



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Sean Parnell, Governor*  
*Susan K. Bell, Commissioner*  
*Don Habeger, Director*

Division of Corporations, Business and Professional Licensing

October 7, 2011

Dear member of the Alaska Real Estate Commission,

Alaska's professional licensing statutes (AS 08.01.065) require the Division of Corporations, Business and Professional Licensing (CBPL) to "annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation. If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations...to implement the adjustments."

In response to state statute, CBPL is proposing an increase in licensing fees from \$275 to \$685 for the Real Estate Commission over the next biennial licensing period.

The primary factors impacting the change in fees include:

- Total expenditures exceeded revenues by \$606,119 for the FY10/FY11 licensing period.
- The legal and investigative expenses increased more than 207 percent from the previous licensing period. This increase, from \$189,230 to \$590,370, is reflected in the Personal Services and Contractual Service lines on the attached *Schedule of Revenues and Expenditures*.
- During the FY09 to FY11 time period, the number of open investigative cases rose significantly from 69 to 170 open cases.

The fee change was publicly noticed September 23, 2011. Written comments regarding the proposed fees must be received by the division regulations specialist no later than 4:30 pm on October 25, 2011. During this time, the department is continuing analysis to identify alternatives that may mitigate the licensing fee increase.

Further detailed discussion of the program's finances will take place at the next regular meeting of the Commission. In the meantime, please direct any questions or comments regarding this issue to Sara Chambers, Professional Licensing Program Coordinator, at (907) 465-2144 or myself at (907) 465-2538.

Sincerely,

Don Habeger,  
Director

Enclosure