

Annual Report

Fiscal Year 2018

REAL ESTATE COMMISSION



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

**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 2018 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 8
Regulatory Recommendations	Page 9
Goals and Objectives	Page 10
Sunset Audit Recommendations	Page 12

**REAL ESTATE COMMISSION
FY 2018 Annual Report**

Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires
Traci J. Barickman , Chairperson 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	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 Associate Broker/Broker-at-Large	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 2018 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
550 W. 7th Ave. Suite 1500
Anchorage, AK 99501
(907) 269-8168

Doug Fell – Investigator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
550 W. 7th Ave. Suite 1500
Anchorage, AK 99501
(907) 269-8124

Jun Maiquis – Regulations Specialist II

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2550

Sher Zinn – Regulations Specialist II

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, AK 99811-0806
(907) 465-2550

**REAL ESTATE COMMISSION
FY 2018 Annual Report**

Narrative Statement

The current Alaska Real Estate Commission consists of seven members who are appointed by the Governor: three Real Estate Brokers that represent each of the 1st, 3rd, and 4th Judicial Districts; two Brokers-At-Large; and two public members. The purpose of the Commission is to regulate and control licensing and improve industry standards by modifying and adopting regulations.

The Commission had two primary objectives:

1. Obtain a master policy that would be available to all licensees for the purpose of providing an affordable errors and omissions insurance option for all licensees.

This objective has been achieved.

2. Assess the trend of teams and representation to determine if it is necessary for the Commission to establish regulations that addresses the creation, advertising and supervision of team representation.

This subject has been discussed at all three meetings and it appears this will be an ongoing subject for a number of meetings. The industry is starting to see more issues and consumer confusion over this practice.

Our recent Sunset Review concluded the Commission is serving the public's best interest and unconditionally recommended extending the Commission's termination date to June 30, 2026; with the recommendation that the Division's Chief Investigator continue to improve oversight to ensure investigations are completed timely. There were several turnovers in the investigative staff that has created a moderate backlog of unresolved cases. The Commission will continue to work with the investigative office to get these cases resolved as quickly as possible.

In April 2018, the Legislature voted to pass HB279 that extended the Real Estate Commission to June 30, 2026.

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Budget Recommendations for FY 2019

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
September 26, 2018	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: M&IE			\$150.00
Total Estimated Cost:			\$3,138.00

#2 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
December 5, 2018	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: M&IE			\$150.00
Total Estimated Cost:			\$2,910.00

#3 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
March 2019	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: M&IE			\$150.00
Total Estimated Cost:			\$3,110.00

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Budget Recommendations for FY 2019

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.

#4 Rank

(Rank board meetings in order of importance)

Board Meeting Date	Location	# Board	# Staff
June 2019	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: M&IE			\$150.00
Total Estimated Cost:			\$3,110.00

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
Describe “Other” (break out all sections):			
Total Estimated Cost:			\$0.00

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

Date	Location	# Board	# Staff	
September 11-15, 2018	St. Louis, MO	1	1	
Description of meeting and its role in supporting the mission of the Board: One Commission member and one staff to attend the Association of Real Estate License Law Officials (ARELLO) annual conference. Attending this conference would allow for those that attend to bring back to the REC current trends and issues in the real estate industry in the US and CAN. Information at this conference would provide the REC how other jurisdictions are handling those issues through regulation, education and licensing.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$1,230.00	\$0.00	\$0.00	\$1,230.00
<input checked="" type="checkbox"/> Hotel:	\$1,134.00	\$0.00	\$0.00	\$1,134.00
<input checked="" type="checkbox"/> Ground:	\$70.00	\$0.00	\$0.00	\$70.00
<input checked="" type="checkbox"/> Conference:	\$1,200.00	\$0.00	\$0.00	\$1,200.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$3,634.00	\$0.00	\$0.00	\$3,634.00

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

Date	Location	# Board	# Staff	
October 23-25, 2018	San Antonio, TX	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, real estate issues, investigative skills (how to conduct interviews, report writing, etc.), 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:	\$500.00	\$0.00	\$0.00	\$500.00
<input checked="" type="checkbox"/> Hotel:	\$567.00	\$0.00	\$0.00	\$567.00
<input checked="" type="checkbox"/> Ground:	\$70.00	\$0.00	\$0.00	\$70.00
<input checked="" type="checkbox"/> Conference:	\$430.00	\$0.00	\$0.00	\$430.00
<input checked="" type="checkbox"/> Other	\$240.00	\$0.00	\$0.00	\$240.00
Describe "Other" (break out all sections): M&IE				
Net Total:	\$1,807.00	\$0.00	\$0.00	\$1,807.00

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Budget Recommendations for FY 2019 (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 (ARELLO)	ARELLO	\$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.

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 2019 Fiscal Requests

Board Meetings and Teleconferences:	\$12,268.00
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$5,441.00
Dues, Memberships, Resources, Training:	\$750.00
Total Potential Third-Party Offsets:	-\$0.00
Other:	\$0.00
Total Requested:	\$18,459.00

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Legislation Recommendations Proposed Legislation for FY 2019

No Recommendations

The Commission has no recommendations for proposed legislation at this time.

Recommendations

- The Commission has the following recommendations for FY 2019 proposed legislation:

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Regulation Recommendations Proposed Legislation for FY 2019

No Recommendations

The Board has no recommendations for proposed regulations at this time.

Recommendations

The Commission has the following recommendations for proposed regulations:

The Commission recommends the addition of a definition in regulation 12 AAC 64.990 that would define the term “Teams” as used by practitioners.

The Commission recommends a change to the regulation 12 AAC 64.117, to change the broker’s written policy that would include how teams handle confidentiality and disclosure.

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Goals and Objectives

Part I

FY 2018's goals and objectives, and how they were met:

- 1.** Establish guidelines, as appropriate, relating to “teams”.

Regulations were proposed and have been prepared for public comment by the Regulation Specialist.

- 2.** Establish means to enhance consumer awareness of the roles and responsibilities of licensees and the Real Estate Commission.

The Commission consistently advocates improved education for consumer protection and continues to update and post information on the public website to direct consumers to important resources.

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

This has been an ongoing long-term goal that is still an item of discussion. It has been a challenging goal to achieve without using excessive resources. This is still under consideration and will be addressed in FY 2019.

**REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report**

Goals and Objectives

Part II

FY 2019's goals and objectives, and proposed methods to achieve them.

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

Goals for FY 2019 will be discussed and considered at the June 20, 2018 quarterly meeting.

REAL ESTATE COMMISSION
Fiscal Year 2018 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit: June 15, 2017

Board Sunset Date: June 30, 2026

Audit Recommendation: The audit recommends the DCBPL Chief Investigator continue to improve oversight to ensure cases are actively investigated and completed timely.

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

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

Date Completed: Ongoing.