

Annual Report

Fiscal Year 2017

REAL ESTATE COMMISSION



DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

**REAL ESTATE COMMISSION
FY 2017 Annual Report**

Table of Contents

Identification of the Board	Page 1
Identification of the Staff	Page 2
Narrative Statement	Page 3
Budget Recommendations	Page 4
Proposed Legislative Recommendations	Page 9
Regulatory Recommendations	Page 10
Goals and Objectives	Page 11
Sunset Audit Recommendations	Page 13

**REAL ESTATE COMMISSION
FY 2017 Annual Report**

Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires
Traci J. Barickman Broker/3 rd Judicial District	Sutton	Mar 01, 2015	Mar 01, 2019
Marianne K. Burke Public Member	Anchorage	Mar 01, 2015 <i>(reappointed for second term)</i>	Mar 01, 2019
Peggy Ann McConnochie Broker/Broker-at-Large seat	Juneau	Mar 01, 2015	Mar 01, 2019
David C. Pruhs Broker/4 th Judicial District	Fairbanks	Mar 01, 2017	Mar 01, 2021
Guy E. Mickel Broker/1 st Judicial District	Ketchikan	Mar 01, 2017	Mar 01, 2021
Eric Bushnell , Chairperson Associate Broker/Broker-at-Large seat	Wasilla	Mar 01, 2017 <i>(reappointed for second term)</i>	Mar 01, 2021
Cindy Cartledge Public Member	Anchorage	Mar 01, 2015	Mar 01, 2019

**REAL ESTATE COMMISSION
FY 2017 Annual Report**

Identification of Staff

Sharon J. Walsh – Executive Administrator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
550 W. 7th Ave. Suite 1500
Anchorage, AK 99501
(907) 269-8197

Nancy A. Harris – Project Assistant

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
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July Lam – Investigator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
550 W. 7th Ave. Suite 1500
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(907) 269-6132

Jun Maiquis – Regulations Specialist

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
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**REAL ESTATE COMMISSION
FY 2017 Annual Report**

Narrative Statement

The Real Estate Commission (REC) had three in-person meetings this past fiscal year and one workshop in February to address the issue of real estate teams. All meetings were held in Anchorage. These meetings carry out the functions and duties of the REC, such as: reviewing licensing matters, continuing education courses and instructors; and consideration of disciplinary actions of licensees based on current statutes and regulations.

A few of the highlights taken up by the REC this past year include:

A concentrated effort by the REC to work with the Division to obtain a master policy for errors and omissions insurance (E & O). This involved a re-write of the Division's regulations that govern the REC's E & O master policy and many coordinated meetings with the Division Director for the Division of Corporations, Business and Professional Licensing (CBPL) and occasionally the Directors of Insurance and Administration. The result netted in obtaining the first master policy for real estate licensees in Alaska. Its impact to Alaska real estate consumers will result in more protection, and has the potential to curtail less risky behavior by the licensee.

The REC held a workshop in February to address the issue of real estate teams. Topics included marketing teams, definition of a team, and make-up of teams. The workshop produced many interested parties and the REC members were able to interact with licensees practicing under a team as well as those who are not. The REC will continue to address some of the ideas/matters brought forth from the workshop, to assist in the creation of regulations that will provide guidelines for the practice of real estate within a team setting and with a better understanding for the real estate consumer.

The REC is currently undergoing another sunset audit by Legislative Audit staff, as a result of House Bill 290 (HB290). The results will be made available sometime in the next fiscal year.

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Budget Recommendations for FY 2018

The Budget Recommendations section anticipates the board’s fiscal priorities for the upcoming year. Please complete all parts of this section with details about anticipated meetings, conferences, memberships, supplies, equipment, to other board requests. Meeting expenses that are being funded through third-party reimbursement or direct booking must be identified separately from expenses paid through license fees (receipt supported services or RSS). Be sure to explain any items listed as “other” so they may be tracked appropriately.

#1 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
Sept 27, 2017	Anchorage	7	3
<input checked="" type="checkbox"/> Airfare:			\$2,228.00
<input checked="" type="checkbox"/> Hotel:			\$700.00
<input checked="" type="checkbox"/> Ground:			\$60.00
<input checked="" type="checkbox"/> Other:			\$150.00
Total Estimated Cost:			\$3,138.00

#2 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
December 6, 2017	Anchorage	7	3
<input checked="" type="checkbox"/> Airfare:			\$2,000.00
<input checked="" type="checkbox"/> Hotel:			\$700.00
<input checked="" type="checkbox"/> Ground:			\$60.00
<input checked="" type="checkbox"/> Other:			\$150.00
Total Estimated Cost:			\$2,910.00

#3 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
March 2018	Anchorage	7	3
<input checked="" type="checkbox"/> Airfare:			\$2,200.00
<input checked="" type="checkbox"/> Hotel:			\$700.00
<input checked="" type="checkbox"/> Ground:			\$60.00
<input checked="" type="checkbox"/> Other:			\$150.00
Total Estimated Cost:			\$3,110.00

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Budget Recommendations for FY 2018

#4 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
June 2018	Anchorage	7	3
<input checked="" type="checkbox"/> Airfare:			\$2,200.00
<input checked="" type="checkbox"/> Hotel:			\$700.00
<input checked="" type="checkbox"/> Ground:			\$60.00
<input checked="" type="checkbox"/> Other:			\$150.00
Total Estimated Cost:			\$3,110.00

**REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report**

Budget Recommendations for FY 2018 (continued)

Travel Required to Perform Examinations

Not applicable

Date	Location	# Board	# Staff
Description of meeting and its role in supporting the mission of the Board:			
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input type="checkbox"/> Conference:			\$0.00
<input type="checkbox"/> Other:			\$0.00
Total Estimated Cost:			\$0.00

Out-of-State Meetings and Additional In-State Travel

Date	Location	# Board	# Staff	
September 20-24, 2017	Oahu, Hawaii	0	1	
Description of meeting and its role in supporting the mission of the Board:				
The Executive Administrator (EA) to attend the Association of Real Estate License Law Officials (ARELLO) annual conference. Each year the EA brings back to the REC current trends in real estate in US and CAN.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$750.00	\$0.00	\$0.00	\$750.00
<input checked="" type="checkbox"/> Hotel:	\$1,100.00	\$0.00	\$0.00	\$1,100.00
<input checked="" type="checkbox"/> Ground:	\$70.00	\$0.00	\$0.00	\$70.00
<input checked="" type="checkbox"/> Conference:	\$600.00	\$0.00	\$0.00	\$600.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$2,520.00	\$0.00	\$0.00	\$2,520.00

Out-of-State Meetings and Additional In-State Travel

Date	Location	# Board	# Staff	
Oct. 17-19, 2017	Portland, OR	0	1	
Description of meeting and its role in supporting the mission of the Board: This event gathers all investigators and auditors to discuss current trends in real estate issues and provides an opportunity to network and learn about problems and discover solutions for investigations.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$440.00	\$0.00	\$0.00	\$440.00
<input checked="" type="checkbox"/> Hotel:	\$572.00	\$0.00	\$0.00	\$572.00
<input checked="" type="checkbox"/> Ground:	\$70.00	\$0.00	\$0.00	\$70.00
<input checked="" type="checkbox"/> Conference:	\$600.00	\$0.00	\$0.00	\$600.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$1,682.00	\$0.00	\$0.00	\$1,682.00

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Budget Recommendations for FY 2018 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Association of Real Estate License Law Officials	Same	\$750.00

Description of item and its role in supporting the mission of the Board:

Membership to ARELLO offers the REC access to a nationwide disciplinary database. It also provides access to education, investigation and licensing resources such as a nationwide licensing database.

Other Items with a Fiscal Impact

Cost Per Event: \$0.00

- Not Applicable

Number of Events: 0

Product or Service	Provider	Total Cost
		\$0.00

Description of item and its role in supporting the mission of the Board:

Summary of FY 2018 Fiscal Requests

Board Meetings and Teleconferences:	\$12,268.00
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$4,202.00
Dues, Memberships, Resources, Training:	\$750.00
Total Potential Third-Party Offsets:	\$0.00
Other:	\$0.00
Total Requested:	\$17,220.00

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Recommendations for Proposed Legislation for FY 2018

No Recommendations
The Board has no recommendations for proposed legislation at this time.

Recommendations
The Board has the following recommendations for proposed legislation:

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Regulation Recommendations for FY 2018

- No Recommendations**
The Board has no recommendations for proposed regulations at this time.

- Recommendations**
The Board has the following recommendations for proposed regulations:

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Goals and Objectives

Part I

FY 2017's goals and objectives, and how they were met:

Short-term goals and objectives:

- 1)** Determine the feasibility of securing a master policy for errors and omissions insurance; if feasible, place into service a master policy for errors and omissions insurance.

Met goal:

June 13, 2017 the REC secured a contract for providing real estate licensees with the option of obtaining errors & omissions insurance through a master policy.

- 2)** Finalize a "form" of Broker Manual.

On-going goal:

It was determined by the REC on September 21, 2016 that further consideration is needed in addressing the responsibility of producing a broker's manual and perhaps in the best interest of the REC to get it published.

- 3)** Resolve investigations within 16-months from date of opening a matter.

On-going goal:

The REC continues to monitor this process through the Investigations section of the Division. Quarterly reports from the REC Investigator are vetted by the REC at their meetings.

**REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report**

Goals and Objectives

Part II

FY 2018's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

Over the course of this fiscal year, the REC would like to address the following goals and objectives:

- 1) Establish guidelines, as appropriate, relating to "teams".**

Achieve through regulations, providing for a definition and various references.

- 2) Establish means to enhance consumer awareness of the roles and responsibilities of licensees and the REC.**

Achieve through REC web site information, use of List Serv, and continuing education requirements.

- 3) Address statutory and regulatory matters, including revisions to better protect the general public in real estate transactions.**

Achieve through revisions of AS 08.88.171 -qualifications of licensure.

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit: **July 2015**
Board Sunset Date: **June 30, 2018**

Audit Recommendation: The Commission’s chair and the Department of Commerce, Community, and Economic Development, Division of Administrative Services (DAS) Director should work together to procure a master errors and omissions insurance policy for real estate licensees.

Action Taken: The Chair and one member are working with the Director of CBPL to revise division regulations on E & O insurance with the goal of procuring a master E&O policy.

Next Steps: Public notice and adopt revised department regulations; solicit bids for a master E&O insurance policy.

Date Completed: Sent revised regulations to the Director on June 21, 2016.

Audit Recommendation: DCBPL’s chief investigator should take action to ensure cases are actively investigated and completed timely.

Action Taken: The chief investigator has placed new procedures to ensure that the timeliness of cases, complaints, or in-take matters are addressed through quarterly reporting.

Next Steps: Continue to monitor cases in quarterly reports from the Investigator to the Real Estate Commission at their meetings.

Date Completed: This is an on-going process.