

# ***Annual Report***

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# ***Fiscal Year 2019***

## **REAL ESTATE COMMISSION**



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

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**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.

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**Budget Recommendations for FY 2020 (continued)**

**Non-Travel Budget Requests**

- |  |                                    |                                       |
|--|------------------------------------|---------------------------------------|
| <input type="checkbox"/> Not Applicable        | <input type="checkbox"/> Resources | <input type="checkbox"/> Examinations |
| <input checked="" type="checkbox"/> Membership | <input type="checkbox"/> Training  | <input type="checkbox"/> 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.

**Summary of FY 2020 Fiscal Requests**

Board Meetings and Teleconferences:	\$2,539.08
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$4,908.29
Dues, Memberships, Resources, Training:	\$750.00
Total Potential Third-Party Offsets:	-\$0.00
Other:	\$0.00
<b>Total Requested:</b>	<b>\$8,197.37</b>

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**Legislation Recommendations Proposed Legislation for FY 2020**

**No Recommendations**

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

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**Recommendations**

The Board has the following recommendations for proposed legislation:

**AS 08.88.351(3) - Accounts; Records of Transactions -**

This proposal will add credit unions to this statute to allow brokers to have other options to hold their trust account.

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**Regulation Recommendations Proposed Legislation for FY 2020**

**No Recommendations**

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

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**Recommendations**

The Board has the following recommendations for proposed regulations:

**12 AAC 02.530- Standards of Equivalent Coverage -**

This regulation will clarify the requirements of equivalent coverage in 12 AAC 02.530 in relation to the requirements of the minimum standards of E & O Insurance as outlined in 12 AAC 02.510.

**12 AAC 02.590(3)- Definitions**

This regulation will provide the real estate licensees with clarification of the term equivalent coverage with reference to the E & O regulations 12 AAC 02.530 and 540.

**12 AAC 64.420 (c) and (g)- Application for Course Certification**

It will allow the designated continuing education (DCE) courses to extend out for two (2) full licensing cycles before a course sponsor would need to renew. Allowing for licensees that did not renew and wish to reinstate the opportunity to obtain prior DCE courses. Also, provides for concise language in regulation.

**12 AAC 64.990- Definitions**

This regulation will define the term full licensing cycle for the purpose of regulation 12 AAC 64.420, Application for Course Certification. Providing real estate licensees with clarification of the term full licensing cycle with reference to the regulation 12 AAC 64.420 application for course certification.

**12 AAC 64.440(f) and (f)(4) – Instructor Approval**

This regulation will change the expiration date of instructor certification and will add the requirement for the renewal of an instructor certification to include completion of an instructor training workshop approved by a national entity.

**12 AAC 64.460(6) – Withdrawal or Denial of Instructor Approval**

This regulation will include an additional option to withdraw or deny an instructor approval application.

**12 AAC 64.118 – Consumer Disclosure**

This regulation will revise the form titled Alaska Real Estate Commission Consumer Disclosure.

**12 AAC 64.119 – Waiver of Right to Be Represented.**

This regulation will revise the form titled Alaska Real Estate Commission Waiver of Right to Be Represented.

**12 AAC 64.930 – Property Disclosure Form.**

This regulation will revise the form titled Residential Real Property Transfer Disclosure Statement.

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**Goals and Objectives**

**Part I**

***FY 2019's goals and objectives, and how they were met:***

- 1) Re-write the Alaska Real Estate Commission Consumer Disclosure and create a regulation project as soon as possible to include the Alaska Real Estate Commission Waiver Of Right to be Represented form.

This goal is in process and will be addressed with the new Commission members at the September 2019 meeting.

- 2) Review/revamp the State of Alaska Residential Real Property Transfer Disclosure form.

This will be a goal that the new Commission members review the Residential Real Property Transfer Disclosure form over the next fiscal year.

- 3) Create a process for disseminating information to the public and licensees by staff and investigator of on-going investigative matters.

This is on-going through the List-Serv.

- 4) Discuss the long-term goal such as the Alaska Real Estate Commission Consumer Disclosure and Waiver of Right to be Represented forms used in property management and the idea of possibly creating a property management disclosure with specific focus on marijuana, security deposits; pet vs. people deposits and lease cancellations in the landlord tenant act.

This goal is still being considered but will take considerable time and effort to make any changes to the Alaska Real Estate Commission Consumer Disclosure and the Alaska Real Estate Commission Waiver of Right to be Represented forms. It remains a long-term goal of the Real Estate Commission.

- 5) Long-term goal- to review Landlord Tenant report and look at changes in conjunction with Alaska Association fo Realtors Legislative Committee.

Revised in May 2019 to broaden the focus so all real estate licensees and their various organizations will be able to discuss and participate in review of the Landlord Tenant changes.

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**Goals and Objectives**

**Part II**

***FY 2020's goals and objectives, and proposed methods to achieve them.***

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

- 1) Rewrite the Alaska Real Estate Commission Consumer Disclosure and Alaska Real Estate Commission Waiver of Right to be Represented forms and create a regulation project as soon as possible.

At the May 23, 2019 Commission meeting, a committee was assigned to review and make changes to these two forms and bring back to the September 2019 meeting for consideration.

- 2) Review and revamp the State of Alaska Residential Real Property Transfer Disclosure Statement form.

At the May 23, 2019 Commission meeting, a committee was assigned to review and make changes to this form and bring back to the December 2019 meeting for consideration.

- 3) Create a process for disseminating information to the public and licensees by staff and investigator.

Staff will continue to send out information via ListServ, review and revise REC website to include the format of licensee disciplinary actions.

- 4) Discuss the potential of a separate Property Management Consumer Disclosure and Waiver of Right to be Represented form.

The Commission will review this issue over the next fiscal year.

- 5) Long-term goal - to review the Landlord Tenant Act and look at changes in conjunction with the real estate industry.

The Commission will review this issue over the next fiscal year.

- 6) Review and update property management regulations with regards to trust accounts and security deposits issues.

At the May 23, 2019 Commission meeting, a committee was assigned to review and make changes to these regulations and bring back to the September 2019 meeting for consideration.

- 7) Look at Errors & Omissions self- insurance vs- state provided pool insurance.

The Commission will review this issue over the next fiscal year.

*Goals for FY2021 will be discussed and considered at the June 2020 quarterly meeting.*

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**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.