

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
3 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
4

5 REAL ESTATE COMMISSION
6 MEETING MINUTES
7

8 March 29, 2017
9

10 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
11 6, a scheduled meeting of the Real Estate Commission was held March 29, 2017, at the
12 State of Alaska Atwood Building Suite 102, 550 W. 7th Avenue, Anchorage, Alaska.
13

14 **Wednesday, March 29, 2017**

15 **Agenda Item 1 - Call to Order**

16 Chairperson Eric Bushnell called the meeting to order at 9:15 a.m. at which time a quorum
17 was established.
18

19 Roll Call – 1(a)

20 Members present:

21 Guy Mickel, Broker, 1st Judicial District,
22 Marianne Burke, Public Member
23 Eric Bushnell, Associate Broker at Large, Chair
24 David Pruhs, Broker, 4th Judicial District
25 Traci J. Barickman, Broker, 3rd Judicial District
26 Peggy Ann McConnochie, Broker, Broker at Large
27

28 Mr. Pruhs arrived at 9:20 a.m. due to flight delay.
29

30 Members absent:

31 Cindy Cartledge, Public Member
32

33 Staff Present:

34 Sharon Walsh, Executive Administrator
35 Nancy Harris, Project Assistant
36 July Lam, Investigator
37 Greg Francois, Senior Investigator
38 Amber Whaley, Probation Monitor/Investigator
39 Doug Fell, Investigator CBPL
40

41 Staff Present via telephone:

42 Sara Chambers, Operations Manager, CBPL
43

44 Guests Present:

45 Errol Champion, Representative for AK Association of Realtors and Broker of Coldwell
46 Banker Race Realty, Juneau
47 Anita Bates, Associate Broker, Dwell Realty, Anchorage
48 Kristin Ryan, Director, DEC, UECA Legislation
49 Renea Miller, Century 21 Realty Solutions
50 Gil Serrano, Applicant, RE license
51 Deborah Brolling, no info provided
52

53
54 Chair Bushnell welcomed two new members to the Commission. Guy Mickel, Broker,
55 ReMax of Ketchikan and David Pruhs, Broker, Pruhs Real Estate Group, Fairbanks.

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Approval of Agenda- 1(b)

Commission members reviewed and discussed the meeting agenda. Ms. Barickman asked Chair Bushnell to move agenda item 8 to the time slot for agenda item 6 so she can discuss before leaving at 12:30 p.m.

On a motion duly made by Ms. Burke, seconded by Ms. McConnochie, it was,

RESOLVED to approve the meeting agenda for March 29, 2017 as amended and discussed.

All in favor; Motion passed.

Agenda Item 2 - Approval of Meeting Minutes
December 5, 2016 and February 8, 2017 – 2(a) & (b)

On a motion duly made by Ms. McConnochie, seconded by Ms. Barickman, it was,

RESOLVED to approve the December 5, 2016 and February 8, 2017 meeting minutes.

All in favor; Motion passed.

Chair Bushnell asks the Commission members to go around the table and introduce themselves and disclose any affiliations for potential conflict of interest with Commission business.

Agenda Item 3 – Public Comment

Kristin Ryan, Director of Oil Spill Prevention at DEC addressed the Commission regarding the Uniform Environmental Covenants Act (UECA) legislation under SB64. It will provide for a legal mechanism to safely transfer contaminated property by putting this contamination issue on the title. It's a model law and there are other states that have this requirement.

Mr. Champion addressed the Commission on HB115 and expressed concern about the impact this legislation would have on mortgage interest deductions for individuals.

The Commission members reviewed a letter from the Fair Housing Project-no action was taken.

Agenda Item 4 – Executive Administrator's Report
Recovery Fund Balance Report – 4(a)

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The Commission came out of Executive session at 10:29 a.m.

Agenda Item 5 - OAH Case #2016-1068-REC

Chair Bushnell introduces the Commission members to Administrative Law Judge Peterson. ALJ Peterson introduces everyone to the newest ALJ David Millburne.

On a motion duly made by Ms. McConnochie, seconded by Ms. Barickman, it was,

RESOLVED to move into executive session in accordance with AS 44.62.310 (c).

All in favor; Motion passed.

The Commission went into Executive session at 10:30 a.m.

On a motion duly made by Mr. Pruhs, seconded by Ms. McConnochie, it was,

RESOLVED to come out of executive session.

All in favor; Motion passed.

The Commission came out of Executive session at 10:42 a.m.

Applications for Consideration – 4(d), cont'd

Chair Bushnell allows applicant, Mr. Serrano to go into executive session with the Commission to discuss his matter.

On a motion duly made by Ms. McConnochie, seconded by Mr. Mickel, it was,

RESOLVED to move into executive session in accordance with AS 44.62.310 (c).

All in favor; Motion passed.

The Commission went into Executive session at 10:43 a.m.

On a motion duly made by Ms. McConnochie, seconded by Mr. Mickel, it was,

RESOLVED to come out of executive session.

All in favor; Motion passed.

The Commission came out of Executive session at 11:12 a.m.

262 Discussion on this topic also included list of team members as an addendum to the
263 consumer disclosure, make a font change to the words "specific assistance" to emphasize
264 and easily reference, add team or group to the Consumer Disclosure, and consider
265 brokers producing their own forms.

266
267 Ms. Barickman and McConnochie expressed that the form should be from the REC and
268 not the Brokers.

269
270 Chair Bushnell asked to hear from Keller Williams Broker Shana Ackles.

271
272 Ms. Ackles said she preferred that the REC come up with the disclosure form for teams
273 and not individual brokers.

274
275 Chair Bushnell recommended this issue be tabled until after lunch.

276
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278 **Agenda Item 7 – Investigative Report**

279 **Statistical Report – 7(a)**

280 Investigator July Lam provided the Commission with investigator's statistics. 18 opened
281 cases, 21 closed cases, 9 intakes, 17 cases remain on-going.

282
283 Ms. Lam discussed the issue of a non-disciplinary letter of advisement and provides
284 members with a sample letter.

285
286 Mr. Greg Francois, Senior Investigator addressed the Commission about the process and
287 offers his card if they need to contact him.

288
289 Chair Bushnell expressed concern about oversight of investigations. Mr. Francois
290 indicated Chief Birt is aware of costs and monitors Department of Law costs for each of
291 the Boards.

292
293 Ms. Lam discussed the "MILLIE" (military spouses that assist other military families before,
294 during and after their permanent change of station (PCS) issue and that as a newly
295 assigned REC investigator she will look into the issue a bit more but she has started the
296 process.

297
298 **Probation Report – 7(b)**

299 Probation Monitor/Investigator Amber Whaley provided her probation report to the REC.
300 She indicated that there are 3 licensees on a Consent of Agreement who are required to
301 take Prohibited Conduct as part of their education component. However, this course is no
302 longer provided. She is asked the REC to provide her with some other course
303 recommendations.

304
305 Chair Bushnell stated that the onus of getting the course is on the licensee. They need to
306 find courses and get that information to the REC for approval. Chair Bushnell stated they
307 have 30 days to do this.

308
309 Ms. Whaley stated she would let the licensees know of the REC's decision.

310
311 Ms. Whaley discussed the COA with licensee Tyson Thompson. He is in a non-
312 compliance status with his continuing education. He is an active licensee with Keller

364 **RESOLVED that a noticed be placed on the website, notice be added**
365 **to list serv indicating the requirement that all licensees are required to**
366 **provide a current mailing address to the REC and that they keep it**
367 **current and that we investigate what we as a Commission can fine**
368 **either the licensee or the broker to ensure that addresses are current.**
369

370 The Commission members discussed the issue of bad addresses.

371
372 **All in favor. Motion passed.**

373
374 HB115/HB90 – 10(b)
375 HB115-An act bearing the short title of Education Funding Act/relating to the taxation of
376 income of individuals, partners, shareholders in S corporation, trusts, and estates/relating
377 to payment against the individual income tax from the permanent fund dividend
378 disbursement/and repealing tax credits applied against the tax on individuals under the
379 Alaska Net Income Tax Act

380
381 Commission members discussed HB115 and how it may affect the real estate industry;
382 however, no action was taken.

383
384 HB90- An act relating to occupational licensing fees/relating to an occupational
385 investigation surcharge/and providing for an effective date

386
387 Commission members discussed HB90; however, no action was taken.

388
389 Change of September Meeting date – 10(c)
390 Commission members discussed changing the September 20, 2017 meeting date due to a
391 conflict with the AAR convention.

392
393 The Commission members decided to change the September 20, 2017 meeting date to
394 September 27, 2017 with a starting time of 9:00 a.m. in Anchorage.

395
396 Education: Correspondence Minimum Standards – 10(d)
397 Chair Bushnell asked the Commission to consider setting minimum standards for
398 correspondence courses. He said how do we increase the level of education?
399

400 Commission members discussed the minimum standards for correspondence courses.
401 They considered writing best practices, staff to ask Mr. Elder, an education instructor, to
402 teach course development for classroom as well as correspondence. They also liked the
403 idea when sponsors submit a course that the course materials include course content,
404 objective, outcome.

405
406 The Commission took no action on this issue at this time.

407
408 **Agenda Item 9 – Division Update**

409 Ms. Chambers went over REC revenue and expenditure report with the Commission for
410 the time period FY16 and FY17-1st quarter. She also addressed the Invitation to Bid (ITB)
411 for a master policy on errors and omissions insurance.

412
413 E & O Insurance Update

- 464 • Licensees are not taking the time to fill out the form; they do it too quickly.
- 465 Licensees know how to explain the form and fill it out but don't take the time
- 466 or are not trained properly. Licensees need to know it is a requirement.
- 467 • Dates on the form are the date of contact. In the file it should show when
- 468 you first showed the property.
- 469

470 Errol Champion, Representative for AAR – 3(a) cont'd

471 Errol Champion, Representative for AK Association of Realtors, gave a quick history of E
472 & O insurance. He said it got to be an issue last year when the requirement for the REC to
473 provide E & O insurance was removed from the sunset bill and put on SB158 and at the
474 same time the requirement that all real estate licensees would have to have E & O
475 insurance at the next renewal period. When the REC was told that they have to have E &
476 O, they gave them until 12/31/2018 but the real estate renewal is 01/31/2018. Therefore,
477 there is 11 months that real estate licensees will be required to have E & O insurance.
478 AAR was concerned with this and so they drafted a bill and were seeking a sponsor to
479 modify the date to 2020. Suddenly AAR was told that there was no need for this bill
480 because it was not going to be introduced or have hearing to change the date.
481 Mr. Champion read an email regarding an update on E & O. The email stated that the
482 regulations were effective as of March 25, 2017 and they will now be able to move forward
483 with issuing the invitation to bid. It said that the REC has been working with the
484 Department of Administration, Division of General Services' Chief Procurement Officer to
485 help move the project forward. It was indicated that Deputy Commissioner Parady will
486 follow up with another report at the AAR's next teleconference which Mr. Champion said is
487 scheduled for tomorrow.

488
489 Mr. Champion's concern is not the January 31, 2018 timeframe but September 2017 when
490 the notices are mailed out to inform all licensees what the renewal fees are. He said he is
491 advocating that a reference to mandatory E & O be included in that renewal notice.

492
493 Chair Bushnell, adjourned the meeting at 4:22 p.m.

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497 **Meeting adjourned at 4:22 p.m.**

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499 Prepared and submitted by:
500 Real Estate Commission Staff

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502 Approved:

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505 _____
506 Eric Bushnell, Chairperson
507 Alaska Real Estate Commission

508 Date: _____