

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

REAL ESTATE COMMISSION
TELECONFERENCE MEETING MINUTES

June 26, 2013

By 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 June 26, 2013, at the State of Alaska Atwood Building Conference Room 1555, 550 W. 7th Avenue, Anchorage, Alaska.

Wednesday, June 26, 2013

Agenda Item 1a

Call to Order

Chairperson Anita Bates called the meeting to order at 10:01 a.m. at which time a quorum was established.

Roll Call

Members present via teleconference, were:

Anita Bates, Broker at Large

Eric Bushnell, Associate Broker, Broker at Large joined the meeting at 9:13 a.m.

Marianne Burke, Public Member

Stacy Risner, Associate Broker, 4th Judicial District

Brad Cole, Associate Broker, 3rd Judicial District

Nancy Davis, Broker, 1st Judicial District

Staff Present:

Sharon Walsh, Executive Administrator

Beata Smith, Licensing Examiner

Agenda Item 2

Review Renewal Fees for 2014-2016

Ms. Walsh stated that she spoke with Don Habeger, Division Director and he stated that he will take it into consideration whatever the Real Estate Commission proposes, however, he is looking at between \$1.4 and \$1.6 million. Ms. Walsh is trying to get \$1.5 million biennium revenue projection.

Ms. Bates stated that FY12 was a very expensive year from the indirect standpoint and there was no explanation provided to the Real Estate Commission. The numbers for initial license on Mr. Habeger's report are incorrect. He stated that there were 834 new licensees during the two year period. The Real Estate Commission staff projected the number to be at about 400 based on what the REC has experienced over the last couple of years which is about 200 new licensees. Ms. Bates is concerned about the numbers that Mr. Habeger is using because they are very inflated over what actually has been experienced. All of that has to be taken in to consideration. Ms. Walsh spoke to Sara Chambers, Operations Manager and Ms. Chambers agreed with Ms. Walsh that the numbers are incorrect and said that it should have been 213 from the prior year but it was doubled in the projection

and will run a new number using the projected units of 426. Ms. Bates stated that the current licensees have been subsidizing and it seems to be appropriate in raising the fees and looking beyond the biennial renewal fee to help offset some of the expense.

Ms. Burke asked where did Mr. Habeger get the unit costs from. Ms. Walsh stated that some of it probably was from the allocation study. Ms. Burke also stated that another problem she has with using historical numbers is that we don't have a budget and the Commission doesn't know what is assumed to be in the expenses. Ms. Burke stated that she received the email late at night and didn't have a chance to really look at the projections, therefore, she would like to schedule another teleconference after she reviews the projections. Ms. Burke thinks that this is rushing things and that she needs more time to review the projections. Ms. Bates stated that the Commission was not required by the Division to do this, the Commission members themselves decided to do it on their own because they wanted to look at the information and make recommendation by the end of the fiscal year which is June 30th. She doesn't think that they will get any more information but the Commission can certainly look at the recovery fund fee. The concern that Ms. Bates has with the initial projections that the Director provided to the Commission members at the June 5th meeting, stating that there will be 834 new licensees coming in the next two years. That number appears to be inaccurate and it's something that the Commission members cannot work with.

Mr. Cole stated that the Commission members never get enough information and that they are only making a recommendation, however, it's just a recommendation and the Division will do whatever they think it is right. Mr. Cole thinks that the recommendations can be made without having another teleconference. Ms. Bates stated that the Commission members received a breakdown of revenue and expenditure for FY08 through 3rd quarter of FY13 that shows the direct and indirect expenditures and it shows how the costs have varied from year to year.

Ms. Davis stated that she is ready to make the recommendations and that the staff did a great job by putting the numbers together.

Initial License Fee

On a motion duly made by Mr. Cole seconded by Mr. Bushnell, it was,

RESOLVED to make a recommendation to increase the initial licensee fee to \$450 from the current fee of \$375.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Biennial Fee-renewal

On a motion duly made by Mr. Cole seconded by Ms. Davis, it was,

RESOLVED to make a recommendation to increase the biennial fee-renewal fee to \$400 from the current fee of \$375.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Office Change Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the office change fee to \$125 from the current fee of \$50.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Transfer License Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the transfer license fee to \$225 from the current fee of \$50.

Mr. Cole stated that the significant increase in all of these changes is to more reflect the cost of actual time involved in making these changes.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Application Fee for Initial Licensure

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the application fee for initial licensure to \$125 from the current fee of \$50.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Initial Office Registration Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the initial office registration fee to \$300 from the current fee of \$100.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Name Change Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the name change fee to \$75 from the current fee of \$30.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

License Activation/Inactivation Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the license activation/inactivation fee to \$125 from the current fee of \$50.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Duplicate License Fee

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation to increase the duplicate license fee to \$50 from the current fee of \$30.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Reinstatement Fee for Lapsed License

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to make a recommendation not to change the fee and to keep it at \$250 for the reinstatement fee for lapsed license.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Recovery Fund Fee

Ms. Bates stated that we are currently in jeopardy of placing way more money in the recovery fund than what is necessary and the concern is that any extra money from the recovery fund goes to the general fund for the State of Alaska and it doesn't benefit the public or the licensees.

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

RESOLVED to make a recommendation to decrease the recovery fee to \$30 from prior fee of \$125.

Mr. Bushnell stated that this would be more prudent course of action to set the recovery fee at \$30.

Ms. Burke abstained.

Mr. Bushnell – yes, Ms. Risner – yes, Mr. Cole – yes, Ms. Davis – yes.

Ms. Bates requested that Ms. Walsh write a letter to Mr. Habeger with the Commission's recommendations for fees and recovery fund fee.

On a motion duly made by Mr. Cole seconded by Ms. Davis, it was,

RESOLVED to make a recommendation to indicate in the letter to Mr. Habeger that the projected increases in costs would be taken at a face value across the board and not to be subject to individual choices.

All in favor; Motion passed.

On a motion duly made by Ms. Davis seconded by Ms. Risner, it was,

RESOLVED to adjourn the meeting.

All in favor; Motion passed.

Meeting adjourned at 10:59 a.m.

Commission adjourned until the next regular scheduled meeting on September 17, 2013 in Anchorage.

Prepared and submitted by Beata Smith.

Approved:

Anita Bates

Anita Bates, Chairperson
Alaska Real Estate Commission

Date: 2/25/2014