Executive Administrator, REC

Kerry Givens, Project Assistant, REC

Agenda Item 3 – Public Comment

There were no public comments.

Agenda Item 4– topics for review and discussion.

Meeting participants discussed topics listed on agenda.

Virtual offices

Office signage

Advertising

Broker/AB, non-compliant PLE 12 AAC 64.064(g)

Broker Supervision
Best Practice – manufactured/mobile home sales
Reinstatement
Other – acceptance of CE course from outside provider

Tasks: to be completed and brought back to next REC meeting for review and discussion.

REC staff:

* Draft proposal of possible revision to 12 AAC 64.110 with verbiage brought forward regarding office location.

A real estate broker is required to establish and continue to operate a physical office within the state of Alaska. This office must be registered with the Commission and same as the primary location for conducting real estate transactions. The broker is responsible for keeping the Commission informed of the office current address and the names and contact information of all real estate licensees employed at that location.

Another possible revision to 12 AAC 64.110(a) and (b)- to add the word “physical” before principal office in this state.

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

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

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

*Add proposed regulation revisions to 12 AAC 64.064(g), Education Requirements after Initial License, as it relates to brokers or associate brokers that have not completed their Post Licensing Education (PLE) within the required time frame, to the list for the Commission's consideration.

12 AC 64.064(g),

(g) a salesperson may only submit for a license status change (upgrade) to broker or Associate Broker in Charge once the education requirements as outlined in 12 AAC 64.064(c) have been completed.

A salesperson would not be able to upgrade their license to a Broker or Associate Broker in a supervisory position; they could not have licensees in their office or branch office that are required to be supervised. Once they have completed their PLE with the required year and submitted the appropriate documents to update their license, they could supervise licensees.

The recommended Best Practice submitted by Paddy Coan, staff to revise and bring back to next REC meeting.

Commission members:

Ms. Heaton and Ms. Schok to work on revision in the teams committee to the regulation 12 AAC 64.130(8) with regards to advertisement. Consider language to include brokerage name must be larger or more prominent than a team name, the prohibition of using real estate or realty for team names and whose contact number, for advertising. Ms. Heaton and Ms. Schok to bring recommendations back to the REC at the next meeting.

Also, possible revision of the definition of teams and office.

All topics listed on agenda were discussed. Some issues discussed no recommendation was reached or needed further discussion.

Adjournment

Meeting adjourned at 11:40 a.m.

Next meeting: December 18, 2024.

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

Investigations

Statistical Report



THE STATE
of **ALASKA**

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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

MEMORANDUM

DATE: November 19, 2024
TO: Real Estate Commission
THRU: Erika Prieksat, Chief Investigator *BH*
FROM: Dennis Hines, Investigator *DH*
RE: Investigative Report for the December 18, 2024 Meeting

The following information was compiled as an investigative report to the Board for the period of September 05, 2024 thru November 19, 2024; 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 - 69

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
BROKER, MORTGAGE			
2024-000555	Violation of licensing regulation	Intake	06/05/2024
2024-000556	Violation of licensing regulation	Intake	06/05/2024
BROKER-DEALER AGENT			
2024-000560	Violation of licensing regulation	Intake	06/05/2024
REAL ESTATE ASSOCIATE BROKER			
2023-001006	Violation of licensing regulation	Complaint	10/10/2023
2024-000129	Violation of licensing regulation	Complaint	02/19/2024
2024-000151	Violation of licensing regulation	Complaint	02/14/2024

2024-000199	Unlicensed practice or activity	Complaint	02/28/2024
2022-001045	Violation of licensing regulation	Investigation	03/21/2024
2021-000231	Advertising	Litigation Initiated	

REAL ESTATE BROKER

2024-000613	Violation of Profession Statute or Regulation	Intake	07/01/2024
2024-000691	Violation of licensing regulation	Intake	07/26/2024
2024-000733	Violation of licensing regulation	Intake	08/16/2024
2024-000897	Financial Scam	Intake	09/23/2024
2024-000978	Violation of agreement	Intake	10/10/2024
2023-000278	Violation of licensing regulation	Complaint	04/11/2023
2023-001146	Violation of licensing regulation	Complaint	11/27/2023
2024-000250	Violation of licensing regulation	Complaint	03/19/2024
2024-000684	Violation of licensing regulation	Complaint	07/25/2024
2022-000468	Violation of licensing regulation	Investigation	02/01/2024
2021-000185	Violation of licensing regulation	Litigation Initiated	

REAL ESTATE SALESPERSON

2024-000337	Violation of licensing regulation	Intake	04/11/2024
2024-000405	Violation of licensing regulation	Intake	05/01/2024
2024-000579	Violation of licensing regulation	Intake	06/17/2024
2024-000685	Fraud or misrepresentation	Intake	07/26/2024
2024-000789	Violation of licensing regulation	Intake	08/29/2024
2024-000817	Violation of licensing regulation	Intake	09/05/2024
2024-000825	Violation of agreement	Intake	09/06/2024
2024-000861	Unlicensed practice or activity	Intake	09/11/2024
2024-000893	Violation of agreement	Intake	09/23/2024
2024-000894	Violation of Profession Statute or Regulation	Intake	09/23/2024
2024-000919	Violation of Profession Statute or Regulation	Intake	09/30/2024
2024-000941	Violation of Profession Statute or Regulation	Intake	10/02/2024
2024-001065	Violation of agreement	Intake	10/03/2024
2024-001073	Violation of License Regulation	Intake	10/04/2024

2024-001074	Violation of Profession Statute or Regulation	Intake	10/17/2024
2024-001075	Violation of Profession Statute or Regulation	Intake	10/17/2024
2024-001076	Violation of Profession Statute or Regulation	Intake	10/21/2024
2024-001079	Violation of License Regulation	Intake	10/21/2024
2024-001080	Violation of License Regulation	Intake	10/25/2024
2024-001081	Violation of Profession Statute or Regulation	Intake	10/25/2024
2024-001082	Violation of License Regulation	Intake	11/07/2024
2022-001077	Violation of licensing regulation	Complaint	11/07/2022
2023-000274	Violation of licensing regulation	Complaint	04/21/2023
2023-000699	Violation of licensing regulation	Complaint	07/24/2023
2023-000722	Violation of licensing regulation	Complaint	07/26/2023
2023-000757	Violation of licensing regulation	Complaint	08/08/2023
2023-000836	Violation of licensing regulation	Complaint	08/10/2023
2023-001058	Violation of licensing regulation	Complaint	11/07/2023
2023-001059	Violation of licensing regulation	Complaint	10/18/2023
2023-001066	Violation of licensing regulation	Complaint	10/20/2023
2024-000195	Unlicensed practice or activity	Complaint	02/28/2024
2024-000198	Unlicensed practice or activity	Complaint	02/28/2024
2024-000224	License Application Review/Referral	Complaint	03/12/2024
2024-000712	Continuing education	Complaint	08/12/2024
2024-000713	Continuing education	Complaint	08/12/2024
2024-000762	Continuing education	Complaint	08/28/2024
2024-000796	Continuing education	Complaint	09/09/2024
2024-000797	Continuing education	Complaint	09/09/2024
2024-000798	Continuing education	Complaint	09/09/2024
2024-000846	Continuing education	Complaint	09/16/2024
2024-000847	Continuing education	Complaint	09/16/2024
2024-000888	Continuing education	Complaint	10/02/2024
2024-000981	Continuing education	Complaint	10/25/2024
2024-000988	Continuing education	Complaint	11/18/2024
2024-000989	Continuing education	Complaint	10/25/2024

2024-000993	Continuing education	Complaint	11/05/2024
2023-000309	Contested license denial	Monitor	01/04/2024
2022-000921	Violation of licensing regulation	Investigation	02/04/2024
2022-001076	Violation of licensing regulation	Investigation	04/01/2024

Closed - 2

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE BROKER				
2022-000087	Unlicensed practice or activity	Closed-Investigation	10/28/2024	Other (See Abstract)
REAL ESTATE SALESPERSON				
2022-000394	Violation of licensing regulation	Closed-Investigation	09/16/2024	License Action

END OF REPORT

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 18	FY 19	Biennium	FY 20	FY 21	Biennium	FY 22	FY 23	Biennium	FY 24
Revenue										
Revenue from License Fees	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 820,700	\$ 228,875	\$ 1,049,575	\$ 639,645
General Fund Received	-	-	-	-	-	-	\$ 17,842	\$ 4,654	22,496	\$ 4,859
Allowable Third Party Reimbursements	-	-	-	-	-	-	\$ -	\$ 2,500	2,500	\$ -
TOTAL REVENUE	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 838,542	\$ 236,029	\$ 1,074,571	\$ 644,504
Expenditures										
Non Investigation Expenditures										
1000 - Personal Services	115,076	120,856	235,932	65,350	113,092	178,442	129,521	171,009	300,530	175,061
2000 - Travel	15,632	5,036	20,668	3,046	-	3,046	-	1,569	1,569	7,416
3000 - Services	13,683	9,813	23,496	19,306	4,687	23,993	12,219	5,254	17,473	13,612
4000 - Commodities	649	-	649	-	-	-	16	-	16	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	145,040	135,705	280,745	87,702	117,779	205,481	141,756	177,832	319,588	196,089
Investigation Expenditures										
1000-Personal Services	51,422	83,598	135,020	93,884	97,209	191,093	98,726	110,246	208,972	93,972
2000 - Travel	-	-	-	2,078	-	2,078	-	9,100	9,100	2,538
3023 - Expert Witness	-	-	-	-	450	450	-	-	-	2,975
3088 - Inter-Agency Legal	646	530	1,176	1,692	43,125	44,817	23,415	70,918	94,333	60,164
3094 - Inter-Agency Hearing/Mediation	-	3,689	3,689	-	2,799	2,799	6,467	23,142	29,609	34,889
3000 - Services other	-	958	958	1,010	390	1,400	517	1,967	2,484	717
4000 - Commodities	-	-	-	-	-	-	106	58	164	48
Total Investigation Expenditures	52,068	88,775	140,843	98,664	143,973	242,637	129,231	215,431	344,662	195,303
Total Direct Expenditures	197,108	224,480	421,588	186,366	261,752	448,118	270,987	393,263	664,250	391,392
Indirect Expenditures										
Internal Administrative Costs	108,746	110,362	219,108	108,667	101,425	210,092	112,583	124,346	236,929	115,793
Departmental Costs	53,154	57,353	110,507	37,533	39,972	77,505	46,517	48,168	94,685	49,850
Statewide Costs	18,608	20,811	39,419	20,978	28,864	49,842	28,689	30,587	59,276	26,037
Total Indirect Expenditures	180,508	188,526	369,034	167,178	170,261	337,439	187,789	203,101	390,890	191,680
TOTAL EXPENDITURES	\$ 377,616	\$ 413,006	\$ 790,622	\$ 353,544	\$ 432,013	\$ 785,557	\$ 458,776	\$ 596,364	\$ 1,055,140	\$ 583,072
Cumulative Surplus (Deficit)										
Beginning Cumulative Surplus (Deficit)	\$ 523,449	\$ 912,708		\$ 782,155	\$ 1,047,062		\$ 940,639	\$ 1,320,405		\$ 960,070
Annual Increase/(Decrease)	389,259	(130,553)		264,907	(106,423)		379,766	(360,335)		61,432
Ending Cumulative Surplus (Deficit)	\$ 912,708	782,155		\$ 1,047,062	\$ 940,639		\$ 1,320,405	\$ 960,070		\$ 1,021,502
Statistical Information										
Number of Licenses for Indirect calculation	4,129	4,041		3,771	3,680		4,062	4,317		4,165
Additional information: <ul style="list-style-type: none"> General fund dollars were received in FY21-FY23 to offset increases in personal services and help prevent programs from going into deficit or increase fees. 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 program, and program changes per AS 08.01.065. 										

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

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

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

Sum of Budgetary Expenditures	Object Type Name (Ex)				
Object Name (Ex)	1000 - Personal Services	2000 - Travel	3000 - Services	4000 - Commodities	Grand Total
1011 - Regular Compensation	144,628.36				144,628.36
1014 - Overtime	122.45				122.45
1016 - Other Premium Pay	27.24				27.24
1021 - Allowances to Employees	380.71				380.71
1023 - Leave Taken	19,532.65				19,532.65
1028 - Alaska Supplemental Benefit	10,082.34				10,082.34
1029 - Public Employee's Retirement System Defined Benefits	21,168.44				21,168.44
1030 - Public Employee's Retirement System Defined Contribution	4,243.33				4,243.33
1034 - Public Employee's Retirement System Defined Cont Health Reim	2,947.27				2,947.27
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	805.50				805.50
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	12,109.62				12,109.62
1040 - Group Health Insurance	44,334.08				44,334.08
1041 - Basic Life and Travel	17.82				17.82
1042 - Worker's Compensation Insurance	961.92				961.92
1047 - Leave Cash In Employer Charge	3,792.22				3,792.22
1048 - Terminal Leave Employer Charge	2,626.00				2,626.00
1053 - Medicare Tax	2,277.88				2,277.88
1077 - ASEA Legal Trust	110.28				110.28
1079 - ASEA Injury Leave Usage	9.47				9.47
1080 - SU Legal Trst	24.33				24.33
1970 - Personal Services Transfer	(1,168.70)				(1,168.70)
2000 - In-State Employee Airfare		597.87			597.87
2001 - In-State Employee Surface Transportation		81.00			81.00
2003 - In-State Employee Meals and Incidentals		210.00			210.00
2004 - In-State Empl Non-Reportable Reimburse / Mileage Pymt		25.00			25.00
2005 - In-State Non-Employee Airfare		563.37			563.37
2007 - In-State Non-Employee Lodging		741.96			741.96
2008 - In-State Non-Employee Meals and Incidentals		111.26			111.26
2010 - In-State Non-Employee Non-Taxable Reimbursement		41.38			41.38
2012 - Out-State Employee Airfare		2,389.90			2,389.90
2013 - Out-State Employee Surface Transportation		179.64			179.64
2014 - Out-State Employee Lodging		2,511.55			2,511.55
2015 - Out-State Employee Meals and Incidentals		467.87			467.87
2017 - Out-State Non-Employee Airfare		535.58			535.58
2019 - Out-State Non-Employee Lodging		1,135.05			1,135.05
2020 - Out-State Non-Employee Meals and Incidentals		308.00			308.00
2022 - Out-State Non-Employee Non-Taxable Reimbursement		54.62			54.62
3000 - Training/Conferences			2,680.00		2,680.00
3002 - Memberships			780.00		780.00
3023 - Expert Witness			2,975.00		2,975.00
3035 - Long Distance			46.04		46.04
3044 - Courier			78.89		78.89
3045 - Postage			641.78		641.78
3046 - Advertising			1,334.33		1,334.33
3057 - Structure, Infrastructure and Land - Rentals/Leases			231.68		231.68
3085 - Inter-Agency Mail			841.03		841.03
3088 - Inter-Agency Legal			66,166.34		66,166.34
3094 - Inter-Agency Hearing/Mediation			36,582.00		36,582.00
3970 - Contractual Transfer			-		-
4005 - Subscriptions				48.00	48.00
Grand Total	269,033.21	9,954.05	112,357.09	48.00	391,392.35

FY 2024 CBPL COST ALLOCATIONS

Name	Task Code	Direct Revenues	General Fund Received	3rd Party Reimbursement	Total Revenues	Direct Expense	Percentage of board licenses/total licensees:	Department certified transactions % by Fiscal Revenue \$	Indirect Expense (Total Non-PCN Allocated)	Percentage of program direct Personal Services:	Total Indirect Expenses	Total Expenses	2024 Annual Surplus (Deficit)
Acupuncture	ACU1	\$ 5,359		\$ -	\$ 5,359	\$ 6,651	\$ 2,954	\$ 416	\$ 3,370	1,864	\$ 5,234	\$ 11,885	\$ (6,526)
Architects, Engineer	AEL1	\$ 971,065	\$ 466	\$ 4,427	\$ 975,958	\$ 337,247	202,200	\$ 3,681	205,881	84,564	290,445	627,692	348,266
Athletic Trainers	ATH1	\$ 5,900		\$ -	\$ 5,900	\$ 1,642	1,840	\$ 261	2,101	437	2,538	4,180	1,720
Audiology and Speech Pathologists	AUD1	\$ 55,607		\$ -	\$ 55,607	\$ 41,069	26,976	\$ 1,880	28,856	12,458	41,314	82,383	(26,776)
Barbers & Hairdressers	BAH1	\$ 1,146,245	\$ 958	\$ -	\$ 1,147,203	\$ 364,706	195,618	\$ 4,252	199,870	99,546	299,416	664,122	483,081
Behavior Analysts	BEV1	\$ 4,892		\$ -	\$ 4,892	\$ 8,861	3,161	\$ 799	3,960	2,422	6,382	15,243	(10,351)
Chiropractors	CHI1	\$ 22,988	\$ 4,957	\$ -	\$ 27,945	\$ 194,286	8,500	\$ 970	9,470	37,466	46,936	241,222	(213,277)
Collection Agencies	COA1	\$ 48,065		\$ -	\$ 48,065	\$ 11,743	18,476	\$ 1,072	19,548	3,347	22,895	34,638	13,427
Concert Promoters	CPR1	\$ 2,513		\$ -	\$ 2,513	\$ 44	622	\$ 139	761	13	774	818	1,695
Construction Contractors	CON1	\$ 413,740	\$ 255	\$ -	\$ 413,995	\$ 607,170	228,891	\$ 4,012	232,903	101,040	333,943	941,113	(527,118)
Home Inspectors	HIN1	\$ 20,180		\$ -	\$ 20,180	\$ 19,253	3,006	\$ 840	3,846	5,846	9,692	28,945	(8,765)
Dental	DEN1	\$ 206,952	\$ 2,075	\$ -	\$ 209,027	\$ 350,066	60,378	\$ 3,946	64,324	92,699	157,023	507,089	(298,062)
Dietitians/Nutritionists	DTN1	\$ 28,075		\$ -	\$ 28,075	\$ 24,885	12,283	\$ 1,301	13,584	7,561	21,145	46,030	(17,955)
Direct Entry Midwife	MID1	\$ 12,949	\$ 914	\$ -	\$ 13,863	\$ 24,961	1,140	\$ 546	1,686	1,582	3,268	28,229	(14,366)
Dispensing Opticians	DOP1	\$ 9,500		\$ -	\$ 9,500	\$ 24,239	4,353	\$ 958	5,311	7,361	12,672	36,911	(27,411)
Electrical Administrator	EAD1	\$ 164,215		\$ -	\$ 164,215	\$ 96,254	25,058	\$ 2,202	27,260	18,821	46,081	142,335	21,880
Euthanasia Services	EUT1	\$ 300		\$ -	\$ 300	\$ 488	363	\$ 37	400	148	548	1,036	(736)
Geologists	GEO1	\$ 350		\$ -	\$ 350	\$ 991	285	\$ 342	627	298	925	1,916	(1,566)
Guardians/Conservators	GCO1	\$ 4,977		\$ -	\$ 4,977	\$ 6,758	622	\$ 326	948	1,933	2,881	9,639	(4,662)
Guide-Outfitters	GUI1	\$ 1,097,850	\$ 800	\$ -	\$ 1,098,650	\$ 434,101	45,244	\$ 3,449	48,693	117,814	166,507	600,608	498,042
Marine Pilots	MAR1	\$ 30,150	\$ 742	\$ -	\$ 30,892	\$ 85,392	3,498	\$ 1,500	4,998	15,288	20,286	105,678	(74,786)
Foreign Pleasure Craft	FPC1	\$ 23,440		\$ -	\$ 23,440		-	\$ 334	334		334	334	23,106
Marital & Family Therapy	MFT1	\$ 33,128		\$ -	\$ 33,128	\$ 29,916	4,250	\$ 758	5,008	8,621	13,629	43,545	(10,417)
Massage Therapists	MAS1	\$ 353,315	\$ 1,021	\$ 178	\$ 354,514	\$ 225,078	35,967	\$ 2,503	38,470	57,185	95,655	320,733	33,781
Mechanical Administrator	MEC1	\$ 109,585		\$ -	\$ 109,585	\$ 95,639	15,729	\$ 1,362	17,091	15,341	32,432	128,071	(18,486)
Medical	MED1	\$ 852,030	\$ 40,368	\$ 1,071	\$ 893,469	\$ 1,707,753	198,909	\$ 4,436	203,345	279,194	482,539	2,190,292	(1,296,823)
Mortuary Science	MOR1	\$ 2,905		\$ -	\$ 2,905	\$ 8,230	3,680	\$ 424	4,104	2,420	6,524	14,754	(11,849)
Naturopaths	NAT1	\$ 66,660		\$ -	\$ 66,660	\$ 4,147	1,322	\$ 228	1,550	1,194	2,744	6,891	59,769
Nurse Aides	NUA1	\$ 359,415	\$ 421	\$ 205	\$ 360,041	\$ 101,931	87,975	\$ 2,842	90,817	19,838	110,655	212,586	147,455
Nursing	NUR1	\$ 1,810,803	\$ 9,233	\$ 4,083	\$ 1,824,119	\$ 1,843,890	696,235	\$ 4,599	700,834	444,309	1,145,143	2,989,033	(1,164,914)
Nursing Home Administrators	NHA1	\$ 3,145		\$ -	\$ 3,145	\$ 2,044	1,399	\$ 163	1,562	13	1,575	3,619	(474)
Optometry	OPT1	\$ 26,892	\$ 15	\$ 1,500	\$ 28,407	\$ 41,753	6,452	\$ 1,272	7,724	11,689	19,413	61,166	(32,759)
Pawnbrokers	PAW1	\$ 3,350		\$ -	\$ 3,350	\$ 4,222	544	\$ 208	752	1,283	2,035	6,257	(2,907)
Pharmacy	PHA1	\$ 1,256,105	\$ 120,240	\$ 1,588	\$ 1,377,933	\$ 658,578	177,660	\$ 4,664	182,324	182,464	364,788	1,023,366	354,567
Physical/Occupational Therapy	PHY1	\$ 487,089	\$ 71	\$ 264	\$ 487,424	\$ 185,128	69,007	\$ 3,054	72,061	52,302	124,363	309,491	177,933
Prescription Drug Monitoring Program	PDMP	\$ 20		\$ 2,976	\$ 2,996	\$ 1,721	-	\$ -	-	-	-	1,721	1,275
Professional Counselors	PCO1	\$ 294,869	\$ 326	\$ -	\$ 295,195	\$ 204,504	31,536	\$ 2,988	34,524	57,157	91,681	296,185	(990)
Psychology	PSY1	\$ 33,220	\$ 553	\$ -	\$ 33,773	\$ 173,098	9,381	\$ 1,614	10,995	48,200	59,195	232,293	(198,520)
Public Accountancy	CPA1	\$ 600,898	\$ 1,154	\$ 8,980	\$ 611,032	\$ 318,407	45,711	\$ 1,953	47,664	82,926	130,590	448,997	162,035
Real Estate	REC1	\$ 639,645	\$ 4,859	\$ -	\$ 644,504	\$ 391,392	107,928	\$ 1,985	109,913	81,767	191,680	583,072	61,432
Real Estate Appraisers	APR1	\$ 75,640	\$ 111	\$ -	\$ 75,751	\$ 104,135	10,598	\$ 1,171	11,769	27,534	39,303	143,438	(67,687)
Social Workers	CSW1	\$ 428,284	\$ 413	\$ 568	\$ 429,265	\$ 197,753	37,030	\$ 3,184	40,214	57,580	97,794	295,547	133,718
Storage Tank Workers	UST1	\$ 7,730		\$ -	\$ 7,730	\$ 11,150	1,788	\$ 514	2,302	3,389	5,691	16,841	(9,111)
Veterinary	VET1	\$ 56,611	\$ 157	\$ 1,037	\$ 57,805	\$ 147,383	22,467	\$ 1,712	24,179	42,878	67,057	214,440	(156,635)
No longer existent board/commission (ie Athletic)			\$ -									-	-
Totals All Boards		\$ 11,776,651	\$ 190,109	\$ 26,877	\$ 11,993,637	\$ 9,098,659	\$ 2,411,036	\$ 74,897	\$ 2,485,933	\$ 2,089,792	\$ 4,575,725	\$ 13,674,384	\$ (1,680,747)

ABL & Corporations	DA0801005	\$ 4,372,277	\$ -	\$ 4,372,277	\$ 405,904	\$ 1,249,390	\$ 10,213	\$ 1,259,603	\$ 238,098	\$ 1,497,701	\$ 1,903,605
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DIVISION INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Business Supplies	25,873	25,788	85
Office Equipment	57,608	55,009	2,599
State Vehicles	5,220	4,594	626
Storage and Archives	16,130	13,559	2,571
Legal Support	49,391	49,391	-
Central Mail Services Postage	48,961	23,719	25,242
Software Licensing and Maintenance	117,711	117,711	-
Division Administrative Expenses - all other	311,628	307,788	3,840
Division allocated by percentage of direct personal services:	632,522	597,559	34,963
Percentage of board licenses/total licensees:			
Investigations indirect Personal Services	437,677	409,626	28,051
Division Administration Personal Services	2,828,868	1,654,796	1,174,073
Division allocated by percentage of board licenses/total licensees:	3,266,545	2,064,422	1,202,124
Total Division Indirect Expenses	3,899,067	2,661,981	1,237,087
DEPARTMENT INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Commissioner's Office	289,356	254,633	34,723
Administrative Services - Director's Office	73,527	64,704	8,823
Administrative Services - Human Resources	71,235	62,687	8,548
Administrative Services - Fiscal	102,783	90,449	12,334
Administrative Services - Budget	66,633	58,637	7,996
Administrative Services - Information Technology	322,717	283,991	38,726
Administrative Services - Information Technology - Network & Database	-	-	-
Administrative Services - Mail	13,230	11,642	1,588
Administrative Services - Facilities - Maintenance	-	-	-
Department allocated by percentage of direct personal services:	939,481	826,743	112,738
Percentage of board licenses/total licensees:			
Department administrative services support: Fiscal, IT, Procurement	393,880	346,614	47,266
Receipting transaction % by Personal Services:			
Department certified transactions % by Fiscal Revenue \$	85,110	74,897	10,213
Total DEPARTMENT INDIRECT EXPENSES	1,418,471	1,248,254	170,217
STATEWIDE INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Accounting and Payroll Systems	81,101	71,369	9,732
State Owned Building Rental (Building Leases)	258,230	227,242	30,988
State OIT Server Hosting & Storage	7,792	6,857	935
State OIT SQL	6,958	6,432	526
State Software Licensing	-	-	-
Human Resources	69,278	60,965	8,313
IT Non-Telecommunications (Core Cost)	297,578	261,869	35,709
IT Telecommunications	32,270	28,398	3,872
Risk Management	2,680	2,358	322
Statewide allocated by percentage of direct personal services:	755,887	665,490	90,397
FY24 TOTALS BY METHODOLOGY	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:	2,327,890	2,089,792	238,098
Percentage of board licenses/total licensees:	3,660,426	2,411,036	1,249,390
Receipting transaction % by Personal Services:	85,110	74,897	10,213
Grand Total	6,073,426	4,575,725	1,497,701

Fee Analysis-
2026-2028 Renewal Fees

New Business

DCE Topics for 2026-2028
Discussion/Committee

Designated Continuing Education (DCE) Topics 2016-2026

2024-2026

Environmental Issues & Land Use - 2 hours
Fair Housing & Property Management- 2 hours
Required Licensee Disclosures - 2 hours
Counseling Consumers - 2 hours

2022-2024

Situational Ethics - 2 hours
Property Disclosure & Inspections - 1 hour
Contract & Real Estate Licensing Law - 2 hours
Prohibited Conduct – 1 hour
Advertising and social media - 1 hour
Licensing Relationships – 1 hour

2020-2022

Broker Supervision and Management - 2 hours
Ethics - 2 hours
Prohibited Conduct - 2 hours
Advertising and Social Media - 2 hours

2018-2020

Ethical Situations - 2 hours
Understanding and working with title reports, encroachments, and easements - 2 hours
Contract law as it pertains to documents used in real estate - 2 hours
Inspections and Disclosures - 2 hours

2016-2018

Situational Ethics (topics 1, 15, 16, 17, 19, 21, 30, 33) - 2 hours
Contract Law (topics 1, 6, 9, 14, 18, 22, 29, 33) - 2 hours
Consumer Protection (to include TRED) (topics 6, 10, 15, 22, 27) - 2 hours
Practical Licensee Relationship Disclosures (topics 1, 6, 15, 16, 30, 38, 39, 41) - 2 hours



THE STATE
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GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALASKA REAL ESTATE COMMISSION

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September 29, 2023

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, 2024-January 31, 2026.

Required (DCE) Topics	Hours
Environmental Issues & Land Use	2
Fair Housing & Property Management	2
Required Licensee Disclosures	2
Counseling Consumers	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



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October 1, 2021

Course Sponsors:

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The Commission approved the topics below as the 8 hours of DCE for the licensing period **February 1, 2022 – January 31, 2024.**

Required (DCE) Topics	Hours
Situational Ethics	2
Property Disclosures & Inspections	1
Contract & Real Estate Licensing Law	2
Prohibited Conduct	1
Advertising & Social Media	1
Licensee Relationships	1

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



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October 1, 2019

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, 2020 – January 31, 2022.**

Required (DCE) Topics	Hours
Broker Supervision and Management	2
Ethics	2
Prohibited Conduct	2
Advertising and Social Media	2

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-Written authorization-Name of brokerage-Licensee owned<ul style="list-style-type: none">-Name of brokerage-License status• Advertising 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-Misrepresentation• How to properly advertise on social media
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THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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

September 29, 2017

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, 2018 – January 31, 2020.**

Required (DCE) Topics	Hours
Ethical Situations <i>(to include relationships between: licensee to consumer and licensee to licensee)</i>	2
Title, Encroachments/Easements	2
Contract Law <i>(to include listing and management contracts)</i>	2
Inspections and Disclosures	2

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



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of **ALASKA**
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Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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

September 30, 2015

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, 2016 – January 31, 2018.**

Required (DCE) Topics	Hours
Situational Ethics (topics 1, 15, 16, 17, 19, 21, 30, 33)	2
Contract Law (topics 1, 6, 9, 14, 18, 22, 29, 33)	2
Consumer Protection (to include TRID) (topics 6, 10, 15, 22, 27)	2
Practical Licensee Relationship Disclosure (topics 1, 6, 15, 16, 30, 38, 39, 41)	2

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

State of Alaska

2025 HOLIDAY

CALENDAR

State Holidays

Date	Holiday
01/01/2025	New Year's Day
01/20/2025	MLK Jr.'s Birthday
02/17/2025	Presidents' Day
03/31/2025	Seward's Day
05/26/2025	Memorial Day
06/19/2025	Juneteenth Day
07/04/2025	Independence Day
09/01/2025	Labor Day
10/18/2025	Alaska Day (observed 10/17/2025)
11/11/2025	Veterans' Day
11/27/2025	Thanksgiving Day
12/25/2025	Christmas Day

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

XX Holiday



JANUARY

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	

JULY

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		

FEBRUARY

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	

AUGUST

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						

MARCH

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					

SEPTEMBER

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				

APRIL

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		

OCTOBER

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	

MAY

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

NOVEMBER

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						

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

Proposed Regulations

For the Real Estate Commission's Consideration:

The Division of Corporations, Business, and Professional Licensing's Concern with 12 AAC 02.530 + Other Suggested Changes

Issues:

- #1: It has come to the division's attention that as 12 AAC 02.530(2) is currently written, E&O insurance covering all licensees within a brokerage must be held by the **broker**, not the brokerage. Up until this point and for the last many years (we aren't sure how many), brokerages have been allowed to hold the E&O insurance for their licensees. The Real Estate Commission (REC) will need to determine if they want to amend 12 AAC 02.530 to allow this to continue or if they want to enforce the need for the employing broker, not the brokerage, to hold the E&O insurance.
- #2: Additionally, the division has identified that it would be in the public's best interest for 12 AAC 02.530 to be amended to require verification of E&O insurance requirements when a license is transferred, reactivated, or reinstated; rather than only when it is first issued. We also believe the division should be able to audit compliance with E&O requirements, like we do for continuing education.

Proposed Solutions for Issue #1 from Deputy Director Saviers:

- **Option 1 (CBPL's Recommendation):** Amend 12 AAC 02.530(2) to allow the brokerage to get the E&O insurance, but require it to be under the name of the office (i.e., each individual office obtains its own E&O insurance):

*(2) a [BROKER] **registered principal office or branch office** employing [OTHER] real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance coverage with a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the [BROKER] **individual registered principal office or branch office** are covered. **The insurance must be under the office name exactly as it appears on the license.***
- **Option 2:** Leave 12 AAC 02.530(2) as is, and the division will do an education campaign to let brokers and brokerages know when this will be enforced so they have time to make the necessary change.

Proposed Solution for Issue #2 from Executive Administrator Harris & Deputy Director Saviers:

- **12 AAC 02.530. STANDARDS FOR EQUIVALENT COVERAGE.**

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

 - (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, transfer, reinstate, or reactivate** 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; [AND]
 - (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.
- **12 AAC 64.071. LICENSE RENEWAL.**

(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.

(b) An applicant for renewal of an active license shall submit to the department, by the date the license lapses,

- (1) a completed renewal application on the form provided by the department;
- (2) the license renewal fee established in 12 AAC 02.360;
- (3) the recovery fund fee established in 12 AAC 64.073; [AND]
- (4) certification that the applicant has satisfied the continuing education requirements of AS 08.88.091(d) and 12 AAC 64.500[.]; **and**
- (5) certification that the applicant has satisfied the Errors & Omissions insurance requirements of AS 08.88.172 and 12 AAC 64.600.**

(c) An applicant for renewal of an inactive license shall submit to the department, on or before the date the license lapses,

- (1) a completed renewal application on the form provided by the department;
- (2) the license renewal fee established in 12 AAC 02.360; and
- (3) certification that the applicant has satisfied the continuing education requirements of AS 08.88.091(d) and 12 AAC 64.500.

(d) A license lapses if an application for renewal either has not been received by the department or is not complete by the date the license is to lapse.

(e) A lapsed license will be reinstated only as an active license according to the provisions of this section.

(f) A licensee may be inactive for an entire licensing period and reactivate without paying the recovery fund fee established in 12 AAC 64.073 if the licensee's inactive license dates coincide exactly with the dates of a biennial licensing period.

(g) Except for an initially-issued license that has lapsed under (a) of this section, an initially-issued license lapses 395 days after issuance unless the real estate licensee meets the requirements of 12 AAC 64.064.

(h) Proof of compliance with continuing education requirements and Errors & Omissions insurance requirements as certified in (b) of this section shall be audited as prescribed in 12 AAC 02.960.

- **12 AAC 64.600. INSURANCE REQUIRED.**

(a) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of **initial** licensing[, RENEWAL,] or reinstatement of a license must submit proof of errors and omission insurance coverage through the master insurance policy made available by the commission under AS 08.88.172(d) or through certification of equivalent coverage. "Equivalent coverage" has the meaning given in 12 AAC 02.590.

(b) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of renewal of a license, must certify compliance with the errors and omissions insurance coverage requirements as prescribed in (a) of this section. Audits of errors and omissions insurance shall be completed with audits of compliance with continuing competency requirements as prescribed by 12 AAC 02.960.

- **12 AAC 64.610. TIME FOR FILING CERTIFICATION OF EQUIVALENT COVERAGE.**

(a) Licensee that obtains equivalent coverage under AS 08.88.172(c) must file a certification of insurance showing equivalent coverage with the commission with the application to obtain, [OR] renew, **transfer, reactivate, or reinstate** a license.

(b) A licensee substituting coverage under the master insurance policy made available by the commission under AS 08.88.172(c) with equivalent coverage or substituting an equivalent coverage policy with another policy must file a certification of equivalent coverage with the commission prior to 5:00 p.m. on the date the licensee cancels coverage under the master insurance policy made available

by the commission or cancels coverage under the equivalent insurance policy that is being substituted for another equivalent coverage policy.

(c) If the certification is not filed as required by this section, the commission will deny the application to obtain, [OR] renew, **transfer, reactivate, or reinstate** a license or suspend the existing license, **as applicable**.

Other Relevant Statutes & Regulations:

- **08.88.172. Errors and omissions insurance.**

(a) A person licensed as a real estate broker, associate real estate broker, or real estate salesperson shall, as a condition of licensing, carry and maintain errors and omissions insurance to cover activities for which licensing is required under AS 08.88.161.

(b) The department shall establish by regulation the terms and conditions of the errors and omissions insurance required by this section, including

- (1) coverage requirements;
- (2) limits of coverage;
- (3) the maximum amount of premium to be charged licensees under a master errors and omissions policy under (d) of this section; and
- (4) the method for adjusting these amounts based on the Consumer Price Index.

(c) A licensee may obtain the errors and omissions insurance required by (a) of this section by

- (1) obtaining a master insurance policy that may be made available to licensees by the commission; or
- (2) independently obtaining errors and omissions insurance that complies with the requirements established under (b) of this section.

(d) The commission may

- (1) solicit bids for a master errors and omissions insurance policy for licensees that meets the minimum terms and conditions established under (b) of this section using a competitive sealed bid process under AS 36.30 (State Procurement Code); and
- (2) charge a licensee a reasonable administration fee to recover costs incurred in connection with the solicitation made under (1) of this subsection.

(e) [Repealed, § 4 ch 39 SLA 2016.]

(f) A licensee seeking to obtain or renew a license shall certify to the commission that errors and omissions insurance has been obtained. A licensee who elects to independently obtain errors and omissions insurance shall provide a certificate of coverage with the application to obtain or renew a license.

- **12 AAC 02.510. MINIMUM STANDARDS.**

(a) The master errors and omissions insurance policy must provide to each individual licensee, at a minimum, the following terms of coverage:

- (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;
- (2) an annual aggregate limit of liability of not less than \$300,000 per licensee;
- (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;
- (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;
- (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;

- (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; and
 - (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.
- (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.
- (c) The insurer that is selected to provide the master errors and omissions insurance policy shall
- (1) maintain an A.M. Best rating of "B+" or better and financial size category of class VI or higher;
 - (2) 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;
 - (3) 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;
 - (4) 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; and
 - (5) 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.

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

(a) Repealed 2/11/95.

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

(1) employing and terminating the employment of licensees;

(2) maintaining and examining all trust accounts for real estate transactions;

(3) authorizing payment of all commissions, salaries, finder's fees, or other compensation for activities for which a license is required and indicating on the payment record the specific reason for the payment.

(4) maintaining the records of all real estate transactions and assuring their accessibility to the department; and

(5) directing and supervising all real estate business activities for which a license is required and all activities necessary for full compliance with AS 08.88 and this chapter.

(c) When a broker who is authorized to act on behalf of a business, ~~corporation~~ **entity**, or organization loses an active broker license for any reason, the business, ~~corporation~~ **entity**, or organization shall stop engaging in real estate transactions until the broker's license is renewed or reinstated, or until a new broker is employed.

Authority: AS 08.88.071 AS 08.88.161 AS 08.88.900
AS 08.88.081

12 AAC 64.075. EMPLOYMENT AND TRANSFER.

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

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

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

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

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

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

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

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

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

Authority: AS 08.88.081 AS 08.88.171 AS 08.88.251

12 AAC 64.077. BROKER AUTHORIZATION OF LICENSE APPLICATIONS.

(a) Except as provided in of this section, only the registered broker of an office may employ or terminate a licensed associate broker or salesperson.

(b) An applicant applying to work in a branch office shall submit to the commission the Employing Broker Information form of the application signed by the registered broker and the associate broker in charge of the branch office. This form may be signed digitally and may be submitted either by electronic mail or regular United States mail.

(c) When the registered broker of an office notifies the commission office in advance of an absence from the office, the broker or an associate broker designated by the registered broker to supervise transactions or licensees during the broker of record's absence may sign for the broker of record on a license application.

Authority: AS 08.88.081 AS 08.88.291 AS 08.88.311
AS 08.88.171

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

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

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

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

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

Authority: AS 08.88.081 AS 08.88.331 AS 08.88.341

12 AAC 64.600. INSURANCE REQUIRED.

(a) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of licensing, renewal, **transfer, reactivate**, or reinstatement of a license must submit proof of errors and omission insurance coverage through the master insurance policy made available by the commission under AS 08.88.172(d) or through certification of equivalent coverage.

“Equivalent coverage” has the meaning given in 12 AAC 02.590.

(b) the commission may audit a real estate broker, associate broker, or salesperson for compliance of Error and Omission Insurance.

Authority: AS 08.88.071 AS 08.88.171 AS 08.88.172 AS 08.88.081

12 AAC 64.610. TIME FOR FILING CERTIFICATION OF EQUIVALENT COVERAGE.

(a) A licensee that obtains equivalent coverage under AS 08.88.172(c) must file a certification of insurance showing equivalent coverage with the commission with the application to obtain, ~~or~~ renew, **transfer, reactivate, or reinstate** a license.

(b) A licensee substituting coverage under the master insurance policy made available by the commission under AS 08.88.172(c) with equivalent coverage or substituting an equivalent coverage policy with another policy must file a certification of equivalent coverage with the commission prior to 5:00 p.m. on the date the licensee cancels coverage under the master insurance policy made available by the commission, or cancels coverage under the equivalent insurance policy that is being substituted for another equivalent coverage policy.

(c) If the certification is not filed as required by this section, the commission will deny the application to obtain or renew a license, or suspend the existing license.

Authority: AS 08.88.071; AS 08.88.171; AS 08.88.172; AS 08.88.081;

12 AAC 02.530. STANDARDS FOR EQUIVALENT COVERAGE. 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

(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, transfer, reactivate, or reinstate 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~~ **or**

(B) a certificate of insurance from the insured licensee's insurer; ~~and~~ **or**

(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.

Authority: AS 08.88.172

12 AAC 02.540. NOTIFICATION REQUIRED FOR CHANGES OR CANCELLATION. If equivalent insurance coverage obtained by a licensee under AS 08.88.172(c)(2) is to lapse, **has been changed**, 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.

Authority: AS 08.88.172

***Note:** Below the **bolded black text** is what is currently in statute and regulations. The **bolded red text** is proposed revisions.

Office Location Requirements

Sec. 08.88.291. Location; contact information.

(a) A person licensed as a real estate broker shall, by registering with the commission, inform the commission of the person's principal office and of any branch offices of the person's real estate business and include in the information the names of the real estate licensees who are employed at each office. A real estate licensee may do real estate business only through a principal office or from a branch office registered by the broker by whom the licensee is employed. Failure of a real estate broker **to maintain a place of business in the state** or to inform the commission of its location and the names and addresses of all real estate licensees employed at each location by the broker is grounds for the suspension or revocation of the broker's license.

(b) Each licensee under this chapter is responsible for ensuring that the commission has current contact information for the licensee for two years after the lapse, expiration, surrender, suspension, or revocation of the license.

(c) In addition to the information provided under (a) of this section, a licensee shall provide the commission with a current mailing address and, if active, the address of the broker employing the licensee.

(d) The commission shall mail all notices pertaining to a license or recovery fund action taken under this chapter or a regulation adopted under this chapter to the current address or addresses of a licensee obtained under this section. Proof of notice provided under this subsection satisfies due process notice requirements.

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

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

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

revocation of the broker's license.

(c) Repealed 12/6/81.

(d) When a broker establishes a real estate office in a location not normally considered a business location, the commission may require the broker to submit evidence that the office is where the broker and the broker's employees transact business and receive business calls.

(e) A broker shall, before operating any office or branch office, register the office or branch office with the commission on a form provided by and approved by the commission. The information provided by the broker must include the

- (1) broker's name and license number;
- (2) business name under which the broker will operate and advertise as required by 12 AAC 64.112;
- (3) mailing address of the business and all branch offices;
- (4) physical location of the office and all branch offices;
- (5) bank account numbers of all real estate trust accounts maintained by the broker;
- (6) name and license number of all licensees employed by the broker at that office;
- (7) name of the associate broker in charge of each branch office;
- (8) telephone and facsimile number and, if available, an e-mail address of the office;
- (9) type of business organization, such as a sole proprietorship, corporation, partnership, limited partnership, or limited liability company;
- (10) all types of business activity practiced, such as sales, property management, community association management, and commercial sales.

(f) More than one licensed broker may operate an office at the same address; each broker shall maintain a clearly separate office identity.

(g) A real estate broker holding an active license shall

- (1) maintain within this state one or more trust accounts and records of all real estate transactions conducted in this state as required by AS 08.88.351 and 12 AAC 64.220; and
- (2) provide for acceptance of legal service at the business address registered with the commission.

Draft below of possible revision to 12 AAC 64.110 with verbiage brought forward at work meeting regarding physical office in state. Not sure where this recommended language would be placed in 12 AAC 64.110.

A real estate broker is required to establish and continue to operate a physical office within the state of Alaska. This office must be registered with the Commission and same as the primary

location for conducting real estate transactions. The broker is responsible for keeping the Commission informed of the office current address and the names and contact information of all real estate licensees employed at that location.

Another possible revision to 12 AAC 64.110(a) and (b)- to add the word “physical” before principal office in this state.

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

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

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

Sign requirements

Sec. 08.88.381. Signs.

A real estate broker shall **maintain a sign at each of the broker's registered real estate offices prominently showing the name of the real estate business as registered with the commission.** The required size, content, and location of signs under this section may be determined by the commission under regulations. The regulations must allow signs in offices located on premises with more restrictive sign requirements than would otherwise be applicable under the commission's regulations to be considered to be in compliance with the regulations if the signs meet the requirements of the premises and the licensee submits a copy of the sign requirements of the premises to the commission.

12 AAC 64.127. OFFICE SIGNS.

(a) **The physical address of the office of a licensed real estate broker must be clearly identifiable to the public from outside the office.**

(b) A real estate broker shall **prominently display a sign showing the name of the real estate business at the entrance to the real estate office.**

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

ORIGINAL 12 AAC 64.064 (g):

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

.....
Proposed regulation change:

(g) A licensed broker or associate broker who is issued an initial license and fails to meet the educational requirements set forth under subsection (a) of this section shall, upon application and payment of the required fees, be downgraded to a salesperson's license, provided the licensee continues to meet the eligibility criteria for a salesperson's license.

(1) A real estate broker or associate broker whose license is downgraded to a salesperson's license due to noncompliance with post licensing education requirements shall not be eligible for reinstatement of the broker or associate broker license. Such individuals may obtain a broker or associate broker license only by satisfying the qualifications for initial licensure as provided in AS 08.88.171(a) or (b).

Authority: AS 08.88.071 AS 08.88.091 AS 08.88.095 AS 08.88.081

FY2024 Strategic Plan - update

2024 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, Project Assistant, 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. Protect the Consumer/Inform Licensees	<p>Teams on Consumer Disclosure Propose changes to the regulation 12 AAC 64.118, Consumer Disclosure with regards to teams.</p> <p>Review the proposed regulations when in front of Commission again regarding the Consumer Disclosure to see if a licensee can transition from representation back to specific assistance? Can you still represent the seller and provide specific assistance to the buyer when your previous relationship was representation? Or is the only path neutral?</p>	Commission Schok & Heaton to provide information to staff	Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
2. 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	In progress, Commissioner Doran volunteered to work on revisions, will bring to Commission to discuss a REC meeting.
3. Commission Business/Inform Licensees	Payment of commissions/EM through title company's	Commissioners & Staff	
4. Commission Business/Inform Licensees	Through the Department, review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance for 2024-2026	Commissioners & Staff	To be completed @ March, June, or Dec REC meeting.
5. Commission Business/Inform Licensees	Regulation Project – 12 AAC 64.930 form and revision of regulation verbiage.		Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
6. Protect the Consumer/Inform Licensee	<ul style="list-style-type: none"> 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. 	<p>T Heaton- Committee Chair</p> <p>D Doran – Committee Co-chair</p>	

Last Edited 8/29/24

2024 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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Guiding Principle	Objective How will we meet this guiding principle?	Who will complete this task?	Status/Notes
7. Protect the Consumer/Inform Licensee	<p>Possible new/revised regulations. Topics to consider:</p> <ul style="list-style-type: none"> • 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 • Broker supervision, licensees not responding to customers/clients. • Transaction coordinators • HOA/Community Associations • Trusts Accounts • Audit of offices – physical address/location • Advertising 	Commission to have work session meeting, open to public for public comment	<p>In progress.</p> <p>Completed scheduled work meeting on May 15, 2024.</p> <p>Staff and Commission member working on revision to regulations re:</p> <ul style="list-style-type: none"> • Termination of broker by owner • Office changes • Temporary B/AB of office with changes and no broker available • Audit of E & O
8. Protect the Consumer/inform Licensees	<p>Create regulations that will protect the public with regards to the NAR Settlement requirements.</p> <p>-Buyer Agreement completed before licensee shows property.</p>	Commission Member Elizabeth Schok/PeggyAnn McConnochie	Review proposed changes at September 2024 meeting.
9. Commission business/inform licensees	Disciplinary Matrix – Commission to review matrix and make changes as necessary.	Commission	
9. Commission business/inform licensees	Reinstatement License application – Review the length of time between application of license.	Commission member Doran to head this task.	

Last Edited 8/29/24

Executive Administrator's Report

Licensing Report

LICENSING REPORT

June 19th, 2024

New Licensees: 9/1/2024 - 12/2/2024	45
Total Number of <u>Active</u> Licensees with 1/31/2026 exp	2,873
Total Number of Licensees with 1/31/2026 exp	2969

Transfers:	Jun-24	Sep-24	Dec-24
	150	87	89

ACTIVE: 1/31/26 exp	Jun-24	Sep-24	Dec-24	Change
Broker	396	398	405	7
Associate Broker	386	387	382	-5
Salesperson	2,072	2,107	2,086	-21
Total Active:	2,854	2,892	2,873	-19

PLE Completed:	Jun-24	Sep-24	Dec-24
	69	35	11

Upgrades:	Endorsement:
5	2

INACTIVE: 1/31/26 exp	Jun-24	Sep-24	Dec-24	Change
Broker	0	0	0	0
Associate Broker	2	3	3	0
Salesperson	10	13	19	6
Total Inactive:	12	16	22	6

In this reporting period	Jun-24	Sep-24	Dec-24
License Returned	22	22	55
Probation License	0	0	0
Suspended	0	0	0
Revoked	0	0	0
Surrendered	22	22	55

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/26	Jun-24	Sep-24	Dec-24	Change
Broker	0	0	0	0
Associate Broker	1	1	1	0
Salesperson	10	1	14	13
Total:	11	2	15	13

INACTIVE: 1/31/24 exp	Jun-24	Sep-24	Dec-24
Broker	5	5	4
Associate Broker	10	10	6
Salesperson	62	62	52
Total Inactive:	77	77	62

Initial Licenses issued Qrtly:	July-Sept 23	Oct-Dec 23	Jan-Mar 24
	41	44	49
	Mar-June 24	June-Sept 24	Sept-Dec 24
	83	77	45

LAPSED: 1/31/24 exp	Jun-24	Sep-24	Dec-24
Broker	24	23	23
Associate Broker	22	21	1
Salesperson	298	302	298
Total Lapsed:	344	346	322

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

Education Report

REC EDUCATION REPORT

December 18th, 2024

(as of 12/2/2024)

Course Type	Currently Approved
Pre-Licensing (SPL)	16
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	325
Designated Continuing Education (DCE)	87
Post Licensing Education (PLE)	55
(363)	Total: 487
Initial courses approved between 6/5/2024 and 9/4/2024	19
<u>Approved Instructors expiring 4/1/2025</u>	123
Permanent	
<u>New Instructors</u>	4

Salmans, Wayne Lee	McKinney, TX
Neill, Maura	Sandy Springs, GA
Winter, Teresa Thomas	Kasilof, AK
Kim , Patrick	Eagle River, AK

Temporary Instructor

0

Recovery Fund Report

Statement of Net Positions
Real Estate Recovery Fund
September 30, 2024

	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
ASSETS												
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 365,691	\$ 361,514
Total Assets	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	380,564	365,691	361,514
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	12,094	17,778
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	17,778	12,094	17,778
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	353,597	343,736
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	362,785	353,597	343,736
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	\$ 365,691	\$ 361,514
		Average of 6/30/15 & 6/30/16	Average of 6/30/16 & 6/30/17	Average of 6/30/17 & 6/30/18	Average of 6/30/18 & 6/30/19	Average of 6/30/19 & 6/30/20	Average of 6/30/20 & 6/30/21	Average of 6/30/21 & 6/30/22	Average of 6/30/22 & 6/30/23	Average of 6/30/23 & 6/30/24	Average of 6/30/24 & 6/30/25	Average of 6/30/25 & 6/30/26
Average 2 year licensing cycle fund balance:		\$ 460,017	\$ 428,988	\$ 393,361	\$ 336,095	\$ 305,940	\$ 299,153	\$ 290,745	\$ 351,065	\$ 382,652	\$ 373,127	\$ 363,602

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 FY25 Liabilities projected using FY23

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through September 30, 2024
and
Projected for Fiscal Years Ending June 30, 2025 and June 30, 2026

	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 Quarter Ended 9/30/24	For the Quarter Ended 12/31/24	For the Quarter Ended 3/31/25	For the Quarter Ended 6/30/25	For the Fiscal Year Ended 6/30/25	For the Fiscal Year Ended 6/30/26
REVENUES																
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	55,065	101,260	46,705	90,520	9,490	-	-	-	(1) 46,705	(1) 90,520
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,580)	12,475	21,727	4,499	-	-	-	(2) 12,475	(2) 21,727
Prior Year Adjustments								(150)		0	-	-	-	-	0	0
General Fund Contributions								-	82,225	0				3	82,225	0
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	55,374	96,530	141,404	112,247	13,989	-	-	-	141,404	112,247
EXPENDITURES																
Personal Services	113,145	112,763	115,097	134,846	126,366	118,457	125,468	43,240	74,020	116,395	24,948	-	-	-	(3) 74,020	(3) 116,395
Travel	0	-	-	-	-	-	0	0	0	0					0	0
Commodities	0	89	-	617	-	-	0	0	0	0					0	0
Services - Non-claims	732	5,085	13	10	5,000	497	9	2	32	29					32	29
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	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	24,948	-	-	-	74,052	116,424
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)	(10,960)	-	-	-	67,352	(4,177)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-		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)	(10,960)	-	-	-	67,352	(4,177)
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	369,604	369,604	369,604	384,741	452,093
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	369,604	369,604	369,604	369,604	\$ 452,093	\$ 447,916

(1) For FY25, licenses and permits revenue projected to be the same as FY23.

(2) Projecting through FY25 based on FY23 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 transferred personal services cost from fund 1040 to match GF revenue to expenses. See CH8 230016657 and CH8 240006403. Reference bill number HB281 SLA2022SEC1PGSLN24-28.

Statement of Cash Flows
Real Estate Recovery Fund
September 30, 2024

	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
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⁾	\$ 46,705	\$ 90,520
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⁾	\$ (74,020)	(116,395)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	- ⁽³⁾	\$ -	-
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	(2)	(32)	(29)	(32)	(29)
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)	(27,347)	(25,904)
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⁾	12,475	21,727
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	12,475	21,727
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)	(14,873)	(4,177)
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	365,691
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	\$ 365,691	\$ 361,514

(1) For FY25, licenses and permits revenue projected to be the same as FY23.

(2) Projecting through FY25 based on FY23 rate of earnings.

(3) 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 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.

Commission Member Comments and Questions