

**Real Estate Commission
Meeting**

March 24- 25, 2020

**Atwood Building
550 W 7th Avenue
Ste 106 & 104**

Anchorage

Call to Order

Roll Call – March 24, 2020

PeggyAnn McConnochie

Margaret Nelson

Cheryl Markwood

David Pruhs

Sam Goldman

Jaime Matthews

Jesse Sumner

Approval of Agenda

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

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

March 24-25, 2020

Atwood Building 550 W. 7th Ave.
AAC Room 106 & AAC Room 104
Anchorage, AK

ZOOM Info: Join meeting: <https://zoom.us/j/373633258>

Meeting ID: 373 633 258; Call-**In:** +1 669 900 6833

GCI Conference Line (as back up to Zoom): 1-800-315-6338

Access: 25803

Tuesday, March 24, 2020; meeting located in AAC 106

11:00 a.m. 1. Call to Order

McConnochie

- a) Roll Call
- b) Approval of 3/24 Agenda
- c) Statements of Conflicts of Interest

2. Public Comments on Strategic Plan and/or Regulation Reform

3. Develop Strategic Plan, Regulation Review, per Department request:

- a) To include but not be limited to discussions on information provided from the Department and Director Sara Chambers, information on regulations changes provided from Texas, as well as discussion on committees under the commission (i.e. communication committee, education, property management versus task forces. etc.)

4. Recess until Wednesday, March 25, 2020 at 9:00 am

Statements of Conflict of Interest

Public Comments on Strategic Plan
and/or Regulation Reform

ALASKA REAL ESTATE COMMISSION
STRATEGIC PLANNING MEETING
Tuesday, March 24, 2020

General discussion on who we are and the commission's statutory purpose:

- We are appointed by the Governor and approved by the legislature
- We serve at the pleasure of the Governor
- We have a statutory duty to protect the public and to, broadly stated, to ensure licensees meet the requirements of licensure and review disciplinary matters for action.

Let's have a general discussion and review of information provided to the commission by Division Director Sara Chambers and Deputy Director Sharon Walsh, information received from ARELLO (Association of Real Estate License Law Officials) on TREC's "right touch" concept for occupational licensing reform. Note: this concept is also being considered in other states, such as Pennsylvania and Utah.

- The stated purpose of the Texas proposal is to provide "the opportunity to earn a living free from unnecessary state intrusion."
- Items being considered by Texas and questions being asked are:
 - Do regulations help or hinder the right to earn a living?
 - Are there less restrictive alternatives that could be employed?
 - How do they work with those who have a current license in another state and are moving into their state; how should the transition be handled if they have a license in good standing in that other state?
 - How can they reasonably reduce regulations?
 - How can they reduce barriers to obtaining a license?
 - Even though fees bring in money to the government, how can they reduce licensing fees?
 - How can they reduce excessive education requirements (currently in Texas you are required to have 180 hours for your first license and for a broker 270 hours)?
 - How can they remove barriers for some who have a criminal history?

Although our Governor currently has a bill changing some of the above, we cannot work outside what is currently in statute and regulation...HOWEVER...we can keep these in mind as we go forth and put together our strategic plan.

(Please make sure you have reviewed the Goals and Objectives from the 2019 Annual Report.)

Work session on the strategic planning process as provided by the Department:

- View SOA Strategic Planning Exercise presentation and use the "Is it government's responsibility? Evaluating Occupational Licensing Regulation" form
- AREC Guiding Principles form – "let's put pen to paper."

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2020

GUIDING PRINCIPLE	OBJECTIVE – how will we meet this guiding principle?

REAL ESTATE COMMISSION
Fiscal Year 2019 Annual Report

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.

REAL ESTATE COMMISSION
Fiscal Year 2019 Annual Report

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 oraganizations will be able to discuss and participate in review of the Landlord Tenant changes.

**REAL ESTATE COMMISSION
Fiscal Year 2019 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 precedures in place to ensure that the timeliness of cases, complaints, or in-take matters are addressed through quartley reporting.

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

Date Completed: Ongoing.

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Goals and Objectives

Part II

**FY 2018's goals and objectives, and proposed methods to achieve them.
Describe any strengths, weaknesses, opportunities, threats and required resources:**

Over the course of this fiscal year, the REC would like to address the following goals and objectives:

- 1) Establish guidelines, as appropriate, relating to "teams".

Achieve through regulations, providing for a definition and various references.

- 2) Establish means to enhance consumer awareness of the roles and responsibilities of licensees and the REC.

Achieve through REC web site information, use of List Serv, and continuing education requirements.

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

Achieve through revisions of AS 08.88.171 -qualifications of licensure.

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Goals and Objectives

Part I

FY 2017's goals and objectives, and how they were met:

Short-term goals and objectives:

- 1)** Determine the feasibility of securing a master policy for errors and omissions insurance; if feasible, place into service a master policy for errors and omissions insurance.

Met goal:

June 13, 2017 the REC secured a contract for providing real estate licensees with the option of obtaining errors & omissions insurance through a master policy.

- 2)** Finalize a "form" of Broker Manual.

On-going goal:

It was determined by the REC on September 21, 2016 that further consideration is needed in addressing the responsibility of producing a broker's manual and perhaps in the best interest of the REC to get it published.

- 3)** Resolve investigations within 16-months from date of opening a matter.

On-going goal:

The REC continues to monitor this process through the Investigations section of the Division. Quarterly reports from the REC Investigator are vetted by the REC at their meetings.

REAL ESTATE COMMISSION
Fiscal Year 2017 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit: July 2015
Board Sunset Date: June 30, 2018

Audit Recommendation: The Commission's chair and the Department of Commerce, Community, and Economic Development, Division of Administrative Services (DAS) Director should work together to procure a master errors and omissions insurance policy for real estate licensees.

Action Taken: The Chair and one member are working with the Director of CBPL to revise division regulations on E & O insurance with the goal of procuring a master E&O policy.

Next Steps: Public notice and adopt revised department regulations; solicit bids for a master E&O insurance policy.

Date Completed: Sent revised regulations to the Director on June 21, 2016.

Audit Recommendation: DCBPL's chief investigator should take action to ensure cases are actively investigated and completed timely.

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

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

Date Completed: This is an on-going process.

**REAL ESTATE COMMISSION
Fiscal Year 2016 Annual Report**

Goals and Objectives

Part II

FY 2017's goals and objectives, and proposed methods to achieve them.

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

The REC has developed two types of goals and objectives for FY17 they consist of short-term and long-term goals.

Short-term goals:

- 1) Determine the feasibility of securing a master policy for errors and omissions insurance; if feasible, place into service a master policy for errors and omissions insurance;
- 2) Finalize a "form" of Broker Manual; and
- 3) Resolve investigations within 16 months from date of opening a matter.

Long-term goals:

- 1) Establish guidelines, as appropriate, relating to "team" licensees;
- 2) Establish means to enhance consumer awareness of the roles and responsibilities of licensees and Commission; and
- 3) Address statutory and regulatory matters, including revisions, to better protect the general public in real estate transactions (e.g., revise AS 08.88.171 (qualifications of licensure)).

REAL ESTATE COMMISSION
Fiscal Year 2016 Annual Report

Goals and Objectives

Part I

FY 2016's goals and objectives, and how they were met:

- 1) To change the required courses necessary to upgrade your license, increase the time period to get your upgraded license, and increase the hours for continuing education.

The REC, through the assistance with the Alaska Association of Realtors, was able to achieve a statute change in making this occur this fiscal year. Ref. SB158(2016)

Note: the change to increase the hours for continuing education did not get addressed during this Legislative session. The Commission chose not to pursue it at this time.

- 2) To set guidelines in statutes and/or regulations that give brokers and licensees direction on teams and licensed assistants.

This goal is on-going in FY17. It was realized that it is a more involved task than initially anticipated.

- 3) To continue to eliminate the need for paper by submissions online and expand our use of technology to communicate with licensees.

This goal is currently being achieved through the new Kofax database system that was recently implemented with continued effort to expand the online licensing capabilities.

- 4) Ensure investigations are conducted and reviewed in a timely manner.

The goal is currently being achieved through the implementation of new processes which are overseen by the Chief Investigator.

REAL ESTATE COMMISSION
Fiscal Year 2016 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit: July 2015
Board Sunset Date: June 30, 2018

Audit Recommendation: #1 The commission's chair and the Department of Commerce, Community, and Economic Development, Division of Administrative Services(DAS) director should work together to procure a master errors and omissions insurance policy for real estate licensees.

Action Taken: The Chair and one member are working with the Director of CBPL to revise division regulations on E & O insurance with the goal of procuring a master E&O policy.

Next Steps: Public notice and adopt revised department regulations; solicit bids for a master E&O insurance policy.

Date Completed: Sent revised regulations to the Director on 6/21/2016.

Audit Recommendation: #2 DCBPL's chief investigator should take action to ensure cases are actively investigated and completed timely.

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

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

Date Completed: This is an on-going process.

REAL ESTATE COMMISSION
FY 2015 ANNUAL REPORT
GOALS AND OBJECTIVES FOR FY 2016

Explain the board's mission:

The mission of the Alaska Real Estate Commission is to protect the public interest by licensing practitioners and enforcing the established standards, to promote professional excellence in the real estate industry, and to support and encourage licensees.

List the board's FY15 goals and objectives and how they were met:

The REC will issue an RFP for Train the Trainer during the fiscal year (FY14).

- *The REC issued a contract to Mr. Len Elder to perform a Train the Trainer workshop on September 17, 2015 in Anchorage, AK*

The REC would like to conduct a workshop on proper procedures in dealing with investigative matters at REC meetings.

- *Although they did not have a workshop the REC was provided with guidance (process worksheets) and input on this matter from the Chief Investigator and the REC Investigator. The Division may look into providing a workshop for all boards and commissions at a future date.*

The REC will continue to insure that resources are available to maintain an effective operational structure in order to meet the statutory requirements of real estate licensees.

- *The REC continues to review investigative, administrative and education processes to insure resources are being utilized to meet license requirements.*

List the board's FY16 goals and objectives. Include any strengths, weaknesses, opportunities, and threats, as well as any resources needed:

The REC will address their goals and objectives at the September 2, 2015 meeting.

In order to join the state in a time of austerity, list the top three areas where the board believes this licensing program could reasonably reduce its costs or services.

1. **The Real Estate Commission has been cognizant of reductions since 2011 and has taken austerity measures since that time to reduce costs to licensees. One significant reduction was in cutting travel costs, whereby, the REC holds their quarterly meetings in Anchorage. REC only had two members that traveled from outside of Anchorage (Fairbanks and Sitka) to attend meetings. The REC no longer holds meetings in other communities in Alaska.**
2. **REC reduced personnel costs by eliminating the full-time Licensing Examiner position.**

Additional suggestions to reduce costs or services:

3. **The ability for Real Estate Brokers to securely access the Division of Corporations, Business and Professional Licensing database that will allow them to print a license for those that are transferring into their Brokerage office.**
4. **Provide for Real Estate licensees to monitor their continuing education through our education database. Also, allow for instructors to access the education database to attach completed continuing education certificates for licensees.**

**REAL ESTATE COMMISSION
 FY 2015 ANNUAL REPORT
 SUNSET AUDIT RECOMMENDATIONS**

Date of last legislative audit: July 3, 2007

Board sunset date: June 30, 2016

Audit Recommendation #1: Amend statutes relating to Real estate Surety Fund (RESF) to provide more complete, effective and efficient consumer protection to claimants.

Action taken: Legislation was passed to increase individual claim limit from \$10K to \$20K with aggregate per licensee remaining at \$50K. The Legislature did not pass the recommended aggregate of \$100K per licensee.
Next Steps: No further steps needed.
Date completed: HB 418 passed in 2004.

Audit Recommendation #2: The Director of Boards & Commissions, Office of the Governor, should verify that Board (Commission) members satisfy all statutory requirements prior to being appointed.

Action taken: Boards & Commissions contact this office, as needed, for verification of licensee's license status.
Next Steps: On-going biennial review by Director of CBPL.
Date completed: As needed, 2011 & currently under review by Division Director for 2014 renewal.

Audit Recommendation #3: The Division should increase licensing fees to eliminate the Commission's operating deficit.

Action taken: Division to review REC operating costs on a biennial basis with a renewal fee that covers those costs and thus eliminating operating deficits.
Next Steps: On-going biennial review by Director of CBPL.
Date completed: AS needed, 2011 & currently under review by Division Director for 2014 renewal.

Audit Recommendation #4: Not applicable (n/a)

Action taken:
Next Steps:
Date completed:

AELS

The board adopts regulations to carry out its mission to protect the public health, safety, and welfare through the regulation of the practice of architecture, engineering, land surveying, and landscape architecture by:

- ensuring that those entering these practices meet minimum standards of competency, and maintain such standards during their practice;
- requiring licensure to practice in the State of Alaska; and
- enforcing both the licensure and competency requirements in a fair and uniform manner.

STRATEGIC PLAN

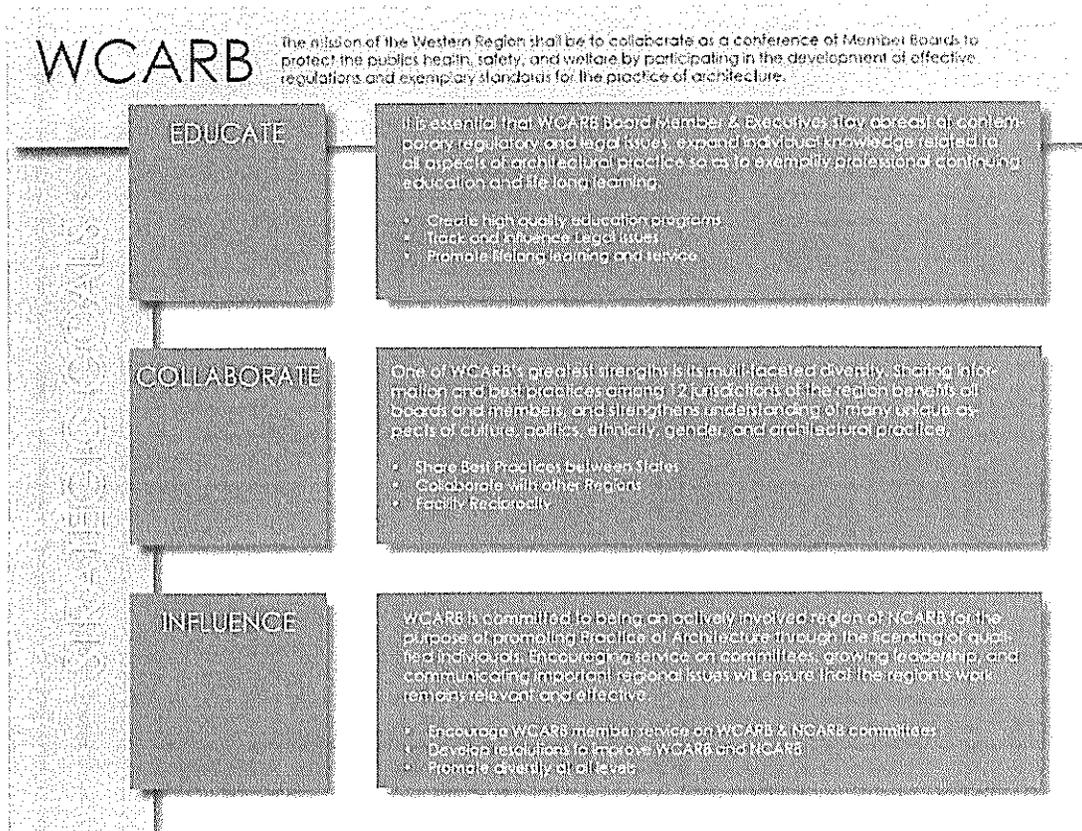
Guiding Principles

Objectives - *How will you meet these guiding principles?*

AELS Board Strategic Plan Development
November 8, 2019

The purpose of a Strategic Plan is to guide the activities and decisions of the Board in accordance with the framework of applicable statute and regulations, and within the framework of the Board's mission. In general, a Strategic Plan articulates what is important, sets goals for achieving those important things, and identifies who is accountable for the achievement.

Typically identify 3-4 Guiding Principles, then develop objectives for each principle, then develop actions/tasks to accomplish each objective.



Evaluating our Regulations Handout

Understanding the organization (and Board):

1. What are our strengths?
 - What do we do exceptionally well?
 - What are our most valuable assets and resources?
2. What are our weaknesses?
 - What are our biggest challenges?
 - What are the barriers that prevent us from doing our work?

Alaska Board of Registration for Architects, Engineers, & Land Surveyors

STRATEGIC PLANNING EXERCISE

The board adopts regulations to carry out its mission to protect the public health, safety, and welfare through the regulation of the practice of architecture, engineering, land surveying, and landscape architecture by:

- ensuring that those entering these practices meet minimum standards of competency, and maintain such standards during their practice;
- requiring licensure to practice in the State of Alaska; and
- enforcing both the licensure and competency requirements in a fair and uniform manner.

At the November 7-8, 2019 meeting, board members identified a variety of objectives/ tasks and categorized them into the 4 color-coded Guiding Principles noted herein.

Guiding Principles	Protect, influence, enforce, regulate, analyze	Advocate, encourage, listen, collaborate	Education & Outreach	Administrate (support)
Objectives	<ul style="list-style-type: none"> • Regulation update x2* • Maintain standards of the 3 Es (education, experience, and examination) • Organize (simplify) regulations • Support mobility, reduce barriers • More investigators 	<ul style="list-style-type: none"> • Professional collaboration with other boards • Collaborate more with UAA & UAF faculty • Encourage architect & landscape architect students • Collaborate with professional organizations 	<ul style="list-style-type: none"> • Update CE regs to reflect model law/ standards • Outreach to our licensees • Path to licensure for architect students • Clarify (simplify) forms/ process • Collaborate to encourage architect/ landscape architect students (multi-disciplinary) • Outreach reports (document activities) • Educate legislators • More outreach • Increase outreach with UAA & UAF students • Attend local functions with professional associations/ have a presence 	<ul style="list-style-type: none"> • Increase board & investigator travel to other areas of AK for meetings and collaboration • Increase staffing x2* • Stable staffing – avoid turnover so there is depth/ knowledge of organization • Simplify forms • Board support staff keeping stats/regs updated • Empower staff – delegate authority for some applications so board can focus on more complex ones x2 • Accept NCEES files • Increase access to legal support and/or dedicated legal support

Identify the priority issues, concerns, and interests of the current Board through use of a participatory exercise, "One New Idea" (Alysia).

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MEMORANDUM

TO: Professional Licensing Board Members

DATE: July 26, 2019

FROM: Sara Chambers, Division Director

SUBJECT: Professional Licensing Reform

Happy New Year! We are nearly a month into Fiscal Year 2020, and with it comes a new division budget, as well as new opportunities to evaluate how we are doing, where we are going, and how we plan to get there. Often, the beginning of a new year inspires us to set resolutions, and we are doing just that in FY20.

Governor Dunleavy set the stage for us to dig into this task when he issued his State of the State Address in January. As our new chief executive, he promised to accomplish the following during his tenure in office:

- We're going to declare war on criminals.
- We're going to get our spending in line with our revenue.
- We're going to protect Alaskans' Permanent Fund dividends.
- We're going to grow our economy and put Alaskans to work.
- And we must restore public trust in government and elected officials.

Several of these goals relate to our work as professional licensing leaders: We must spend less than our allocated budget, ensure public safety, and inspire the trust of the public through responsibility and transparency. **Most of all, we must strike the delicate balance between growing our economy and putting Alaskans to work while protecting the public interest.** We accomplish these goals as partners in active, accountable governance and defensible, reasonable administration.

Further, Commissioner Anderson has tasked our division and our partner boards with the following immediate focus:

- Consider whether our occupational licensing requirements are reasonable responses to actual potential harm rather than hypothetical harm.
- Review statutes and regulations to ensure any licensing requirement is necessary and tailored to fulfill legitimate public health, safety, or welfare objectives.
- Review the license application process with a goal of substantially reducing the time required to review applications and issue licenses.

In celebration of the new year—and to keep us on track with our mandate—I've developed a few New Year's Resolutions for our boards and staff. (And, yes...true to tradition, these resolutions do involve losing weight!)

1. **At all times, our governance should demonstrate that we have *internalized the purpose of professional licensing: safeguarding the public interest.***
 - a. Records of decisions should reflect that *the board considered the risk of harm* to consumers, the *impact on those seeking or holding a license*, the *effect on the market*, and any *unintended consequences* to any party.
 - b. All board deliberations should be *thorough, balanced, and grounded* in law and logic.
 - c. Board business should reflect *accountability and responsiveness* in addressing concerns.

2. ***Make decisions that reflect proficiency in the statutes, regulations, division policies, and state/national issues that affect our licensing programs.***
 - a. Read all centralized statutes ([AS 08.01-03](#)) and regulations ([12 AAC 02.010-400](#); [12 AAC 02.900-990](#)) and *know how to utilize them*, as appropriate.
 - b. Read [your program's](#) statutes under AS 08 and regulations under 12 AAC 02 and *take responsibility for being the state's experts* in what they say and how they impact the public, applicants, licensees, and other stakeholders.
 - c. Refer regularly to your [board member training resources](#) located on the division's web site, especially the Guide to Excellence in Regulation, which will help you navigate the intricacies of service on a quasi-judiciary government board.

3. **Add value to the bottom line by delivering *excellent service* to all internal and external customers.**
 - a. Communicate *transparently, proactively, and clearly*.
 - b. Respond to inquiries *promptly and professionally*.
 - c. *Resolve any roadblocks* that are delaying review or issuance of licenses to qualified individuals.
 - d. *Maximize efficiencies* where possible and practical.
 - e. Identify when *additional resources* are needed, and make solution-oriented suggestions to the director.

4. **Prioritize changes to statutes and regulations that *streamline, modernize, and reduce barriers* to employment of qualified individuals.**
 - a. *Develop a strategic plan for your board.* The division can provide resources to assist you.
 - b. *Look for low-hanging fruit:* What has created a regulatory roadblock in the last five years? What is outdated or outmoded, given current tools, trends, and technology?
 - c. *Think big:* Now is the time to consider those ambitious changes you've dreamed about making. Join a licensure compact? Adopt reciprocity with other states? Put it on the table.
 - d. *Challenge biases and "the way we have always done it":* Does the data support the decision? What does the requirement accomplish? Is it based on fact, fear, familiarity, or faction?
 - e. *Build into each agenda ample time to review* a portion of your program statutes and regulations to ensure they are serving the public interest.
 - f. *Set deadlines to assertively draft changes to statutes and regulations.* Consider assigning committees to work on them at publicly noticed gatherings between board meetings. Use the division's administrative resources to maximize outputs and opportunities.

I have directed staff to provide you with various tools to begin addressing New Year's Resolution #4 at your next board meeting. Either your board executive (if you have one), the deputy division director, or I plan to attend during the standard Division Update agenda item to walk through these tools and the task ahead.

Board progress on this review and your suggested regulatory changes will be reported up to the governor's office, and we stand at the ready to support your work. As always, our division regulations specialists are here to assist in drafting regulations. If you plan to navigate legislation that meets these objectives, please contact me directly or through your staff so we can leverage all our resources toward our common goal.

We are scheduling a survey to licensees and industry stakeholders to gather their input, which will be shared with each relevant board. You may also wish to encourage public comment on this topic in advance of a future board meeting. As resources allow, we may hold "town hall"-style meetings to solicit thoughts from the public. If you have additional ideas for outreach, please let me know. Please be sure to check the division's [board member training resources web site](#) for additional links to helpful resources.

The year ahead may move us out of our comfort zones, but it will fine tune our agency into a high-functioning, laser-focused, mission-oriented team. I look forward to actively working with you to accomplish these goals. Please reach out to me any time with questions, concerns, and ideas. I'm happy to think through both the small tweaks and the big ideas along with you. My direct line is 907-465-2144 and email is sara.chambers@alaska.gov.



TREC Commissioners

November 27, 2019

R. Scott Kesner
Chair

Bob Leonard
Vice Chair

T.J. Turner
Secretary

Jason Hartgraves

Jan Fite Miller

Barbara Russell

Rayito Stephens

DeLora Wilkinson

Micheal Williams

Douglas E. Oldmixon
Executive Director

The Honorable Greg Abbott, Governor
Office of the Governor
State Insurance Building
1100 San Jacinto
Austin, Texas 78701

Dear Governor Abbott,

We received your October 8, 2019 letter regarding reforming Texas' occupational-licensing rules. The Texas Real Estate Commission (TREC or the Commission) shares your commitment to balancing the appropriate level of regulation necessary to safeguard the public from harm, while also facilitating economic growth and opportunity across Texas.

Over the past five years, the total number of license holders that TREC oversees has increased approximately 20% to 197,151 in August 2019. TREC licenses real estate sales agents, brokers (individuals and business entities), inspectors, and residential service companies and registers time-share plans and easement or right-of-way (ERW) agents and businesses. Sales agents and brokers operate under a fiduciary obligation and must act in the best interest of a client in a real estate transaction. Inspectors are licensed to perform an inspection on real property as part of a sale/purchase transaction. Residential service companies are more commonly referred to as "home warranty companies;" they sell service contracts for a certain period to maintain, repair, or replace aspects of a residential property. The registration of a time-share requires the developer to register the timeshare plan before selling a timeshare interest in Texas. And an ERW is a person or entity who negotiates easements on behalf of a company, government agency, or property owner.

All licenses and registrations within TREC's jurisdiction have responsibilities that the Texas Legislature has deemed to require regulation. The Commission is committed to examining whether current laws, rules, and practices are implementing regulations in the least restrictive means consistent with adequate protection of Texas consumers. Commissioners, with the support of staff, have renewed their

ongoing examination process to identify recommendations that can be pursued immediately and have incorporated additional ideas into the ongoing strategic planning for TREC. To that end, after thorough review of our occupational-licensing rules and a robust discussion among your appointed policy-makers, please find the following report of our findings.

Sincerely,

A handwritten signature in black ink that reads "R. Scott Kesner". The signature is written in a cursive, flowing style.

R. Scott Kesner, Chair
Texas Real Estate Commission

Reduce Unnecessary and Burdensome Licensing Regulations

Act administratively to consider actions that include the following:

- Assessing whether existing licensing regulations help or hinder Texans' right to earn a living
- Identifying less-restrictive alternatives to licensure, such as bonding, insurance, registration, or certification
- Identifying other jurisdictions with licensing requirements that are substantially equivalent to Texas's licensing requirements, as required by last session's Senate Bill 1200
- Recognizing substantially equivalent out-of-state occupational licenses for people who are in good standing in all states where they are licensed
- Accepting professional experience as a substitute for licensure in cases where a person moved to Texas from a state that does not license his or her occupation

TREC recently implemented several initiatives through the rule-making process that reduce licensing regulations in keeping with the Commission's sunset bill enacted by the Legislature during the 86th Texas Legislative Session. Those initiatives include:

- TREC has eliminated branch office licenses effective September 1, 2019. Removing the requirements for a separate license certificate for each branch office maintained by a broker or brokerage advances the goal to streamline and simplify licensing requirements.
- TREC has eliminated the Texas residency requirement for license holders under TREC's jurisdiction. The elimination of the residency requirement removes a barrier to entry into the real estate field.
- TREC eliminated the requirement for a separate license for education instructors. As of September 1, 2019, it is the responsibility of individual education providers to ensure the use of qualified instructors. Qualifications for instructors are outlined in TREC rules. Additionally, as an alternative to individual instructor licensing, TREC has established an audit program for education providers and courses as a less restrictive means to ensure education providers are utilizing qualified instructors and adhering to requirements for course content and delivery. TREC adopted rules on November 19, 2019, to conform to the recently passed legislation. TREC's Education Standards Advisory Committee (ESAC) continues to review education rules and processes to identify and recommend changes to reduce or eliminate additional barriers or burdensome licensing regulations applicable to education providers licensed by TREC.
- TREC is currently considering proposed rules to significantly streamline and reduce the qualifying education requirements for inspectors. Currently, there are three inspector license types: apprentice, real estate and professional. The more experienced license types (real estate and professional) can be attained through two methods: a traditional apprenticeship pathway that requires experience, education and sponsorship; or a substitute experience pathway that substitutes additional education and fieldwork for the experience traditionally required under the apprentice pathway. By rule, TREC seeks to reduce the total hours of coursework required for the substitute professional path, the most utilized path for licensure, to be more in line with other states' requirements. The proposed rules would reduce the overall hours to become a professional inspector using the substitute path by 200 hours, from 394 to 194. The proposed

rules would also eliminate the previous requirement for repetitive coursework. TREC postponed the adoption of these simplified rules to allow time for review by the Office of the Governor's newly created Regulatory Compliance Division. The Commission expects to receive approval from the Regulatory Compliance Division in time to consider these proposed rules for adoption at its next meeting in February 2020. Once adopted, TREC expects a four to six-month implementation period to allow sufficient time for education providers to respond to the changes.

In addition to these administrative actions taken by the Commission as a result of sunset review, TREC is considering more ways to eliminate or reduce barriers as part of its strategic planning process in 2020. These efforts, described more fully below, will require statutory changes and include the following:

- Elimination and repeal of the Inspector Recovery Fund. This fund is intended to compensate consumers who have obtained civil judgments against inspectors who lack the financial ability to respond to those judgments. However, there have been very few claims made on the fund in recent years primarily due to the requirement since 2007 for inspectors to carry errors and omissions insurance for the protection of their customers. Elimination of this redundant safeguard and returning the funds to inspectors who paid into the fund is a fair way to reduce a financial and regulatory burden and the associated staff costs to administer it.
- Increase potential license portability. Currently TREC may waive the license application and examination fees and issue a license on an expedited basis to an applicant who is a military service member, military veteran, or military spouse who holds a certificate or license issued by a state or territory other than Texas that has licensing requirements that are substantially equivalent to the requirements for licensure in Texas. 22 Tex. Admin. Code §535.51(c). TREC may also allow an applicant to demonstrate competency through passage of examinations in other jurisdictions, education, experience, letters of good standing, and letters of recommendation. These considerations of substantial equivalency and demonstrated competency are conducted on a case-by-case basis. Expansion of opportunities for license portability for people moving to Texas could remove unnecessary barriers.

The Commission has less authority to accommodate applicants from non-military backgrounds. Certain coursework may be waived on a case-by-case basis if an applicant has already completed similar coursework, and the national examination requirement may be waived if the applicant holds an active equivalent license in another state and passed the same accredited examination to obtain that license.

The challenge for real estate sales agents and brokers from other jurisdictions is that the education and experience requirements for licensure in Texas exceed the requirements in most, if not all, jurisdictions. The Commission also does not currently have the authority to establish standards for determining the extent to which professional experience could be recognized and credited as equivalent to required education.

Pursuant to SB 1200 passed by the 86th Texas Legislature, TREC is conducting a study to identify other jurisdictions with licensing requirements that are substantially equivalent to Texas's for all license types. Once this study concludes, the Commission will use the results to examine whether the current Texas

requirements are the least restrictive mechanisms for licensing, while protecting the consumers of regulated services in this state. Based on this study, TREC will consider as part of its strategic plan, seeking legislative changes to expand license portability.

Reduce Licensing Application Fees and Reduce Excessive Education Requirements:

Do so whenever possible, including by:

- Developing and implementing plans to reduce license application fees to 75% or less of the national average for equivalent or comparable occupations
- Reducing excessive educational and work experience requirements, absent compelling evidence that doing so would not adequately protect the public interest
- Considering reductions in licensure and examination fees for Texas residents who are eligible for certain public assistance programs
- Expanding the acceptance of online continuing education credits for residents who cannot attend continuing education classes in person

TREC has lowered fees several times in the last five years, including in March and November of 2019. Specifically, in response to Sunset Advisory Commission's management directive to limit fund growth and provide straightforward fee setting, the Commission adopted rules on November 19, 2019 to reduce and simplify license fees. The new fee rules will go into effect January 1, 2020. These include eliminating fees to maintain online sponsorship relationships, paper processing fees, fees to create certificates, and fees associated with changing license holder information.

Additionally, TREC is working to expand and improve the ability of license holders to self-serve and conduct business with TREC more easily and seamlessly on their phones and other electronic devices. TREC is confident that these improvements will reduce administrative costs and allow further reduction and simplification of licensing fees. TREC has already created an online application progress tracker for real estate sales agents and brokers and is working to implement similar online capabilities for all license types. TREC is also working on technology improvements to display online in real time those continuing education requirements needed by each license holder to renew their license and to allow license holders the ability to upload supporting documents directly with an online application instead of sending those documents separately via email.

TREC is also researching license application fees charged by other states to determine where TREC fees are in relation to other states. Similarly, TREC is examining the most effective mechanism to reduce or eliminate fees for Texas residents who are eligible for public assistance. Once this research is complete, TREC will evaluate possible reductions or waivers of license application fees as part of its strategic planning process in 2020.

As part of its strategic planning, TREC will continue to examine whether the education requirements for sales agents and brokers strike the appropriate balance between consumer protection and limited

regulation. Currently, to become a broker, an applicant must complete 900 hours of education, including 300 hours of qualifying education and 600 hours of “related” education, as well as meet minimum experience requirements. There is likely an opportunity to reduce total education hours and also substitute some portion with years of active experience as a license holder. By more closely examining these requirements, TREC seeks to eliminate any redundancies. The suggested adjustments to current education standards, however, would require a statutory change.

As part of its strategic planning, TREC will also consider whether it is prudent to reduce fees related to the registration of ERWs and potentially substitute a requirement for bonding and/or certification. TREC has registered ERWs since September 1, 1997. While the statute identifies this function as a registry, TREC is authorized to adopt rules, fingerprint applicants, conduct investigations and take disciplinary action regarding registrants, similar to TREC’s authority over license holders. While TREC receives fees for each initial registration and renewal period, virtually no consumer complaints are filed. This is likely because of the detailed processes required when federal funds are connected to negotiations of this type, and in major cases legal counsel often represents the parties. As such, reducing the related fees and substituting a requirement for bonding and/or certification may provide adequate protection for consumers. This, too, would require statutory changes.

Because Texas contains vast rural areas, TREC has always been a leader in accepting quality distance education. Several years ago, TREC identified and reviewed a decline in the standards for continuing education (CE) courses offered through distance education. As a result, recommendations were proposed and adopted by rule to enhance the standards for design and delivery of online CE courses and courses offered through distance education to improve accountability. Most recently, ESAC has recommended additional changes to streamline and standardize the requirements for online courses and distance education to be more similar to classroom courses. TREC will consider these recommendations at a future Commission meeting.

Remove Barriers for People with Criminal Records

- Publish lists of specific criminal offenses that disqualify applicants from obtaining or maintaining an occupational license, or at least limiting the exclusion to only those offenses that directly relate to the duties and responsibilities of the occupation
- Exempting arrests that did not result in conviction or placement on deferred adjudication community supervision for the purposes of determining a person’s fitness for a licensed occupation, consistent with last session’s Senate Bill 1217

By rule, TREC has previously identified those offenses for which a conviction or a deferred adjudication deemed a conviction under Occupations Code §53.021 are directly related to the duties and responsibilities of a real estate broker, real estate sales agent, easement or right-of-way agent, professional inspector, real estate inspector, or apprentice inspector. See 22 Tex. Admin. Code §541.1(a). TREC has made clear that these specific offenses tend to demonstrate the person’s inability to represent the interest of another with honesty, trustworthiness, and integrity. An arrest that did not result in a

person's conviction or placement on deferred adjudication or community supervision is not considered by TREC.

In response to the legislative changes enacted in HB 1342, TREC reviewed the specific criminal offenses it previously deemed to directly relate to the duties and responsibilities of its license holders. At its meeting on November 19, 2019, TREC proposed amendments that narrow the list of criminal offenses that will be considered for inspectors and easements or right-of-way agents to exclude felony driving while intoxicated and driving under the influence offenses and makes clear that TREC does not consider an arrest that did not result in a conviction or placement on deferred adjudication or community supervision. The criminal history of all license holders, however, remains an important consideration, particularly since certain occupational licenses issued by TREC provide license holders with the ability to enter residential properties with or without the presence of clients or customers; the opportunity to drive such persons in their personal vehicle; access to a client's financial and personally identifiable information including bank account and social security numbers; and allow license holders to represent clients in one of the largest financial investments many consumers will make in their lifetime. For these reasons, the Commission carefully reviews the criminal history of all applicants and license holders to the full extent authorized by law in Chapter 53, Occupations Code, to ensure the appropriate protection of consumers.

As required by law, TREC also offers a pre-license fitness determination as an opportunity for potential applicants to inquire about whether their criminal history would meet TREC's qualifications for licensure. This determination costs \$50, and provides a low-cost opportunity for a potential applicant to inquire as to the likelihood of licensure based on criminal history or other prohibitive activity (e.g., unpaid civil judgments, discipline taken against another professional or occupational license, or instances of unlicensed real estate activity). If TREC were authorized by law to accept the fingerprints of a potential applicant prior to filing a license application, this pre-license fitness determination would precisely mirror the process required after an application is filed, reducing duplication and saving the potential applicant both time and money by avoiding the cost of taking classes only to be deemed ineligible for a license. This would require a legislative change.

Conclusion

The Commission is committed to examining whether current laws, rules, and practices are implementing regulations in the least restrictive means consistent with adequate protection of Texas consumers. The thorough review of TREC's occupational-licensing rules and a robust discussion among appointed policy-makers has been a worthy exercise that will shape the Commission's direction for the future.

Recess until Wednesday,
March 25, 2020 at 9:00 am

Call to Order

Roll Call – March 25, 2020

PeggyAnn McConnochie

Margaret Nelson

Cheryl Markwood

David Pruhs

Sam Goldman

Jaime Matthews

Jesse Sumner

Approval of Agenda

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

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

March 24-25, 2020

Atwood Building 550 W. 7th Ave.
AAC Room 106 & AAC Room 104
Anchorage, AK

ZOOM Info: Join meeting: <https://zoom.us/j/373633258>
Meeting ID: 373 633 258; Call-In: +1 669 900 6833

*GCI Conference Line (as back up to Zoom): 1-800-315-6338
Access: 25803*

Wednesday, March 25, 2020, meeting located in AAC 104

***Note: there will be a break for lunch from 12 until 1.
Division Update will start at 1:00 pm.***

- 9:00 a.m. 1. Call to Order McConnochie
- a) Roll Call
 - b) Approval of 3/25 Agenda
 - c) Statements of Conflicts of Interest
2. Pearson Vue Presentation; testing service for the AREC (90 minutes est.)
3. Public Comments (est. time only; 10:45 am)
4. Meeting Minutes
- a) December 18, 2019
5. Committee Reports Nelson
- a) Property Management Committee
 - Best practices for consideration by AREC
 - b) Education Committee
 - Guidelines for content within each new DCE course
6. Old Business Investigation Rep.
Pruhs
- a) Fine Matrix – background and status
 - b) AREC Property Transfer Disclosure Form
7. New Business McConnochie
- a) Regulation revision, Instructor approvals 12 AAC 64.440(f)
 - b) Discussion on meeting format for future in-person meetings.

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

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

March 24-25, 2020

Atwood Building 550 W. 7th Ave.
AAC Room 106 & AAC Room 104
Anchorage, AK

- 1:00 pm 8. Division Update TBA
 a) REC Revenues and Expenditures Report
9. Investigative Report Investigation Rep.
 a. Statistical Report Gill
 b. Probation Report
10. Executive Administrator's Report
 a. Licensing and Education Statistics
 b. Recovery Fund Balance Report
11. Commission member comments and questions
12. Adjournment

Please report any Ethics violations to Nancy Harris.

Next Meeting: June 18, 2020

Statements of Conflict of Interest

PearsonVue Presentation testing service for AREC

Meeting Minutes

1
2 STATE OF ALASKA
3 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
4 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
5

6 REAL ESTATE COMMISSION
7 MEETING MINUTES
8

9 December 18, 2019
10

11 "These draft minutes were prepared by the staff of the Division of Corporations, Business
12 and Professional Licensing. They have not been reviewed or approved by the
13 Commission." By authority of AS 08.01.070(2), and in compliance with the provisions of
14 AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held
15 December 18, 2019, at the State of Alaska Atwood Building Ste 1236, 550 W. 7th Avenue,
16 Anchorage, Alaska.
17

18 **December 18, 2019**

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

20 Chairperson PeggyAnn McConnochie called the meeting to order at 9:03 a.m. at which
21 time a quorum was established.
22

23 Roll Call – 1(a)

24 Members present:

25 PeggyAnn McConnochie, 1st Judicial District, Chairperson
26 Margaret Nelson, Broker, Broker at Large, Vice Chairperson
27 Cheryl Markwood, Broker at Large
28 Jerry Royse, Broker, 3rd Judicial District, Education Liaison
29

30 Members present via ZOOM:

31 Jesse Sumner, Public Member
32 Jamie Matthews, Public Member
33 David Pruhs, Broker, 4th Judicial District
34

35 Staff Present:

36 Nancy Harris, Acting Executive Administrator
37 Shyla Consalo, Investigator for REC
38 Greg Francois, Chief Investigator, CBPL
39

40 Guests Present:

41 Errol Champion, Liaison for AAR, Juneau
42 Lonnie Logan, Associate Broker, Herrington and Company, Anchorage
43 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
44 Paddy Coan, Associate Broker, Keller Williams Realty, Anchorage
45 Anita Bates, Associate Broker, Dwell Realty, Anchorage
46 Renea Miller, Broker, Marc Realty, LLC, Anchorage+
47 PJ Robertson, member of the public, Wasilla
48 Rob Tingstrom, Salesperson, Arolik Real Estate, Wasilla
49 Robert Meinhardt, Salesperson, Arolik Real Estate, Wasilla
50

51 Guests Present via ZOOM:

52 Mark Masley, Salesperson, Keller Williams Realty, Anchorage
53

54 Approval of Agenda-1(b)

55 Commission members reviewed the meeting agenda.

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On a motion duly made by Mr. Royse, seconded by Ms. Markwood, it was,

RESOLVED to approve the meeting agenda for December 18, 2019 as amended.

Ms. Harris asked for additional items be added to the agenda. Clean up regulations, added as agenda item 7(e), fine matrix, added as agenda item 7(f), and conversation regarding December meeting date, added as agenda item 7(g).

All in favor; Motion to passed.

Statements of Conflicts of Interest-1(c)

Mr. Sumner, Ms. Nelson, Ms. Matthews, Mr. Pruhs and Ms. Markwood had no conflict of interest to disclose.

Ms. McConnochie disclosed she a real estate educator.

Mr. Royse disclosed he is a real estate educator.

Agenda Item 2 – Oral Comments (per scoping project) & Public Comments

Anita Bates, Associate Broker with Dwell Realty, gave oral comments on the Consumer Disclosure form. Ms. Bates stated that the Consumer Pamphlet was put into place January 2005, 15 years ago. She said it was replaced by the new version of the Alaska Real Estate Commission Consumer Disclosure. The reason for that was to try and modify the form to make it more user friendly, understandable, easier for people to read and easier for licensees to explain to their consumers. There has been considerable discussion with the Commission regarding changing this form to meet different business models, different ways of doing business and bringing things up to date. She agreed that there needs to be work done to make the Consumer Disclosure appropriate for today's real estate practice. However, she would like to suggest that before modifying the form again, that the Commission should fulfill the duties that it was charged with back in 2005 when the statute was first adopted. She referred to AS 08.88.685(a)(5) and (b)(1). She said that she has not seen this done and it does not appear anywhere in the real estate regulations. She said she has not seen any consumer complaints about the disclosure and believes the confusion comes from licensees. Licensees do not seem to realize how they are supposed to use the form because it has never been clarified in regulations. The law was written and there was supposed to be regulations established on how that law was to be administered; how the disclosure was supposed to be interrupted. She stated that in her opinion, rather than trying to modify the disclosure form that maybe the Commission should look at some ways to establish policies and guidelines on how the form is to be used. Then, if the forms need to be modified even further, you can do that. She suggested to go back and do research on the development of the statutes, possibly speaking with some of those that were involved, former Commission members and industry leaders, to clarify their intent on the use of the form and figure out what type of regulations need to be written and addressed.

Ms. McConnochie asked if there were any more oral comments in person or online on the scoping project. No one came forward and the oral comment period was closed.

Paddy Coan, Associate Broker and broker manager with Keller Williams Realty, Alaska

108 Group, and with the Alaska Association of Realtors Board of Directors and the National
109 Association of Board of Directors. Ms. Coan said she is speaking on a specific part of the
110 statutes that she has a conflict about and how the Commission is enforcing that and what
111 is happening in the field. The statute that Ms. Coan is referring to is AS 08.88.037(a),
112 Investigations and Injunction. Ms. Coan said she had a license that she returned with
113 cause to the Commission in May along with a letter. The issue is about the process. She
114 said she taught the law over 10 years and it is very clear that for a broker to return a
115 license and state what the issue was under section 08.88.037(a) says that, "the
116 commission may request the department to conduct investigations to determine whether a
117 person has violated a provision of this chapter or a regulation adopted under it, or to
118 secure information useful in the administration of this chapter." She said she thinks the
119 Commission should understand that there are HR guidelines in affect that effect
120 companies and corporations, especially larger companies. Termination and going after a
121 licensee presents some interesting implications. It is her preference that they follow the
122 law that simply states to return the license and tell why and the Commission does the
123 investigation. She said it further states, in their duties, that the Commission can issue a
124 temporary order, they can do the work. It is not up to her to do the investigation but to
125 return the license for cause and the REC does that investigation. She said she was asked
126 to fill out a form and she was further asked to do the investigation and turn that work in.
127 She said there is a form that the Commission provides but because of HR restrictions that
128 is not something that is comfortable or good for a company to do. She wanted to bring this
129 to the Commission's attention because, as most of you know, all the talk on the street is
130 effective. She said that her and her company have been questioned why nothing was
131 done about the individual whose license was returned. She said this involved three
132 different companies and the issue was signing a client's name. That is severe to her so
133 she returned the license and stated the reason why and it was up the REC to do the
134 investigation. Ms. Coan asked the Commission to look at section 08.88.073(a) and come
135 up with a way we can follow the statute but not put the burden on the brokerages to do the
136 work that is under the purview of the Commission.

137
138 Mr. Royse said that the Commission needs a process with our investigative group for this
139 issue because he believes there is not one in place now. He said we need to define that
140 process if a license is returned by the broker for cause.

141
142

143 **Agenda Item 3 - Approval of Meeting Minutes**
144 **September 25, 2019 meeting minutes**

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146

147 **On a motion duly made by Ms. Nelson seconded by Mr. Royse, it was,**

148
149

150 **RESOLVED to approve the September 25, 2019 meeting minutes.**

151
152

153 **All in favor; Motion to passed.**

154
155

156 **Agenda Item 4 – Committee Reports**

157 **Property Management Committee 4(a)**

158 Ms. Nelson recognized Ms. Kassandra Taggart as the Chair of the Property Management
159 (PM) Committee and stated that she is doing a fantastic job. She said that Ms. Markwood
and Mr. Pruhs are also attending the committee meetings.

160 Ms. Markwood said that at the December 13, 2019 Property Management Committee
161 meeting the members came up with a mission statement and prioritized areas to work on
162 in 2020. The committee is asking for approval on this mission statement and the authority
163 to move forward on the five listed areas of focus.

164
165 The mission statement is:
166 Licensed property and association managers be well informed, educated and supportive of
167 real estate needs for Alaskans.

168
169 Five listed areas for focus, in priority:

- 170 1. Clarity and best practices on security deposits and management of client accounts.
- 171 2. Advocacy for education of all property and association management.
- 172 3. Audit of Alaska Real Estate Commission property management and association
173 regulations to bring up the standards to today's practices. Specifically focusing on:
174 12 AAC 64.550, 12 AAC 64.560 and 12 AAC 64.570.
- 175 4. Research what other states have done in the area of property management and
176 association management, especially through ARELLO and Florida.
- 177 5. Connecting property and association management resources to the public.

178
179
180 **On a motion duly made by Ms. Nelson seconded by Mr. Royse, it was,**

181
182 **RESOLVED to give the Property Management Committee the authority**
183 **to proceed with their mission statement and focus for 2020.**

184
185 **All in favor; Motion to passed.**

186
187
188 Education Committee - 4(b)

189
190 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**

191
192 **RESOLVED to give the Education Committee the authority, to address**
193 **educational issues on the behalf of the Commission and bring back**
194 **recommendations.**

195
196 **All in favor; Motion to passed.**

197
198
199 **Agenda Item 5 – Old Business**

200 **Potential Changes to Consumer Disclosure & Waiver of Rights -5(a)**

201 Commission members discussed the scoping process and Mr. Royse had concerns about
202 that process and the authority regarding that process.

203
204 Commission members discussed the draft of the Consumer Disclosure and Waiver of
205 Rights forms.

206
207 Ms. McConnochie said she had some concerns with the current draft of the Consumer
208 Disclosure and Waiver of Right to be Represented. She said this would be the first time,
209 since this form was instituted, that we would have a Consumer Disclosure where there will
210 not be an acknowledgement of the type of relationship that the consumer and licensee will
211 have together. She said she believes that the Commission should have the Department of

212 Law comment on. She said the second thing is on the Waiver of Right to be Represented,
213 you cannot waive a statutory requirement. Under the Waiver of Right to be Represented it
214 says, “releases the licensee from statutory requirement to offer the following duties.” This
215 should also be looked at by Department of Law to make sure that it is something that we
216 can indeed do.

217
218 Ms. Markwood said she is not sure of the process but is enjoying the increase in
219 engagement from individuals. We are seeing more people coming forward, and they have
220 clearly indicated their preference and she thinks this Commission needs to listen to their
221 constituency and what they are looking for. She recommends that the Commission move
222 forward with the Consumer Disclosure and Waiver of Right to be Represented drafts that
223 Mr. Royse and herself put together that clearly has support, and move those forward to the
224 next step.

225
226 Ms. McConnochie said the next step is that if the Commission accepts these two
227 documents then the next step is the regulation process.

228
229 Ms. Nelson said she recommends the Commission accept these two forms and move to
230 the regulation process.

231
232 Ms. Markwood said she would like clarification on what the actual regulation process is
233 and said she did have some concerns that these new drafts were sent out, not by the Real
234 Estate Commission or state agency, that the information was not distributed to the public
235 through the proper channels. She said she read the past meeting minutes and realized
236 there are some legal issues with Consumer Disclosure and it would be very helpful for the
237 Commission to know what the Department of Law’s recommendations are for changes. If
238 we had a better scope of understanding of what kind of things we need to change on that
239 form it might make it a lot easier on us to come up with a good form that will be both
240 beneficial for the public and the industry.

241
242 Ms. Harris stated the regulation process for the Commission.

243
244 Commission takes a short break to work on ZOOM issues.

245
246 Break at 9:42 a.m.
247 Reconvened at 9:47 a.m.

248
249
250 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**

251
252 **RESOLVED to that the AREC Consumer Disclosure and Waiver of**
253 **Right to be Represented revisions be sent to the Department of Law**
254 **for their input prior to a regulation project.**

255
256 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Mr. Royse- yes, Mr.
257 Sumner- yes, and Ms. McConnochie- yes.

258
259 **Motion passed.**

260
261
262 Notarized Signature regulations, 12 AAC 64.059 (b)(1)(E) and (d)(1)(E) -5(b)
263

264 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**
265
266 **RESOLVED that the regulations related to notarized signature to 12**
267 **AAC 64.59(b)(1)(E) and 12 AAC 64.59(d)(1)(E) be removed.**

268
269 **All in favor. Motion passed.**

270
271
272 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**
273
274 **RESOLVED send the regulations 12 AAC 64.59(b)(1)(E) and 12 AAC**
275 **64.59(d)(1)(E) out for regulation process.**

276
277 **All in favor. Motion passed.**

278
279
280 Ms. Nelson asked to receive Ms. Matthews vote from the previous motion with regards to
281 sending the Consumer Disclosure and Waiver of Right to be Represented forms to the
282 Department of Law for review before going out for public comment.

283
284 **Ms. Matthews' vote was in the affirmative.**

285
286
287 **Agenda Item 6 – New Business**

288 Fine Matrix -background and status -6(a)

289 Ms. Harris gave a quick history of the fine matrix to the Commission. The fine matrix was
290 introduced to the Commission in December 12, 2008 and adopted at the December 10-11,
291 2009 REC meeting. She stated that the Commission has been through 4 investigators
292 since this document was adopted. She recommends that this document be revised and
293 get the investigators input on if it is comparable to what is being done currently.

294
295 **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was,**
296
297 **RESOLVED to have the investigative staff review the fine matrix as**
298 **presented and bring back any recommendations for changes at the**
299 **next Commission meeting.**

300
301 **All in favor; Motion to passed.**

302 PearsonVue contract and overall pass rates -6(b)

303 Ms. Harris said the contract is in the packet for the Commission's review. The contract
304 expires in June 2020.

305
306 PearsonVue said that that will certainly be able to give a presentation to the Commission
307 regarding test development, how that works and answer any questions the Commission
308 may have. The presentation will be about an hour to an hour and a half.

309
310 PearsonVue will provide the Commission with the overall pass rates either on a monthly or
311 weekly basis. Also, it is at our discretion if we post those reports on our website or not.

312
313 The Commission would like PearsonVue to give the presentation at next meeting. Also, to
314 ask for funding for Commission members to attend in person.

315

316 Ms. Nelson asked that since the contact is up for renewal in June 2020 what is the
317 process for that next year?

318
319 Ms. McConnochie said that would be done through the Division.

320
321 The Commission would like to ask PearsonVue to provide the overall pass rates monthly.

322
323 Mr. Royse would like the Commission to consider, this next year, what types of violations,
324 specifically that would preclude someone from licensure so that they see that and not have
325 to go through the expense of education, testing and application and not receive a license.

326
327 Ms. McConnochie said that the Commission could take that in consideration when they do
328 the regulation reform.

329
330 AK Real Estate Commission Property Transfer form – 6(c)

331 Ms. Harris read a public comment received via email from Mr. Noah Mery on December
332 12, 2019 regarding AK Real Estate Commission Property Transfer form issue to the
333 Commission.

334
335 Nancy,
336 As discussed on the phone, an issue has been raised to me by a client and his real estate
337 agent relating to a home purchased recently in the Soldotna area. The standard disclosure
338 form references "5 years" in various places. In short, the home has a flooding issue. The
339 seller has, at least through his agent, admitted after the sale that the home has flooded in
340 the past. However, his defense is that he understood the disclosure form to only require
341 him to defects that occurred in the last 5 years, and the last time it flooded was before
342 then. I know the form also has a drainage section asking if seller is "aware of ever having
343 any water in crawl space..." but I think that the use of a 5 year look back for purposes of
344 general disclosures is subject to abuse as a shield for liability. It is already very difficult to
345 prove a seller failed to disclose a defect, and the 5-year period could further muddy the
346 waters. Thank you for your consideration.

347
348 Noah H. Mery
349 Gilman & Pevehouse
350 130 South Willow, Suite 3
351 Kenai, Alaska 99611

352
353 Mr. Pruhs said that he met with Mr. Royse to look over this form. He said that the last time
354 this form was updated was July 2003, so it is in immediate need to be revised and
355 reformatted. He said he would like Jesse and Jaime to look at this document as well. He
356 would like Jesse to look at the property features and structural components sections as a
357 builder to see how much has changed within 12 years. He stated that by the next meeting
358 he should have something available for the Commission. He will be sitting down with past
359 Commission members to get their thoughts and have a new document in Word so that it
360 can be edited, articulated to give everyone a good review of it. What do you think? What
361 can we add?

362
363 The Commission members stated some items that they thought should be considered.
364 Cannabis, environmental issue due to methamphetamine, permits, aware of earthquake
365 damage and energy ratings.

366
367 Ms. Nelson recommended Mr. Pruhs reach out to MLS systems who have form

368 committees for their input.

369

370 Consideration of forming a Communication Committee – 6(d)

371 The Commission discussed the consideration of a communication committee. Ms. Harris
372 asked Mr. Royse what would be the purpose of this committee?

373

374 Mr. Royse stated that the Commission could do a better job reaching out to the industry
375 and reinforcing the Commission. He said he would like the Commission to reach out to
376 other organizations and look at the Commission's communication capabilities. To get more
377 input from the public, industry and the consumer. He would like to see a monthly
378 newsletter in a digital format that would speak to the successes that the Commission is
379 doing. Broader industry input serves our interest and getting more people engaged. He
380 said he would like to see more people attend meetings using ZOOM. He said the work
381 necessary would be to take an aggressive look at the Commission's communication
382 capabilities, the ability to communicate more effectively with the industry and get their
383 input would serve this Commission to develop a stronger mission.

384

385 **On a motion duly made by Mr. Royse, seconded by Ms. Nelson, it was,**

386

387 **RESOLVED to approve a formation of a communication committee to**
388 **come back with recommendations on how to better serve the**
389 **Commission and the industry.**

390

391 Commission members discussed the motion on the table.

392

393 **On a motion duly made by Ms. Nelson, seconded by Mr. Royse, it was**

394

395 **RESLOVED to table the discussion regarding the communication**
396 **committee until the March meeting.**

397

398 **All in favor. Motion passed.**

399

400

401 Commission took a short break to work on ZOOM issues.

402

403 Break at 10:26 a.m.

404 Reconvened at 10:36 a.m.

405

406

407 **Agenda Item 9 – Executive Administrator's Report**

408 Licensing and Education Report – 9(a)

409 Ms. Harris presented the Licensing statistics for the December 18, 2019. She stated that
410 these statistics were taken two weeks prior to meeting. She said there were 2768 active
411 licensees; 65 new licenses issued between 7/1/2019 through 9/20/2019, 61 inactive
412 licensees, 4 licensees on probation, 3 license upgrades from salesperson to associate
413 broker, 2 upgrades from salesperson to broker and 7 licensed by endorsement (holds an
414 active license in another state) – 6 salespersons and 1 associate broker. Ms. Harris stated
415 that the renewal statistics as of today, 232 licenses renewed. She also said there are 803
416 people on the listserv.

417

418 Ms. Harris presented the education report for December 18, 2019. She gave the
419 Commission an overview of what type of education and instructors are approved. She

420 reported that there are currently 9 pre- licensing courses, 4 broker upgrade courses, 387
421 elective courses, 54 designated courses, and 70 post licensing courses. There are also
422 140 approved permanent instructors with 6 new instructors.

423
424 Recovery Fund Balance Report – 9(b)

425 The Commission reviewed the Recovery Fund Balance Report as presented.

426
427 Ms. Harris gave a report of the Recovery Fund for year ending June 30,2019. The total
428 liabilities are 11,230, total fund balance is \$266,445 and the average 2- year licensing
429 cycle fund balance is \$336,095.

430
431 She stated that the two claims from the September 2019 meeting have been taken out as
432 indicated under the Services – Claims & Associated Legal Costs for report through
433 12/2/2019 at 24,800.

434
435 Mr. Royse stated he had an observation that looking at the 2015, 2016, 2017 and 2018
436 fiscal years that moving from a Surety Fund to a Recovery Fund, based upon the claims
437 that have been submitted, has taken away consumer protection due to the threshold
438 necessary for the Recovery Fund. He stated that while the Surety Fund was originally
439 used to reimburse consumers who had intentional misrepresentation against them the
440 surety fund has morphed instead into a personal service area were very few claims are
441 being paid to the consumers. He said he believed they lost an opportunity for recourse and
442 the recovery fund has shifted more into personal services than paying claims.

443
444

445 Agenda Item 10 – 2020 Proposed Meeting Dates

446 The Commission discussed meeting dates for 2020.

447

448 March 25

449 June 17

450 September 23, in person meeting

451 December 16

452

453 The Commission members agreed that it would be beneficial to meeting in person if
454 possible for the March meeting.

455

456

457 Lunch Break at 11:00 a.m.

458 Reconvened at 1:00 p.m.

459

460

461 Agenda Item 7 – Division Update

462 Melissa Dumas, Administrator Officer II for the Division of Corporations, Business and
463 Professional License provided Commission members with the financial report.

464

465 Ms. Dumas stated to the Commission members that there have been some changes on
466 the layout of the report. It is a bit different that it used to be. She said there is now
467 additional columns to add each renewal period by the biennium. She said they are doing
468 that for a few reasons, to eliminate another report that they did that was very similar and to
469 make one report work for the legislature well as the programs. Now you can review on a
470 biennium how your expenditures go. Another change that was made to the layout was the
471 expenditures are broken out into investigative and non-investigative charges.

472
473 She said for FY19 4th quarter the REC brought in 282,453 total revenue, personal
474 services at 120,856 in direct expenditures (those who charged time the REC program),
475 travel was 5,036, services were 9,813 with a total of non- investigative expenditures of
476 135,705. Investigative expenditures, for personal service was 83,598, there was no travel
477 and no expert witnesses. For inter- agency legal 530 was investigative, hearing mediation
478 3,689, services-other at 958 for a total of investigative direct expenditures of 88,775 with
479 total direct expenditures of 244,480. She then went into the indirect expenditures made up
480 of internal administrative (CBPL costs) at 110,362, departmental- 57,353 and statewide
481 costs – 20,811 with total indirect expenditures of 188,526 and direct and indirect
482 expenditures totaled 413,006. She said there was a carry forward surplus of 912,708,
483 annual deficit of 130,533 with a fiscal year ending with 782,155.

484
485 Mr. Sumner asked if they shifted the Inter-Agency Legal cost into the Internal
486 Administrative costs.

487
488 Ms. Dumas said no. Maybe you just had a good year. Legal is coded to the program they
489 are working on. She said that they could ask the investigator when she gives her report if
490 they know why the legal costs were so low.

491
492 She said for FY19 1st quarter through September the REC brought in 49,715 total
493 revenue, with the renewal this number will increase significantly. There was 14, 991, in
494 personal services, 32 dollars in travel, 2, 944 in services with a total of 17,967 in non-
495 investigative expenditures. Investigative expenditures were 18,089 for personal service
496 and 518 dollars in other services with a total of 18,607 for total investigative expenditures.
497 With a total of direct expenditures through the first quarter of 36,574. Ms. Dumas said the
498 next numbers of indirect expenditures are just a place holder for one quarter of what was
499 charged last year for each of those categories of 47,132 for total expenditures of 83,706
500 dollars.

501
502

503 **Agenda Item 8 – Investigative Report**

504 **Statistical Report – 8(a)**

505 REC Investigator, Shyla Consalo, presented the investigation statistics for the reporting
506 period of 09/10/19 through 11/18/19. There are 36 opened matters, 21 matters were
507 closed from the last report. A total of 23 matters remain open and ongoing or under active
508 investigation or pending litigation.

509

510 Ms. Consalo said she can answer the question regarding legal fees and why they were
511 low. She said she could speak to the year and 3 months that she has been on the
512 Commission. She said to keep in mind that there was 4-5 months before she started with
513 the Commission were there was no action being done on cases. So, a little over a year
514 and a half, she said she can recall 2 application matters that went to hearing/legal.
515 However, she did say that there will be an increase in legal over the next year
516 unfortunately.

517

518 Ms. Nelson asked about the gap in investigations from April 24 to September 24, 2019.
519 Ms. Nelson also asked, on page 2 she saw several incomplete complaints. Why are there
520 incomplete complaints and what is the process?

521

522 Ms. Consalo said they are classified as incomplete complaints when people do not return
523 a signed compliant packet. If the packet is not returned within 30 days, it is closed out and
524 classified as incomplete. If they return if after 30 days they will reopen the case.

525
526 Ms. Consalo said, later in the meeting, that the gap in investigations was due to
527 complaints that were opened and closed within the reporting period. Anything that was
528 opened and closed within the reporting period you will not see that as opened; you will
529 only see the closed date, that is why there seems to be a gap.

530
531 Mr. Royse asked Ms. Consalo if there was anything the Commission needed to do to get
532 more details regarding the regulation that was violated. He said if the Commission had
533 more information they could figure out where the industry is making mistakes and teach
534 more classes in those areas.

535
536 Ms. Consalo said she can provide that information because she has included it in her
537 presentations to licensees. She said the common complaints/violations are: licensee
538 relationships, violating honest and good faith dealings, fraud, misrepresentation and
539 supervision.

540
541 Ms. Markwood asked if there was any way that the regulation that was violated could be
542 provided in the investigative report?

543
544 Ms. Consalo said that she cannot make those changes because that would have to go
545 through her supervisor and these reports are generated through their database and it does
546 not provide that information.

547
548 Ms. Whaley, supervisor of the non-health care investigative team, stated that the database
549 that investigations uses, GL Suites, charges a fee to add more specific information to the
550 database system. She said they are working with the tools that they have and are limited
551 by their funds. The system may be enhanced in the future but they are working with what
552 they have.

553
554 Ms. McConnochie asked Ms. Whaley, a question regarding a public comment that was
555 stated earlier in the meeting. If a broker returns a license to the Commission for just
556 cause, according to the REC statute 08.88.037, it is up to the division/REC to investigate?

557
558 Ms. Consalo said she cannot open a complaint from third hand information. She received
559 the information from Ms. Harris.

560
561 Ms. Whaley said there were a couple of different factors. For them to move forward with a
562 complaint they would need a signed complaint packet. If it is self-disclosure, they would
563 need to contact the investigator directly.

564
565 Mr. Royse said that there is a gap in the procedure. This is a different pathway where
566 there is no mechanism in place to address these kinds of issues. Staff should look at it as,
567 What did the licensee do? and Should the licensee be licensed? We need to address this
568 process so when this happens, it alerts you to investigate.

569
570 Ms. Whaley said they are certainly open for discussion so that they are doing their job for
571 the Commission. She said for Ms. Harris to send her an email and cc Ms. Consalo and
572 they can work on that.

573

574 Ms. Nelson asked if this was procedural or would this require a regulation change?
575 Ms. McConnochie said it was procedural.

576
577 Ms. Consalo gave the Commission an update on her ARELLO investigation workshop she
578 attended. She said she learned a lot. She said what she found interesting was that other
579 states have an investigative unit and an audit unit assigned to their Commission. The
580 auditors have specialized education, either a real estate licensee or some sort of
581 accounting background. They go out and do random audits on a regular basis. She said
582 that would be great to have here in Alaska. She said she has received several questions
583 before she left asking if they do audits on trust accounts so there might be some concerns
584 with trust accounts. She also has been asked about the audit of transactions. She said
585 she made good connections with other jurisdictions and had great round table discussions.
586 She said she is also is now on the ARELLO investigation email so she can see the
587 questions other investigators have and email any questions she may have. She said she
588 found out the training is not the same every year so, if possible, she would like to attend
589 on an annual basis. This workshop qualified her to receive her investigator certification.
590 with ARELLO.

591
592 Probation Report – 8(b)

593 Ms. Whaley introduced the new investigator, Ryan Gill who will be taking over monitoring
594 probation for the REC. He is coming in with a lot of investigative experience.

595
596 Mr. Gill presented the probation report to the Commission. He said 6 licensees are on
597 probation. Two of which have signed and submitted surrender letters that should be
598 included in their meeting packet. He said everyone else on probation is in compliance. He
599 said Ms. Hague left the state without notifying the investigator. She said she was not
600 aware of that requirement although she signed her consent agreement. She was gone for
601 28 days which is just under the 30 days which would have added time to her probation but
602 she has since satisfied that requirement and knows to notify the Commission or
603 investigations agent if she leaves the state.

604
605 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**
606
607 **RESOLVED to move to accept the surrender for Sara Collison**
608 **case # 2016-001418.**

609
610 **Roll call vote: Mr. Pruhs- yes, Mr. Sumner – yes, Ms. Matthews – yes, Ms.**
611 **Nelson- yes, Ms. Markwood – yes, Mr. Royse – yes and Ms. McConnochie –**
612 **yes.**

613
614 **Motion passed.**

615
616 The Commission accepted the surrender in case #2016-001418 for Sara Collision.

617
618
619 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it**
620 **was,**
621 **RESOLVED to move to accept the surrender for Elizabeth**
622 **Hairston, case # 2018-001303.**

623
624 **Roll call vote: Mr. Pruhs- yes, Mr. Sumner – yes, Ms. Matthews – yes, Ms.**
625 **Nelson- yes, Ms. Markwood – yes, Mr. Royse – yes and Ms. McConnochie –**

626 **yes.**

627

628 **Motion passed.**

629

630 The Commission accepted the surrender in case #2018-001303 for Elizabeth Hairston.

631

632

633 **Agenda Item 11 – Texas Real Estate Commission (TREC) Regulation Reform**

634 Ms. McConnochie said that one of the things that the REC needs to do in 2020 is to create
635 a strategic plan and look at regulation reform. The division would like the REC to put
636 together a more robust strategic plan. The Commission was provided an example from
637 another board to help the Commission in creating their own plan. The Commission will
638 need to come up with a strategic plan for 2020 and maybe beyond, 1 year, 2 years or 3
639 years. Also, the Commission will need to look at Texas Real Estate Commission's (TREC)
640 regulation reform approach as an example of what the division is looking for.

641

642 Ms. McConnochie said that in March the Commission can work on the strategic plan and
643 regulation reform in the morning so it is fresh and the second part of meeting for the other
644 agenda items. She said she will have Ms. Harris send out the materials for the strategic
645 plan, the REC's past strategic plans (annual reports), and the TREC information to all
646 Commission members so there is enough time for them to review.

647

648 The Commission members discussed having an in-person meeting and reaching out to
649 PearsonVue and other outside organizations to possibly help fund the meeting in March
650 due to budget constraints,

651

652 Ms. McConnochie asked the Commission to make a motion for the justification of an in-
653 person meeting for the March 25, 2020 meeting

654

655 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**

656

657 **RESOLVED that the Commission request that the March 25, 2020 meeting be**
658 **an in-person meeting and request funding for travel. The reason for an in-**
659 **person meeting is that the March meeting will be a very robust meeting with**
660 **many important projects to achieve to include strategic planning which will**
661 **be vital to do in person and a presentation PearsonVue regarding test**
662 **development.**

663

664 **All in favor. Motion passed.**

665

666

667 **Agenda Item 11 – Commission Members Comments**

668 Ms. Harris said she appreciated the support from all the Commission members and is in
669 agreement with the Commission that there needs to be better communication with the
670 industry.

671

672 Ms. Nelson congratulated Mr. Royse on becoming a member of the ARELLO education
673 certification committee. She stated there is a section on the ARELLO website that the REC
674 is required to report violations and asked if we currently report. Ms. Harris said the
675 Commission does currently report violations to ARELLO. Ms. Nelson wished everyone a
676 Merry Christmas.

677

678 Ms. Markwood thanked Ms. Harris for doing an outstanding job and the sole person
679 administering from the Commission. She said that working on licensing and renewals
680 needs to be the focus and to encourage our licensees to get renewed. She thanked Ms.
681 Harris for the process being so streamlined and easy. She said she believed this
682 Commission has already started a really great effort to be effective as a Commission and
683 she is excited to see what the committees are working on and are tasked to do. She is
684 excited about the strategic planning and looking forward to seeing the last strategic plan
685 for the division and if that could be provided as soon as possible. She said she is also
686 excited to work with the property management committee and see what they accomplish.
687 They have already scheduled six meeting for the next year.

688
689 Mr. Royse said he would like to mirror Ms. Markwood's comments with regards to Ms.
690 Harris and thanked the Commission members for their work because what they are doing
691 can really make a fundamental improvement in the quality of real estate licensees in this
692 state. He said the Commission has a strong Chairperson, and strong Commission
693 members and he appreciates all their hard work. He is looking forward to contributing.

694
695 Ms. Matthews said she appreciated everything that everyone is doing. She said it was
696 very difficult participating via ZOOM so she will try to be in person when she can. She
697 also thanked Ms. Harris for all her communication. She said as a public member OnBoard
698 has been very helpful having the information ahead of time to be able to read the material.
699 She thanked everyone and for being able to be a part of this Commission.

700
701 Mr. Sumner said he will try to be present for all meetings because it was hard to attend a
702 meeting via ZOOM. He thanked everyone and said he will see them in March.

703
704 Mr. Pruhs said this was a horrendous meeting via ZOOM. The speakers were bad. He
705 wished everyone a Merry Christmas and thanked the Commission members for their
706 participation and all they do.

707
708 Ms. McConnochie echoed everyone's comment and thanked Ms. Harris. She said Ms.
709 Harris has a very difficult job between now and February 1st and congratulated her on
710 getting renewals online because that will make a huge difference. She said she is looking
711 forward to working on the strategic planning session. She will work with Ms. Harris to get
712 the 3 sets of materials out to the Commission members. She asked the Commission
713 members to be prepared to do your homework before they get started on the first portion
714 of the meeting. She wished everyone a fantastic Christmas and a Happy New Year.

715
716
717 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**

718
719 **RESOLVED to adjourn.**

720
721 **All in favor. Motion passed.**

722
723
724 Meeting adjourned at 1:58 p.m.

725
726 The next meeting will be held March 25, 2020 in Anchorage.

727
728
729 Prepared and submitted by:

730
731
732
733
734
735
736
737
738
739

Real Estate Commission Staff

Approved:

PeggyAnn McConnochie
REC Chairperson
Alaska Real Estate Commission

Date: _____

Committee Reports

MEMORANDUM

Date: February 20, 2020

To: Alaska Real Estate Commission & Education Committee

From: Cassandra Taggart, Chair, Property Management Committee

RE: Best Practice –Optional educational resources for property management specialties

The Property Management Committee is requesting the Alaska Real Estate Commission to approve submitting this best practice document to the list serve, add to the Best Practices list on the website, and list the trade organization under Real Estate Commission – Consumer information – Real Estate Trade Organizations section of the website.

This best practice document is regarding resources for Real Estate Licensees that has the desire to volunteer time for additional training in their field of expertise within Property Management.

The Property Management Committee completed a brainstorming activity to work on Goal # 2 - Advocacy for education of all property and association management. It was determined in today's world, there is a large amount of resources that is readily available in the education of Property Managers that want to advance their knowledge base. Due to Alaska's uniqueness, it is easy to not be aware of these resources and know there are many options available online and in person for Alaskans. Maybe once these resources that are not already offering CE credits can see there is a need in Alaska, they could follow the processes to qualify for CE credits and thus improving access to education in the field of Property Management.

BEST PRACTICE

Date: March 19, 2020

Adopted:

Title: Best Practice –Optional educational resources for property management specialties

To: Alaska Real Estate License Practicing Property Management for Commercial, Residential, or Association Management

To: Alaska Real Estate Trainers

From: Alaska Real Estate Commission & Property Management Committee

Statute and Or Regulation Reference:

Sec. 08.88.091(A;2); Education of Application and Licensees; Publish informational materials for the purpose of raising the standards of real estate business and the competency of licensees.

Purpose: Alaska is unique due to the distances creating a challenge for resources being available for education. We are now in a day in age where there are organizations offering options that can be utilized for licensee's desiring additional training for Property and Association Management. It is requested for approved trainers to share this information, when appropriate, and Licensee's practicing Property Management to be aware of these options. Disclosure: Below is a list of known resources at the time of this publication. This does not mean the program is necessarily approved for CE credits, each program and/or class should be reviewed individually for CE Credits options.

-
1. IREM (Institute of Real Estate Management)
 - a. Certificates & Alaska CE Credit(s) classes might be offered
 - b. Local Alaska Chapter
 - c. <https://www.irem.org/>
 2. Alaska Legal Corporation
 - a. Local Alaskan Lawyers; Also federally funded for Fair Housing
 - b. Offers Help Line and Public Classes & Alaska CE Credit(s) classes might be offered
 - c. <https://www.alsc-law.org/legal-clinics/>

3. NARPM (National Association of Residential Property Managers)
 - a. Certificates Offered
 - b. (<https://www.narpm.org/>)
4. 211 (<http://211.org/>)
 - a. A United Way Program that provides a public phone number to connect public to resources for available housing funds and training resources for Tenants/Landlords/HOA in local communities.
5. Weidner Property Management at University of Alaska Anchorage
 - a. Provides formal education with emphasis in Property Management
 - b. May have classes that are Alaska CE Credit(s) classes might be offered to Public and Student in the program.
 - c. (<https://business.uaa.alaska.edu/property-management/>)
6. Alaska Housing Finance Corporation
 - a. Real Estate Classes for professional(s) and included a "Landlord Class"
 - b. Alaska CE Credit(s) classes might be offered
 - c. <https://www.ahfc.us/pros> and / or call 907.330.6100
7. CAM (Community Association Management)
 - a. Association Certificate Training
 - b. Alaska CE Credit(s) classes might be offered
 - c. <https://communityassociationmanagement.com/>)
8. CAI (Community Association Institute)
 - a. Association Certification Training
 - b. Local Alaska Chapter
 - c. <https://www.caionline.org/pages/default.aspx>
9. NAR (National Apartment Association)
 - a. Certificate Training
 - b. (<https://www.naahq.org/>)
10. AREC (Alaska Real Estate Commission)
 - a. Alaskan Certified Trainers - There are trainers that now offer classes with an emphasis in property management.
 - b. <https://www.commerce.alaska.gov/cbp/ContinuingEducation/Sponsor/SearchCourse>

Real Estate Commission

Consumer information

Real Estate Trade Organizations

*Add these to the Alaska Real Estate Commission Website

1. Weidner Property Management at University of Alaska Anchorage
 - a. (<https://business.uaa.alaska.edu/property-management/>)
2. Alaska Housing Finance Corporation
 - a. <https://www.ahfc.us/pros>
3. CAM (Community Association Management)
 - a. <https://communityassociationmanagement.com/>
4. CAI (Community Association Institute)
 - a. <https://www.caionline.org/pages/default.aspx>

2020 - 2022 DCE GUIDELINE RECOMMENDATIONS

DCE TOPIC	HOURS	MUST INCLUDE AT LEAST 2 OF THE SUBJECTS AREAS:
Broker Supervision and Management-	2	<ul style="list-style-type: none"> • Definition of supervision • Broker responsibility for policies and procedures <ul style="list-style-type: none"> -Licensee relationships -Teams • Broker policy & implementation of client confidentiality • Responsibilities of Brokers with branch offices <ul style="list-style-type: none"> -Direct supervision -Advertising -Display of license certificates -Home offices • Brokers engaged in property management <ul style="list-style-type: none"> -Policies for licensee owned property -Overseeing records of transactions • Recordkeeping responsibilities • Consequences for failure to supervise • Reporting violations • Teaching professionalism
Ethics	2	<ul style="list-style-type: none"> • Business ethics as it relates to real estate • Ethics as it relates to the Alaska Real Estate • Commission Consumer Disclosure • Ethical handling of conflicts of interest • Protecting client confidentiality • Ethics models in other professions (i.e. medical) • Disclosures
Prohibited Conduct	2	<ul style="list-style-type: none"> • Receiving/paying commissions • False advertising/misrepresentation • Falsifying license applications/credentials • Misrepresentation, fraud • Failing to disclose <ul style="list-style-type: none"> -Licensee relationships -Conflicts of interest -Compensation -Property information -License status • Employment of unlicensed personnel • Violation of local, state, federal law

2020 - 2022 DCE GUIDELINE RECOMMENDATIONS

Advertising and Social Media	2	<ul style="list-style-type: none">• Advertising requirements for property<ul style="list-style-type: none">-Consumer owned<ul style="list-style-type: none">-Written authorization-Name of brokerage-Licensee owned<ul style="list-style-type: none">-Name of brokerage-License status• Advertising of home offices<ul style="list-style-type: none">Risks of social media<ul style="list-style-type: none">-Failure to comply with local, state, federal statute advertising regulations-Claims of defamation & libel-Copyright infringement-Trademark infringement-Breach of ethics (NAR COE article 12 & 15)-Discrimination-Misrepresentation• How to properly advertise on social media
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Old Business

CATEGORY OF COMPLAINTS AND DISCIPLINARY SANCTIONS

CATEGORY	TYPE OF LICENSE AFFECTED	DESCRIPTION OF ACTIVITY	AUTHORITY	DISCIPLINARY SANCTIONS
Advertisement Violations	Broker Associate Broker Salesperson	Failure to include brokerage name in any form of advertisement	AS 08.88.071; AS 08.88.401; 12 AAC 64.130(8)	<ul style="list-style-type: none"> • \$500 Fine • 3 hours of Education • Formal Reprimand • Probation
Trust Accounts	Broker Associate Broker Salesperson	All money provided to the brokerage for a real estate transaction must be deposited in or mailed to the appropriate trust account within 5 days	AS 08.88.351; 12 AAC 64.200	<ul style="list-style-type: none"> • \$2000 Fine • 6 hours of Education • Formal Reprimand • Probation
Trust Accounts	Broker	Failure to keep proper trust account ledgers	AS 08.88.351; 12 AAC 64.220	<ul style="list-style-type: none"> • \$3000 Fine • 6 Hours Education • Formal Reprimand • Probation
Trust Accounts	Broker	Prohibited trust account activity	AS 08.88.071; AS 08.88.351; 12 AAC 64.250	<ul style="list-style-type: none"> • \$5000 Fine, • 12 hours of Education • Formal Reprimand • License Suspension • Probation
Disclosure of Compensation	Broker Associate Broker Salesperson	Failure to properly disclose compensation paid to another licensee in a real estate transaction	AS 08.88.071; AS 08.88.351; AS 08.88.655; 12 AAC 64.940	<ul style="list-style-type: none"> • \$1000 Fine • 3 Hours Education • Formal Reprimand • Probation
Absence of Residential Real Property Transfer Disclosure Statement or Waiver	Broker Associate Broker Salesperson	Failure to have the form completed or a signed waiver of disclosure	AS 08.88.071; 12 AAC 64.930	<ul style="list-style-type: none"> • \$2500 Fine • 3 Hours Education • Formal Reprimand • Probation

CATEGORY	TYPE OF LICENSE AFFECTED	DESCRIPTION OF ACTIVITY	AUTHORITY	DISCIPLINARY SANCTIONS
Unlicensed Practice (Licensee & Unlicensed person):	Broker Associate Broker Salesperson	For performing activities per AS 08.88.161 and 12 AAC 64.140 without a real estate license If a person engages or offers to engage in an activity for which a license is required under AS 08.88.161 without being licensed	AS 08.88.161; 12 AAC 64.140 (broker)	<ul style="list-style-type: none"> • \$1000 fine for each incident; • Fine may be increased per incident dependent upon nature and severity of unlicensed activity <p><u>Proposed Sanctions</u> (Broker):</p> <ul style="list-style-type: none"> • \$5000 Fine • Formal Reprimand • Probation, • 12 Hours Education <p><u>Proposed Sanctions</u> (Salesperson):</p> <ul style="list-style-type: none"> • \$3500 Fine • Formal Reprimand • Probation • 3 Hours Education
Real Estate Office Violations	Broker	<ul style="list-style-type: none"> • Failure to display broker and salesperson licenses • Failure to register the office with the real estate commission • Failure to comply with proper signage requirements • Office name violation 	AS 08.88.291; AS 08.88.321; 12 AAC 64.110; 12 AAC 64.112; 12 AAC 64.115	<ul style="list-style-type: none"> • \$1500-5000 Fine • 6-9 Hours Education • Formal Reprimand • Probation
Real Estate Office Violations	Broker Associate Broker Salesperson	Operating an unauthorized branch office	AS 08.88.311; AS 08.88.321; 12 AAC 64.110; 12 AAC 64.112	<ul style="list-style-type: none"> • \$5000 Fine - Broker/AB • \$3000 Fine - Salesperson • 6 Hours Education • Formal Reprimand • Probation

CATEGORY	TYPE OF LICENSE AFFECTED	DESCRIPTION OF ACTIVITY	AUTHORITY	DISCIPLINARY SANCTIONS
Licensing	Broker Associate Broker Salesperson	<ul style="list-style-type: none"> • Failing to notify the REC before changing office address and location • Failing to notify the REC with a current mailing address, and if active, the address of the broker employing the licensee 	AS 08.88.291 (b)(c); AS 08.88.291; AS 08.88.301; AAC 64.115	<ul style="list-style-type: none"> • \$1000 Fine • 3 Hours Education
Licensing	Broker Associate Broker Salesperson	Falsification of an application	AS 08.88.401; 12 AAC 64.160	May result in license denial if new applicant; <u>Renewal application:</u> <ul style="list-style-type: none"> • \$2000 Fine • 6 Hours Education • Formal Reprimand • Probation
Listing or Management Contracts	Broker Associate Broker Salesperson	<ul style="list-style-type: none"> • Failing to keep a complete record for three years for all real estate transactions • Failure to provide upon request to any principal in a transaction an accounting for all money or other property collected or held in a transaction 	AS 08.88.351; AS 08.88.341	<ul style="list-style-type: none"> • \$3000 Fine each incident • 3 Hours Education • Formal Reprimand • Probation
Listing or Management Contracts	Broker Associate Broker Salesperson	Listing property without a RE contract	AS 08.88.351	<ul style="list-style-type: none"> • \$5000 Fine each incident • 6 Hours Education • Formal Reprimand • Probation
AREC Pamphlet	Broker Associate Broker Salesperson	Providing real estate services without first obtaining proper signatures on the AREC Pamphlet	AS 08.88.600; AS 08.88.610	<ul style="list-style-type: none"> • \$1000 Fine • 3 Hours Education • Formal Reprimand • Probation
Property Management	Broker Associate Broker Salesperson	Improper property management activity by a licensee	AS 08.88.331; AS 08.88.351; 12 AAC 64.550; 12 AAC 64.570	<ul style="list-style-type: none"> • \$1000 Fine each incident • 3 Hours Education • Formal Reprimand • Probation

CATEGORY	TYPE OF LICENSE AFFECTED	DESCRIPTION OF ACTIVITY	AUTHORITY	DISCIPLINARY SANCTIONS
Supervision	Broker Associate Broker	Supervision Violations	AS 08.88.071; 12 AAC 64.125	<ul style="list-style-type: none"> • \$5000 Fine • 12 Hours Education • Formal Reprimand • Probation
Disclosure	Broker Associate Broker Salesperson	Failure to disclose licensee status and name of the broker or brokerage to all parties in a real estate transaction	AS 08.88.071; 12 AAC 64.130 (9)	<ul style="list-style-type: none"> • \$2000 Fine • 3 Hours Education • Formal Reprimand • Probation
Submitting an offer	Broker	Failure to submit an offer	AS 08.88.071; AS 08.88.401; 12 AAC 64.130 (13)	<ul style="list-style-type: none"> • \$2500 Fine • 6 Hours Education • Formal Reprimand • Probation
Misrepresentation Fraud	Broker Associate Broker Salesperson	Usually this type of conduct is variable and not succinct	AS 08.88.600 Series	<ul style="list-style-type: none"> • Sanctions imposed include suspensions and revocations. These cases are usually litigated
Conflict of Interest	Broker Associate Broker Salesperson	Failure to disclose a conflict of interest	AS 08.88.391	<ul style="list-style-type: none"> • \$2000 Fine each incident • 3 Hours Education • Formal Reprimand • Probation
Continuing Education	Salesperson Broker	Failure to obtain continuing education	AS 08.88.171; 12 AAC 64.064	<ul style="list-style-type: none"> • \$2500 Fine • Plus an additional fine of \$50 for each continuing education credit hour lacking • 3 Hours Education • Formal Reprimand • Continuing education audit for the next two renewal periods



State of Alaska Residential Real Property Transfer Disclosure Statement

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

General Information

AS 34.70.010 requires that before the Transferee/Buyer (hereafter referred to as **Buyer**) of an interest in residential real property makes a written offer, the Transferor/Seller (hereafter referred to as **Seller**) must deliver a completed written disclosure form. This disclosure statement is in compliance with AS 34.70.010. It concerns the residential real property* located in the _____ Recording District, _____ Judicial District, State of Alaska.

Legal Description: _____

Property Address/City/Other: _____

* Residential real property means any single family dwelling, or two single family dwelling units under one roof, or any individual unit in a multi-unit structure or common interest ownership community whose primary purpose is to provide housing. AS 34.70.200(2) and (3).

AS 34.70.020 provides that if a disclosure statement or material amendment is delivered to the transferee after the transferee has made a written offer, the transferee may terminate the offer by delivering a written notice of termination to the transferor or the transferor's licensee within three days after the disclosure statement or amendment is delivered in person or within six days after the disclosure statement or amendment is delivered by deposit in the mail.

AS 34.70.040(b) provides that if an item that must be completed in the disclosure statement is unknown or is unavailable to the Seller, and if the Seller or Seller's agent has made a reasonable effort to ascertain the information, the Seller may make an approximation based on the best information available to the Seller or Seller's agent. It must be reasonable, clearly labeled as an approximation, and not used to avoid the disclosure requirements of AS 34.70.010 – AS 34.70.200.

All disclosures made in this statement are required to be made in good faith (AS 34.70.060). The Seller is required to disclose defects or other conditions in the real property or the real property interest being transferred. To comply, disclosure need not include a search of the public records, nor does it require a professional inspection of the property.

If the information supplied in this disclosure statement becomes inaccurate as a result of an act or agreement after the disclosure statement is delivered to the Buyer, the Seller is required to deliver an amendment to the disclosure statement to the Buyer. An addendum/amendment form for that purpose may be attached to this disclosure statement.

Upon delivery to a buyer, any inspection/reports generated by a purchase agreement of this property automatically becomes an addendum/amendment to the property disclosure.

Exemption for First Sale: Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Waiver by Agreement: Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing. Signing this waiver does not affect other obligations for disclosure.

Violation or Failure to Comply: A person who negligently violates or fails to perform a duty required by AS 34.70.010 - AS 34.70.200 is liable to the Buyer for actual damages suffered by the Buyer as a result of the violation or failure. If the person willfully violates or fails to perform a duty required by AS 34.70.010 -AS 34.70.200, the Seller is liable to the Buyer for up to three times the actual damages. In addition to the damages, a court may also award the Buyer costs and attorney fees to the extent allowed under the rules of court.

Seller's Initials _____ Date _____ Property Address _____ Buyer's Initials _____ Date _____

Seller's Information Regarding Property

Property Type (check one):

- Single Family Zero Lot Line/Town House Condominium Townhome/PUD
 Duplex (Including Single Family with an Apartment)
 Other (please specify) _____

Do you currently occupy the property? Yes No If Yes, how long? _____

If not a current occupant, have you ever occupied the property? Yes No If so, when? _____

Year Property Built: _____. If property was built prior to 1978, or if Seller has any knowledge of lead-based paint, Seller must complete Disclosure of Information and Acknowledgment of Lead-based Paint and/or Lead-based Paint Hazards in accordance with Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (also known as Title X) and provide Buyer with the "Protect Your Family From Lead in Your Home" pamphlet. The pamphlet can be found on the Internet at <http://www.epa.gov/lead/leadprot.htm>.

Construction Overview: Wood Frame Manufactured Modular Other: _____

Foundation: Masonry Block Poured Concrete Piling Treated Wood Other: _____

Name of original builder (if known): _____

Property Features:

Check all items that are **built-in** and will remain with the property. **Also . . .**

Circle those checked items that have known defects or malfunctions. **Also . . .**

Describe the defect or malfunction on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | |
|--|---|---|
| <input type="checkbox"/> Cooktop | <input type="checkbox"/> Wood Stove(s) # of _____ | <input type="checkbox"/> T.V. Antenna |
| <input type="checkbox"/> Oven(s) # of _____ | <input type="checkbox"/> Jetted Tub | <input type="checkbox"/> Satellite Dish |
| <input type="checkbox"/> Rods & Blinds | <input type="checkbox"/> Hot Tub <input type="checkbox"/> Cover | <input type="checkbox"/> Window Screens |
| <input type="checkbox"/> Microwave(s) # of _____ | <input type="checkbox"/> Steam Shower Room | <input type="checkbox"/> Security System |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Water Softener | <input type="checkbox"/> Smoke Detector(s) # of _____ |
| <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Water Filtering System | <input type="checkbox"/> CO Detectors # of _____ |
| <input type="checkbox"/> Garbage Disposal | <input type="checkbox"/> Greenhouse <input type="checkbox"/> Attached <input type="checkbox"/> Detached | <input type="checkbox"/> Fire Alarms |
| <input type="checkbox"/> Instant Hot Water Dispenser | <input type="checkbox"/> Ventilating System | <input type="checkbox"/> Auto Garage Door Opener(s)
of Opener(s) _____ |
| <input type="checkbox"/> Central Vacuum Installed | <input type="checkbox"/> Heating System | <input type="checkbox"/> Built-In Refrigerator |
| <input type="checkbox"/> Intercom | <input type="checkbox"/> Storage Shed(s) # of _____ | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Paddle Fan(s) # of _____ | <input type="checkbox"/> Built-In Barbecue | |

Comments: _____

Structural Components:

Check only those items that have known defects, malfunctions, or have had major repairs performed within the last five years.

Also . . . Describe the defect, malfunction, or repair on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Fences/Gates | <input type="checkbox"/> Rain Gutters | <input type="checkbox"/> Insulation | <input type="checkbox"/> Electrical Systems | <input type="checkbox"/> Electronic Air Cleaner |
| <input type="checkbox"/> Driveways | <input type="checkbox"/> Exterior Walls | <input type="checkbox"/> Woodstove(s)
of _____ | <input type="checkbox"/> Sewage Systems | <input type="checkbox"/> Heat Recovery |
| <input type="checkbox"/> Private Walkways | <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Fireplace(s)
of _____ | <input type="checkbox"/> Water Supply | <input type="checkbox"/> Ventilator System |
| <input type="checkbox"/> Retaining Walls | <input type="checkbox"/> Floors | <input type="checkbox"/> Gas Starter | <input type="checkbox"/> Garage | <input type="checkbox"/> Swimming Pool |
| <input type="checkbox"/> Foundation | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Chimneys | <input type="checkbox"/> Garage Floor Drain | <input type="checkbox"/> Mechanical |
| <input type="checkbox"/> Crawl Space | <input type="checkbox"/> Doors | <input type="checkbox"/> Plumbing Systems | <input type="checkbox"/> Carport | <input type="checkbox"/> Filtration |
| <input type="checkbox"/> Roof | <input type="checkbox"/> Windows | <input type="checkbox"/> Heating Systems | <input type="checkbox"/> Washer/Dryer Hook-ups | <input type="checkbox"/> Pool Cover |
| <input type="checkbox"/> Patio/Decking | <input type="checkbox"/> Skylights | <input type="checkbox"/> Solar Panels | <input type="checkbox"/> Humidifier | <input type="checkbox"/> Hot Water Heater |
| <input type="checkbox"/> Slabs | <input type="checkbox"/> Venting | <input type="checkbox"/> Wind Generators | <input type="checkbox"/> Air Conditioner | |

Other items not covered above? _____

Comments: _____

Seller's Initials _____ / Date _____ Property Address _____ Buyer's Initials _____ / Date _____

Documentation: Check the documents for the subject property that the seller has available for review:

- | | | |
|--|---|--|
| <input type="checkbox"/> Engineer/Property/Home Inspection Report(s) | <input type="checkbox"/> Written Agreements with Adjacent Property Owners | <input type="checkbox"/> Party Wall Agreement |
| <input type="checkbox"/> Title Information | <input type="checkbox"/> Energy Rating Certificate or PUR-101 | <input type="checkbox"/> Lease/Rental Agreement |
| <input type="checkbox"/> As-Built Survey | <input type="checkbox"/> Resale Certificate | <input type="checkbox"/> Soils Test |
| <input type="checkbox"/> Certificate of Occupancy or PUR-102 | <input type="checkbox"/> Water Rights Certificate | <input type="checkbox"/> Well Log and Water Tests |
| <input type="checkbox"/> Deed Restrictions | <input type="checkbox"/> Subdivision Covenants/Restrictions | <input type="checkbox"/> Hazardous Materials Test(s) |
| <input type="checkbox"/> Other _____ | | <input type="checkbox"/> Other _____ |

Additional Information:

Supply information for the following items:

To the best of your knowledge, has the property been inspected by an engineer/home inspector in the last 5 years?..... Yes No

➤ **Drainage:**

- ◆ Are you aware of ever having any water in the crawl space, basement, or lower level?.....
 If Yes, how has the problem been resolved?
 Sump Pump(s) Curtain Drain Rain Gutter/Extension Other _____
 When was problem resolved? _____
 Location of each sump pump: _____
- ▼ To where does the water drain after it leaves the sump pump? _____
 If gutters, where do downspouts discharge? _____
- ◆ Is there a floor drain in the structure, including garage?.....
 If Yes, where is it located and where does it drain to? _____

➤ **Roof or Other Leakage:**

- Type: Asphalt/Composition Shingle Cedar Shake Built-up Metal Other _____
 Age: _____ years. Location of attic access? _____
- ◆ Are you aware of any ice damming on the roof?
 If Yes, provide location. _____
 - ◆ Are you aware of any water leaking into the home? i.e., windows, lights, fireplace, etc.
 If Yes, provide location. _____

➤ **Fireplace and/or Woodstove:** Date chimney(s) last cleaned? _____ Who cleaned? _____

➤ **Heating System(s):**

Mark all types that apply: Hot Water Baseboard Forced Air Radiant Heat Electrical Heat
 Wood Stove Other _____

Age: _____ years. Last Cleaned: _____ Last Inspected: _____

Source: Natural Gas Electric Propane Tank leased or owned? _____ Wood Coal
 Oil with _____ gallon storage which is Buried Above Ground Other _____

Age of Tank? _____ years.

➤ **Hot Water Heater:**

Age: _____ years. Capacity: _____ gallons. Type: Gas Electric Other _____

➤ **Water Supply:**

Type: Public Private Community Cistern/Water Tank If Cistern/Water Tank: _____ Size
 Other _____

If Private: Well Depth: _____ feet. Flow Rate: _____ gallons per minute. Date Tested: _____.

- ◆ Have you had any problems with your water supply?.....
- ◆ Has the water supply been tested in the past 12 months?.....
 If Yes, attach all documentation from all tests.
- ◆ Are you aware of any contaminants in your water supply, to include but not limited to E-coli, nitrates, heavy metals, arsenic or other contaminants?
- ◆ Has the well failed while you have owned the property?.....
- ◆ Have you ever had a well pump problem or failure?.....
- ◆ Do you supply water to, or receive water from others?.....
 If Yes, is there a recorded agreement?.....
- ▼ Do you have a water rights certificate for this property?.....

Seller's Initials _____ / _____ Date _____ Property Address _____ Buyer's Initials _____ / _____ Date _____

Additional Information (Continued):

➤ **Sewer System:** Yes No

Type: Public Private Community Other _____

◆ Does your sewer system have a lift station/lift pump?

If Private: Septic Tank Holding Tank Other: _____

Drainfield System: Bed Trench Mound Pit Crib Other _____

Innovative Sewer System: Intermittent Sand Filter Biocycle Recirculating Upflow Filter
 Secondary sewer treatment plant Other _____

◆ Has the sewer system failed while you owned the property?

If Yes, explain: _____

Age of sewer system: _____ Location: _____

◆ Have you had any work maintenance or inspections done on the sewer system during your ownership?

If Yes, explain: _____

Approval/Certification source (and date if known): _____

◆ Are you aware of any abandoned sewer systems, leachfields, cribs, etc. on the property?

➤ **Freeze-ups:**

◆ Have you had any frozen water lines, sewer lines, drains, or heating systems?

If yes, please explain. _____

◆ Are there any heat tapes, heat lamps, or other freeze prevention devices?

Location, and explain use. _____

➤ **Average Annual Utility Costs:**

Gas	\$ _____	Company/Source: _____
Electric	\$ _____	Company/Source: _____
Oil	\$ _____/Gallons: _____	Company/Source: _____
Propane	\$ _____	Company/Source: _____
Wood	\$ _____	Company/Source: _____
Coal	\$ _____	Company/Source: _____
Water	\$ _____	Company/Source: _____
Sewer	\$ _____	Company/Source: _____
Refuse	\$ _____	Company/Source: _____
Other	\$ _____	Company/Source: _____

To the best of your knowledge, are you aware of any of the following conditions with respect to the subject property? If answer is "Yes," indicate the relevant item number and explain the condition on the Addendum/Amendment(s) to the Disclosure Statement.

➤ **Title:** Yes No

1. Do you know of any existing, pending, or potential legal action(s) concerning the property?

2. Do you know of any street or utility improvements planned that will affect the property?

3. Road maintenance provided by? _____

4. Is the property currently rented or leased?

If Yes, expiration date: _____/_____/_____

5. Is there a homeowner's association (HOA) for the property?

If Yes, HOA name: _____ HOA Telephone: _____

Mandatory Voluntary Inactive Monthly Dues Amount: \$ _____ per _____

Are there any levied or pending assessments?

Who is responsible for issuing the resale certificate?
Name: _____ Telephone: _____

➤ **Setbacks/Restrictions:**

6. Have you been notified of any proposed zoning changes for the property?

7. Are you aware of features of the property shared in common with adjoining property owners, such as walls, fences, and driveways, whose use or responsibility for maintenance may affect the property?

8. Are there subdivision conditions, covenants, or restrictions?

9. Are you aware of any violations of building codes, zoning, setback requirements, subdivision covenants, borough, or city restrictions on this property?

10. Are you aware of any nonconforming uses of this property?

Seller's Initials _____ Date _____ Property Address _____ Buyer's Initials _____ Date _____

Additional Information (Continued):

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| 11. Are you aware of any deed, or other private restrictions on the use of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are you aware of any variances being applied for, or granted, on this property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Are you aware of any easements on the property? | <input type="checkbox"/> | <input type="checkbox"/> |

➤ **Encroachments:**

- | | | |
|---|--------------------------|--------------------------|
| 14. Does anything on your property encroach (extend) onto your neighbor's property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does anything on your neighbor's property encroach onto your property? | <input type="checkbox"/> | <input type="checkbox"/> |

➤ **Environmental Concerns:**

- | | | |
|---|--------------------------|--------------------------|
| 16. Are you aware of any substances, materials, or products that may be an environmental hazard such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, contaminated soil, water or by-products from the production of methamphetamines on the subject property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 16a. Are you aware of any mildew or mold issues affecting this property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Are you aware of any underground storage tanks on this property, other than previously referenced fuel or septic tanks? Number of tanks: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Are you aware if the property is in an avalanche zone/mudslide area?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Are you aware if the property has flooded? | <input type="checkbox"/> | <input type="checkbox"/> |
| Flood zone designation: _____ | | |
| 20. Are you aware of any erosion/erosion zone or accretion affecting this property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Are you aware of any damage to the property or any of the structures from flood, landslide, avalanche, high winds, fire, earthquake, or other natural causes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Have you ever filed an insurance claim for any environmental damage to the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Are you aware of a waste disposal site or a gravel pit within a one-mile radius of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |

➤ **Soil Stability:**

- | | | |
|--|--------------------------|--------------------------|
| 24. Are you aware of any debris burial or filling on any portion of the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. Are you aware of any permafrost or other soil problems which have caused settling, slippage, sliding, or heaving that affect the improvements of the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Are you aware of any drainage, or grading problems that affect this property?..... | <input type="checkbox"/> | <input type="checkbox"/> |

➤ **Construction, Improvements/Remodel:**

- | | | |
|---|--------------------------|--------------------------|
| 27. Have you remodeled, made any room additions, structural modifications, or improvements? | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, please describe. Was the work performed with necessary permits in compliance with building codes? | | |
| Was a final inspection performed, if applicable?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. Has a fire ever occurred in the structure?..... | <input type="checkbox"/> | <input type="checkbox"/> |

➤ **Pest Control or Wood Destroying Organisms:**

- | | | |
|---|--------------------------|--------------------------|
| 29. Are you aware of any termites, ants, insects, squirrels, vermin, rodents, etc. in the structure? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, what type? _____ | | |
| b. If Yes, where? _____ | | |
| 30. Has there been damage in the past resulting from termites, ants, insects, squirrels, rodents, etc. in the structure?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, when? _____ | | |
| b. If Yes, what type? _____ | | |
| c. If Yes, where? _____ | | |
| d. If Yes, describe what was done to resolve the problem: _____ | | |

➤ **Other:**

- | | | |
|---|--------------------------|--------------------------|
| 31. Are you aware of any murder or suicide having occurred on the property within the preceding 3 years?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. Are you aware of any human burial sites on the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |

Additional Information (Continued):

Yes No

33. Noise

a. Are you aware of any noise sources that may affect the property, including airplanes, trains, dogs, traffic, race tracks, neighbors, etc?

b. If Yes, explain: _____

34. Pets

a. Have there been any pets/animals in the house?

b. If Yes, what kind? _____

I / We have completed this disclosure statement according to AS 34.70.010 - AS 34.70.200 and these instructions, and the statements are made in good faith and are true and correct to the best of my/our knowledge as of the date signed. I/We authorize any licensees involved or participating in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated transfer of the property or interest in the property.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer's Notice and Receipt of Copy

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

The Buyer is urged to inspect the property carefully and to have the property inspected by an expert. Buyer understands that there are aspects of the property of which the Seller may not have knowledge and that this disclosure statement does not encompass those aspects. Buyer also acknowledges that he/she has read and received a signed copy of this statement from the Seller or any licensee involved or participating in this transaction.

Buyer: _____

Date: _____

Buyer: _____

Date: _____

_____/_____/_____
Seller's Initials Date

Property Address

_____/_____/_____
Buyer's Initials Date



State of Alaska Residential Real Property Transfer Disclosure Statement

Exemption For First Sale

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

Legal Description: _____

Property Address/City: _____

Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Buyer may wish to obtain inspections of the property and seek other professional advice.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.



I certify that this is the first transfer of an interest in the property identified above and that the property has not been occupied before this transfer of interest.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

Seller's Initials _____ / Date _____

Property Address _____

Buyer's Initials _____ / Date _____



State of Alaska Residential Real Property Transfer Disclosure Statement

Waiver By Agreement

AS 34.70.110

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

Legal Description: _____

Property Address/City: _____

Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing.

Parties may wish to obtain professional advice and/or inspection of the property.

It is recommended that the buyer read the complete State of Alaska Residential Real Property Transfer Disclosure Statement.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: www.dps.state.ak.us.



Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.



By law, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Transferor (Seller) and the Transferee (Buyer) agree in writing. If both parties agree to waive the requirement to complete this disclosure statement, please sign below.

Signing this waiver does not affect other obligations for disclosure.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

_____/_____/_____
Seller's Initials Date Property Address Buyer's Initials Date

New Business

Proposed Regulation Change

Alaska Real Estate Commission

Regulation: 12 AAC 64.440(f)

New:

Repealed:

Proposed Date: 3/25/2020

Revised:

Readopted:

I. Current Language

(f) An instructor approval expires on April 1 of years ending in 0 and 5. An initial instructor approval issued under (b) of this section from January 1 through March 31 of a year ending in 0 or 5 will expire on April 1 of the next year that ends in a 0 or 5. An applicant for renewal of an instructor approval must submit to the department

- (1) a completed application for renewal on a form provided by the department
- (2) the instructor approval recertification fee specified in 12 AAC 02.360; and
- (3) evidence of completion during the biennial licensing period for real estate licensee's immediately preceding the date of application, or the current biennial licensing period if in progress at the date of application, of
 - (A) at least two hours of continuing education in each topic area for which the instructor is applying for recertification;
 - (B) teaching a course in the topic area for which the instructor is applying for recertification; or
 - (C) practical experience in the topic

II. Proposed Language

(f) An instructor approval expires on April 1 of years ending in 0 and 5. An initial instructor approval issued under (b) of this section from January 1 through **April 1** of a year ending in 0 or 5 will expire on April 1 of the next year that ends in a 0 or 5. An applicant for renewal of an instructor approval must submit to the department

- (1) a completed application for renewal on a form provided by the department
- (2) the instructor approval recertification fee specified in 12 AAC 02.360; and
- (3) evidence of completion during the biennial licensing period for real estate licensee's immediately preceding the date of application, or the current biennial licensing period if in progress at the date of application, of
 - (A) at least two hours of continuing education in each topic area for which the instructor is applying for recertification;
 - (B) teaching a course in the topic area for which the instructor is applying for recertification; or
 - (C) practical experience in the topic

III. Justification AS 08.88.061, 08.88.091, 08.88.095, 08.88.081

Motion Date: _____

Forward to Regulation Specialist: _____

Public Comment Opens: _____

Revisions: _____

Public Comment Closes: _____

Adoption Date: _____

To Regulation Specialist: _____

To Department of Law: _____

To Lt. Governor: _____

Effective Date: _____

Discussion on meeting format of future in-person meetings

Division Update

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Real Estate Commission	FY 14	FY 15	Biennium	FY 16	FY 17	Biennium	FY 18	FY 19	Biennium	FY 20 1st & 2nd QTR
	Revenue									
Revenue from License Fees	\$ 1,139,844	\$ 322,870	\$ 1,462,714	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 198,486
Allowable Third Party Reimbursements	-	-	-	-	-	-	-	-	-	\$ -
TOTAL REVENUE	\$ 1,139,844	\$ 322,870	\$ 1,462,714	\$ 1,086,258	\$ 297,161	\$ 1,383,419	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 198,486
Expenditures										
Non Investigation Expenditures										
1000 - Personal Services	179,769	121,773	301,543	137,073	118,908	255,981	115,076	120,856	235,932	52,146
2000 - Travel	12,096	13,013	25,109	12,781	6,803	19,584	15,632	5,036	20,668	2,965
3000 - Services	24,221	20,404	44,624	26,599	14,085	40,684	13,683	9,813	23,496	8,540
4000 - Commodities	925	600	1,525	1,229	34	1,263	649	-	649	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	217,011	155,790	372,801	177,682	139,830	317,512	145,040	135,705	280,745	63,651
Investigation Expenditures										
1000-Personal Services	118,045	94,399	212,443	91,700	90,606	182,306	51,422	83,598	135,020	40,976
2000 - Travel										1,299
3023 - Expert Witness	4,651	2,400	7,051	-	4,922	4,922	-	-	-	-
3088 - Inter-Agency Legal	59,300	57,113	116,413	43,639	45,154	88,793	646	530	1,176	1,692
3094 - Inter-Agency Hearing/Mediation	6,956	18,825	25,781	6,929	19,603	26,532	-	3,689	3,689	-
3000 - Services other								958	958	696
4000 - Commodities										-
Total Investigation Expenditures	188,951	172,737	361,688	142,268	160,285	302,553	52,068	88,775	140,843	44,663
Total Direct Expenditures	405,962	328,527	734,489	319,950	300,115	620,065	197,108	224,480	421,588	108,314
Indirect Expenditures										
Internal Administrative Costs	85,845	61,048	146,893	95,730	87,001	182,731	108,746	110,362	219,108	55,181
Departmental Costs	55,495	68,943	124,438	54,735	58,811	113,546	53,154	57,353	110,507	28,677
Statewide Costs	38,787	39,391	78,178	20,226	23,348	43,574	18,608	20,811	39,419	10,406
Total Indirect Expenditures	180,127	169,382	349,509	170,691	169,160	339,851	180,508	188,526	369,034	94,264
TOTAL EXPENDITURES	\$ 586,089	\$ 497,909	\$ 1,083,998	\$ 490,641	\$ 469,275	\$ 959,916	\$ 377,616	\$ 413,006	\$ 790,622	\$ 202,578
Cumulative Surplus (Deficit)										
Beginning Cumulative Surplus (Deficit)	\$ (278,770)	\$ 274,985		\$ 99,946	\$ 695,563		\$ 523,449	\$ 912,708		\$ 782,155
Annual Increase/(Decrease)	553,755	(175,039)		595,617	(172,114)		389,259	(130,553)		(4,092)
Ending Cumulative Surplus (Deficit)	\$ 274,985	\$ 99,946		\$ 695,563	\$ 523,449		\$ 912,708	\$ 782,155		\$ 778,063
										*
Statistical Information										
Number of Licensees	2,761	3,001		3,066	3,558		4,129	4,041		-

Additional information:

- Fee analysis required if the cumulative is less than zero; fee analysis recommended when the cumulative is less than current year expenditures; no fee increases needed if cumulative is over the current year expenses *
- Most recent fee change: Fee reduction FY20
- Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and program changes per AS 08.01.065.

Appropriation	(All)
AL Sub Unit	(All)
PL Task Code	REC1

Sum of Expenditures Object Name (Ex)	Object Type Name (Ex)			Grand Total
	1000 - Personal Services	2000 - Travel	3000 - Services	
1011 - Regular Compensation	50,911.59			50,911.59
1014 - Overtime	131.25			131.25
1021 - Allowances to Employees	2.46			2.46
1023 - Leave Taken	7,533.92			7,533.92
1028 - Alaska Supplemental Benefit	3,598.03			3,598.03
1029 - Public Employee's Retirement System Defined Benefits	5,938.96			5,938.96
1030 - Public Employee's Retirement System Defined Contribution	1,661.24			1,661.24
1034 - Public Employee's Retirement System Defined Cont Health Reim	1,050.99			1,050.99
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	416.68			416.68
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	3,825.79			3,825.79
1039 - Unemployment Insurance	182.11			182.11
1040 - Group Health Insurance	13,977.82			13,977.82
1041 - Basic Life and Travel	20.23			20.23
1042 - Worker's Compensation Insurance	521.39			521.39
1047 - Leave Cash In Employer Charge	1,322.28			1,322.28
1048 - Terminal Leave Employer Charge	743.74			743.74
1053 - Medicare Tax	798.22			798.22
1077 - ASEA Legal Trust	66.32			66.32
1079 - ASEA Injury Leave Usage	4.76			4.76
1080 - SU Legal Trst	26.37			26.37
1970 - Personal Services Transfer	387.73			387.73
2005 - In-State Non-Employee Airfare			355.83	355.83
2009 - In-State Non-Employee Taxable Per Diem			212.00	212.00
2010 - In-State Non-Employee Non-Taxable Reimbursement			503.08	503.08
2012 - Out-State Employee Airfare			754.23	754.23
2013 - Out-State Employee Surface Transportation			201.58	201.58
2014 - Out-State Employee Lodging			1,673.15	1,673.15
2015 - Out-State Employee Meals and Incidentals			564.50	564.50
3000 - Training/Conferences			1,110.00	1,110.00
3002 - Memberships			780.00	780.00
3044 - Courier			37.73	37.73
3045 - Postage			247.95	247.95
3046 - Advertising			2,308.68	2,308.68
3057 - Structure, Infrastructure and Land - Rentals/Leases			264.19	264.19
3069 - Commission Sales			42.00	42.00
3085 - Inter-Agency Mail			2,281.60	2,281.60
3088 - Inter-Agency Legal			2,706.56	2,706.56
3094 - Inter-Agency Hearing/Mediation			1,150.10	1,150.10
Grand Total	93,121.88	4,264.37	10,928.81	108,315.06

FY 2019 CBPL COST ALLOCATIONS

Name	Task Code	Direct Revenues	3rd Party Reimbursement	Total Revenues	Direct Expense	\$ based on % of licensee. Investigations, Div Admin, PL Admin	Division receiving personal services by transaction %:	Department Personal Services - Fiscal Revenue by transaction %	Indirect Expense (Total Non-PCN Allocated)	Percentage of direct personal services:	Total Indirect Expenses	Total Expenses	2019 Annual Surplus (Deficit)
Acupuncture	ACU1	\$ 39,220	\$ -	\$ 39,220	\$ 9,421	\$ 3,211	\$ 372	\$ 728	\$ 4,311	3,130	\$ 7,441	\$ 16,862	\$ 22,358
Architects, Engineer	AEL1	\$ 161,305	\$ 10,892	\$ 172,197	\$ 409,158	\$ 173,072	\$ 11,462	\$ 1,352	\$ 185,886	120,476	\$ 306,362	\$ 715,520	\$ (543,323)
Athletic Trainers	ATH1	\$ 5,005	\$ -	\$ 5,005	\$ 2,348	\$ 1,062	\$ 135	\$ 39	\$ 1,236	860	\$ 2,096	\$ 4,444	\$ 561
Audiology/Speech Pathologists	AUD1	\$ 168,637	\$ -	\$ 168,637	\$ 28,180	\$ 20,728	\$ 4,170	\$ 1,430	\$ 26,328	10,326	\$ 36,654	\$ 64,834	\$ 103,803
Barbers & Hairdressers	BAH1	\$ 439,932	\$ -	\$ 439,932	\$ 389,605	\$ 160,158	\$ 20,975	\$ 3,030	\$ 184,163	124,454	\$ 308,617	\$ 698,222	\$ (258,290)
Behavior Analysts	BEV1	\$ 15,950	\$ -	\$ 15,950	\$ 5,420	\$ 1,464	\$ 327	\$ 650	\$ 2,441	1,804	\$ 4,245	\$ 9,665	\$ 6,285
Chiropractors	CHI1	\$ 211,760	\$ -	\$ 211,760	\$ 77,361	\$ 8,523	\$ 2,784	\$ 1,430	\$ 12,737	24,832	\$ 37,569	\$ 114,930	\$ 96,830
Collection Agencies	COA1	\$ 39,272	\$ -	\$ 39,272	\$ 37,387	\$ 17,022	\$ 2,175	\$ 377	\$ 19,574	12,740	\$ 32,314	\$ 69,701	\$ (30,429)
Concert Promoters	CPR1	\$ 6,625	\$ -	\$ 6,625	\$ 3,948	\$ 661	\$ 203	\$ 52	\$ 916	1,501	\$ 2,417	\$ 6,365	\$ 260
Construction Contractors	CON1	\$ 1,390,292	\$ -	\$ 1,390,292	\$ 551,487	\$ 202,889	\$ 25,246	\$ 4,395	\$ 232,530	108,468	\$ 340,998	\$ 892,485	\$ 497,807
Home Inspectors	HIN1	\$ 5,475	\$ -	\$ 5,475	\$ 8,833	\$ 2,219	\$ 270	\$ 78	\$ 2,567	3,315	\$ 5,882	\$ 14,715	\$ (9,240)
Dental	DEN1	\$ 636,660	\$ 127	\$ 636,787	\$ 332,050	\$ 126,304	\$ 9,028	\$ 2,536	\$ 137,868	88,204	\$ 226,072	\$ 558,122	\$ 78,665
Dietitians/Nutritionists	DTN1	\$ 14,055	\$ -	\$ 14,055	\$ 8,067	\$ 6,988	\$ 1,409	\$ 234	\$ 8,631	2,797	\$ 11,428	\$ 19,495	\$ (5,440)
Direct Entry Midwife	MID1	\$ 135,595	\$ -	\$ 135,595	\$ 16,102	\$ 1,298	\$ 192	\$ 364	\$ 1,854	4,202	\$ 6,056	\$ 22,158	\$ 113,437
Dispensing Opticians	DOP1	\$ 32,558	\$ -	\$ 32,558	\$ 19,010	\$ 2,809	\$ 721	\$ 598	\$ 4,128	7,058	\$ 11,186	\$ 30,196	\$ 2,362
Electrical Administrator	EAD1	\$ 16,781	\$ -	\$ 16,781	\$ 60,352	\$ 22,546	\$ 2,074	\$ 520	\$ 25,140	12,325	\$ 37,465	\$ 97,817	\$ (81,036)
Euthanasia Services	EUT1	\$ 275	\$ -	\$ 275	\$ 813	\$ 331	\$ 23	\$ 78	\$ 432	323	\$ 755	\$ 1,568	\$ (1,293)
Geologists	GEO1	\$ 745	\$ -	\$ 745	\$ 777	\$ 189	\$ 158	\$ 13	\$ 360	273	\$ 633	\$ 1,410	\$ (665)
Guardians/Conservators	GCO1	\$ 8,934	\$ -	\$ 8,934	\$ 6,864	\$ 331	\$ 56	\$ 104	\$ 491	2,357	\$ 2,848	\$ 9,712	\$ (778)
Guide-Outfitters	GUI1	\$ 405,090	\$ -	\$ 405,090	\$ 511,497	\$ 34,633	\$ 12,803	\$ 1,508	\$ 48,944	88,129	\$ 137,073	\$ 648,570	\$ (243,480)
Marine Pilots	MAR1	\$ 128,600	\$ -	\$ 128,600	\$ 102,224	\$ 3,116	\$ 665	\$ 715	\$ 4,496	32,628	\$ 37,124	\$ 139,348	\$ (10,748)
Foreign Pleasure Craft	FPC1	\$ 77,850	\$ -	\$ 77,850	\$ 6,838	\$ -	\$ 237	\$ 156	\$ 393	2,756	\$ 3,149	\$ 9,987	\$ 67,863
Marital & Family Therapy	MFT1	\$ 84,050	\$ -	\$ 84,050	\$ 45,031	\$ 2,408	\$ 383	\$ 520	\$ 3,311	14,422	\$ 17,733	\$ 62,764	\$ 21,286
Massage Therapists	MAS1	\$ 89,770	\$ 1,791	\$ 91,561	\$ 222,447	\$ 30,148	\$ 3,843	\$ 923	\$ 34,914	57,091	\$ 92,005	\$ 314,452	\$ (222,891)
Mechanical Administrator	MEC1	\$ 12,615	\$ -	\$ 12,615	\$ 57,411	\$ 13,811	\$ 1,127	\$ 182	\$ 15,120	9,417	\$ 24,537	\$ 81,948	\$ (69,333)
Medical	MED1	\$ 2,380,618	\$ 184	\$ 2,380,802	\$ 825,304	\$ 198,805	\$ 34,668	\$ 5,136	\$ 238,609	265,208	\$ 503,817	\$ 1,329,121	\$ 1,051,681
Mortuary Science	MOR1	\$ 32,038	\$ -	\$ 32,038	\$ 9,921	\$ 3,565	\$ 169	\$ 351	\$ 4,085	3,529	\$ 7,614	\$ 17,535	\$ 14,503
Naturopaths	NAT1	\$ 4,690	\$ -	\$ 4,690	\$ 8,078	\$ 1,086	\$ 56	\$ 52	\$ 1,194	2,656	\$ 3,850	\$ 11,928	\$ (7,238)
Nurse Aides	NUA1	\$ 242,905	\$ -	\$ 242,905	\$ 232,562	\$ 84,281	\$ 11,857	\$ 794	\$ 96,932	46,226	\$ 143,158	\$ 375,720	\$ (132,815)
Nursing	NUR1	\$ 3,775,420	\$ 731	\$ 3,776,151	\$ 1,347,133	\$ 485,288	\$ 62,507	\$ 8,039	\$ 555,834	394,187	\$ 950,021	\$ 2,297,152	\$ 1,478,999
Nursing Home Administrators	NHA1	\$ 14,105	\$ 389	\$ 14,494	\$ 10,193	\$ 1,393	\$ 338	\$ 377	\$ 2,108	3,096	\$ 5,204	\$ 15,397	\$ (903)
Optometry	OPT1	\$ 131,350	\$ -	\$ 131,350	\$ 52,920	\$ 6,115	\$ 575	\$ 819	\$ 7,509	14,494	\$ 22,003	\$ 74,923	\$ 56,427
Pawnbrokers	PAW1	\$ 1,275	\$ -	\$ 1,275	\$ 1,670	\$ 614	\$ 23	\$ 13	\$ 650	488	\$ 1,138	\$ 2,808	\$ (1,533)
Pharmacy	PHA1	\$ 213,770	\$ 962	\$ 214,732	\$ 304,310	\$ 146,442	\$ 16,196	\$ 2,041	\$ 164,679	98,892	\$ 263,571	\$ 567,881	\$ (353,149)
Physical/Occupational Therapy	PHY1	\$ 125,615	\$ 724	\$ 126,339	\$ 136,965	\$ 49,341	\$ 8,611	\$ 1,612	\$ 59,564	47,892	\$ 107,456	\$ 244,421	\$ (118,082)
Prescription Drug Monitoring Program	PDMP	\$ 90,765	\$ -	\$ 90,765	\$ 6,053	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 6,053	\$ 84,712
Professional Counselors	PCO1	\$ 77,200	\$ -	\$ 77,200	\$ 126,737	\$ 18,391	\$ 2,930	\$ 845	\$ 22,166	46,054	\$ 68,220	\$ 194,957	\$ (117,757)
Psychology	PSY1	\$ 141,845	\$ 1,696	\$ 143,541	\$ 98,689	\$ 7,319	\$ 1,533	\$ 923	\$ 9,775	30,578	\$ 40,353	\$ 139,042	\$ 4,499
Public Accountancy	CPA1	\$ 155,871	\$ 2,241	\$ 158,112	\$ 248,291	\$ 40,346	\$ 3,370	\$ 468	\$ 44,184	83,935	\$ 128,119	\$ 376,410	\$ (218,298)
Real Estate	REC1	\$ 282,453	\$ -	\$ 282,453	\$ 224,480	\$ 95,401	\$ 16,331	\$ 767	\$ 112,499	76,027	\$ 188,526	\$ 413,006	\$ (130,553)
Real Estate Appraisers	APR1	\$ 190,565	\$ 4,314	\$ 194,879	\$ 134,408	\$ 7,035	\$ 2,198	\$ 1,014	\$ 10,247	43,708	\$ 53,955	\$ 188,363	\$ 6,516
Social Workers	CSW1	\$ 65,878	\$ 506	\$ 66,384	\$ 108,430	\$ 22,829	\$ 4,001	\$ 1,274	\$ 28,104	36,653	\$ 64,757	\$ 173,187	\$ (106,803)
Storage Tank Workers	UST1	\$ 2,515	\$ -	\$ 2,515	\$ 2,463	\$ 1,487	\$ 135	\$ 65	\$ 1,687	854	\$ 2,541	\$ 5,004	\$ (2,489)
Veterinary	VET1	\$ 292,515	\$ 282	\$ 292,797	\$ 111,675	\$ 22,121	\$ 3,595	\$ 1,612	\$ 27,328	38,851	\$ 66,179	\$ 177,854	\$ 114,943
No longer existent board/commission (ie Athletic)													\$ -
Totals All Boards		\$ 12,348,444	\$ 24,839	\$ 12,373,283	\$ 6,902,913	\$ 2,027,780	\$ 269,931	\$ 48,214	\$ 2,345,925	\$ 1,967,216	\$ 4,313,141	\$ 11,216,052	\$ 1,157,231
ABL & Corporations	080801005	\$ 10,034,379	\$ -	\$ 10,034,379	\$ 1,220,779	\$ (32,041)	\$ 267,103	\$ 17,225	\$ 252,287	\$ 259,053	\$ 511,340	\$ 1,732,119	
Total CBPL		\$ 21,834,105	\$ 27,053	\$ 21,861,158	\$ 8,648,055	\$ 1,995,739	\$ 537,034	\$ 65,439	\$ 2,598,212	\$ 2,226,269	\$ 4,824,481	\$ 13,472,534	

DIVISION INDIRECT EXPENSES	Total		Prof Lic	Corp & Bus Lic
Percentage of direct personal services:				
Business Supplies	32,422		30,097	2,325
Office Equipment	168,567	**	151,911	16,657
State Vehicles	4,262		3,836	426
Storage and Archives	9,690		9,601	89
Legal Support	42,131		40,721	1,410
Central Mail Services Postage	22,442		20,198	2,244
Software Licensing and Maintenance	65,713	***	61,925	3,788
Division coding adjustment - conversion				
Division Administrative Expenses - all other	359,103		279,183	79,920
Division allocated by percentage of direct personal services:	704,331		597,471	106,859
Percentage of board licenses/total licensees:				
Division supervisors of receiving Personal Services 75%	340,179	****	316,863	23,316
Receiving Personal Services 40%	282,427	****	263,069	19,358
Investigations indirect Personal Services	332,725	*****	308,046	24,679
Division Administration Personal Services	556,905		523,065	33,840
Professional License Administration Personal Services	(94,183)		96,818	(191,001)
Division allocated by percentage of board licenses/total licensees:	1,418,053		1,507,861	(89,808)
Receiving personal services by transaction %:				
Division supervisors of receiving Personal Services 25%	113,393	****	56,995	56,398
Receiving Personal Services 60%	423,641	****	212,936	210,705
Division receiving personal services by transaction %:	537,034		269,931	267,103
Total Division Indirect Expenses	2,659,417		2,375,264	284,154
DEPARTMENT INDIRECT EXPENSES				
Percentage of direct personal services:				
Commissioner's Office	207,097		186,387	20,710
Administrative Services - Director's Office	37,928		34,135	3,793
Administrative Services - Human Resources	99,481		89,533	9,948
Administrative Services - Fiscal	83,478		75,130	8,348
Administrative Services - Budget	57,246		51,521	5,725
Administrative Services - Information Technology	277,433		249,690	27,743
Administrative Services - Information Technology - Network & Database	138,021		124,219	13,802
Administrative Services - Mail	11,961		10,765	1,196
Administrative Services - Facilities - Maintenance	10,982		9,884	1,098
Department allocated by percentage of direct personal services:	923,627		831,264	92,363
Percentage of board licenses/total licensees:				
Department administrative services support: Fiscal, IT, Procurement	577,686	*	519,919	57,767
Receiving personal services by transaction %:				
Department Personal Services - Fiscal Revenue personal services by transaction %	65,439		48,214	17,225
Total DEPARTMENT INDIRECT EXPENSES	1,566,752	****	1,399,397	167,355
STATEWIDE INDIRECT EXPENSES				
Percentage of direct personal services:				
Accounting and Payroll Systems	17,638		15,874	1,764
State Owned Building Rental (Building Leases)	355,653	*****	320,088	35,565
State OIT Server Hosting & Storage	31,071	*****	27,964	3,107
State OIT SQL	16,377	*****	14,739	1,638
State Software Licensing	3,429	*****	3,086	343
Human Resources	63,606		57,245	6,361
IT Non-Telecommunications (Core Cost)	67,597	*****	60,838	6,760
IT Telecommunications	41,163	*****	37,047	4,116
Risk Management	1,778		1,600	178
Statewide allocated by percentage of direct personal services:	598,312		538,481	59,831
FY19 TOTALS BY METHODOLOGY				
Percentage of direct personal services:				
Percentage of direct personal services:	2,226,269		1,967,216	259,053
Percentage of board licenses/total licensees:	1,995,739		2,027,780	(32,041)
Receiving personal services by transaction %:	602,473		318,145	284,328
Grand Total	4,824,481		4,313,141	511,340



MEMORANDUM

DATE: March 9, 2020
TO: Alaska Real Estate Commission
THRU: Amber Whaley, Senior Investigator 
FROM: Shyla Consalo, Investigator 
SUBJECT: Real Estate Commission Investigative Report for March 25, 2020 Meeting

The following information was compiled as an investigative report to the Commission for the period from November 19, 2019 through March 9, 2020. Including cases, complaints, and intake matters, since the last report, the Division opened **thirty-two (32)** matters and closed **twenty-five (25)** matters, a total of **thirty (30)** matters remain on-going and under active investigation or are pending litigation (*as indicated by italics*).

Matters opened by the Paralegal in Juneau, regarding continuing education audits and license action resulting from those matters are not covered in this report.

CASE#	OPENED	ALLEGED VIOLATION	PROFESSION
2016-000807	06/21/2016	<i>Fraud or Misrepresentation</i>	<i>Broker</i>
2016-000949	07/14/2016	<i>Misrepresentation</i>	<i>Broker</i>
2017-000602	05/31/2017	<i>Violation of Licensing Regulation</i>	<i>Broker</i>
2018-001085	09/21/2018	<i>Fraud or Misrepresentation</i>	<i>Salesperson</i>
2018-001122	07/30/2018	Violation of Licensing Regulation	Broker
2018-001411	12/21/2018	Violation of Licensing Regulation	Broker
2019-000209	02/22/2019	Violation of Licensing Regulation	Salesperson
2019-000210	02/22/2019	Supervision	Broker
2019-000211	02/22/2019	Unlicensed Practice or Activity	
2019-000403	04/17/2019	<i>Fraud or Misrepresentation</i>	<i>Salesperson</i>
2019-000421	04/24/2019	<i>Fraud or Misrepresentation</i>	<i>Salesperson</i>
2019-001043	09/24/2019	Advertising	Salesperson
2019-001070	09/30/2019	Fraud or Misrepresentation	Broker
2019-001263	10/30/2019	Unlicensed Practice or Activity	
2019-001288	11/13/2019	Criminal Action – No Conviction	Salesperson
2019-001404	12/12/2019	Violation of Licensing Regulation	Broker
2020-000015	01/07/2020	Fraud or Misrepresentation	Salesperson
2020-000020	01/07/2020	Trust Account	Salesperson
2020-000044	01/14/2020	Supervision	Associate Broker
2020-000048	01/15/2020	Violation of Licensing Regulation	Salesperson
2020-000077	01/23/2020	Fraud or Misrepresentation	Salesperson
2020-000078	01/23/2020	Supervision	Broker

CASE#	OPENED	ALLEGED VIOLATION	PROFESSION
2020-000110	01/28/2020	Advertising	Salesperson
2020-000118	01/29/2020	License Application Problem	Broker
2020-000132	02/03/2020	Fraud or Misrepresentation	Salesperson
2020-000139	02/04/2020	License Application Problem	Salesperson
2020-000140	02/04/2020	License Application Problem	Broker
2020-000164	02/10/2020	License Application problem	Salesperson
2020-000224	02/26/2020	Criminal Action – No Conviction	Broker
2020-000230	02/26/2020	Fraud or Misrepresentation	Broker

OPEN CASES: TOTAL = 30

*** Indicates a matter with license action before the Board for consideration at this meeting.*

INVESTIGATIVE ACTIONS CLOSED SINCE LAST MEETING:

CASE#	CLOSED	VIOLATION	CLOSURE TYPE
2019-001086	12/23/2019	Violation of Licensing Regulation	No Action – No Violation
2019-001087	12-23/2019	Supervision	No Action – No Violation
2019-001255	12/12/2019	Supervision	Incomplete Complaint
2019-001256	12/12/2019	Violation of Licensing Regulation	Incomplete Complaint
2019-001259	12/16/2019	Violation of Licensing Regulation	Incomplete Complaint
2019-001287	12/16/2019	Violation of Licensing Regulation	No Action – No Violation
2019-001290	12/16/2019	Advertising	Incomplete Complaint
2019-001300	01/13/2020	Fraud or Misrepresentation	Incomplete Complaint
2019-001327	12/16/2019	Violation of Licensing Regulation	No Action – No Violation
2019-001386	01/07/2020	Advertising	Incomplete Complaint
2019-001389	01/15/2020	Fraud or Misrepresentation	No Action – No Jurisdiction
2019-001475	01/14/2020	Violation of Licensing Regulation	No Action – No Jurisdiction
2020-000013	02/10/2020	Misrepresentation	Incomplete Complaint
2020-000022	02/10/2020	Violation of Licensing Regulation	Incomplete Complaint
2020-000023	02/10/2020	Supervision	Incomplete Complaint
2020-000025	02/10/2020	Advertising	Incomplete Complaint
2020-000069	01/22/2020	License Application Problem	Review Complete
2020-000071	01/22/2020	License Application Problem	Review Complete
2020-000082	02/26/2020	Violation of Licensing Regulation	Incomplete Complaint
2020-000102	03/03/2020	Fraud or Misrepresentation	Incomplete Complaint
2020-000129	02/03/2020	License Application Problem	Review Complete
2020-000130	02/03/2020	License Application Problem	Review Complete
2020-000131	02/03/2020	License Application Problem	Review Complete
2020-000138	02/04/2020	License Application Problem	Review Complete
2020-000141	02/04/2020	License Application Problem	Review Complete

CLOSED CASES: TOTAL = 25

END OF REPORT



PROBATION REPORT

DATE: March 4, 2020
TO: Alaska Real Estate Commission
THRU: Amber Whaley, Senior Investigator 
FROM: Ryan Gill, Investigator/Probation Monitor 
SUBJECT: Probation Report for the March 24, 2020 Commission Meeting

The following is a complete list of individuals on probation for this Commission. There are currently **four (4)** individuals being monitored on probation. Since the last probation report, **two (2)** probation cases were terminated based on a surrender of license. All individuals are in compliance with their agreements, except as noted below.

<u>NAME</u>	<u>CASE NUMBER</u>	<u>PROBATION START</u>	<u>PROBATION END</u>
Finis Shelden	2016-001317	11/08/2017	11/08/2020
Katherine Uei	2019-000368	03/27/2019	03/27/2020
*Stacy Hague	2019-000862	07/24/2019	07/24/2020
Frank Zellers	2019-000873	07/24/2019	01/24/2021

PROBATIONS TERMINATED (SURRENDER OF LICENSE)

<u>NAME</u>	<u>CASE NUMBER</u>	<u>PROBATION START</u>	<u>PROBATION END</u>
Sara Collison	2016-001418	12/05/2016	12/18/2019
Elizabeth Hairston	2018-001303	10/30/2018	12/18/2019

Special Notes:

***Stacy Hague-** License lapsed on January 31, 2020. Non-compliance letter issued February 25, 2020. As of March 3, 2020, license has still not been renewed. Failed to report change in employment status as well.

END OF REPORT

Executive Administrator's Report

LICENSING REPORT
MARCH 25, 2020

	A	B	C	D	E	F	G	H	I
1									
2									
3	New Licensees September 21, 2019 - December 31, 2019: 62				CURRENTLY		Sept	Dec	March
4	Total Number of <u>Active</u> Licensees with 1/31/2020 exp: 2531				License Returned		152	159	6
5	Total Number of Licensees with 1/31/2020 exp: *2550				Probation License		6	4	3
6					Suspended		0	0	0
7	ACTIVE: 1/31/22 exp	Sept	Dec	March					
8	Broker	418	423	393	Transfers: 156 (Oct - Dec 2019)				
9	Associate Broker	397	391	369	Not Included in the Counts:				
10	Salesperson	1957	1954	1769	PLE Completed		55	76	45
11	Total Active:	2772	2768	2531					
12					LAPSED: 1/31/20 exp date		Sept	Dec	March
13	INACTIVE: 1/31/22 exp	Sept	Dec	March	Broker		47	46	35
14	Broker	1	1	0	Associate Broker		45	45	37
15	Associate Broker	5	6	0	Salesperson		392	388	333
16	Salesperson	52	54	3	Total Lapsed:		486	481	405
17	Total Inactive:	58	61	3					
18									
19	LAPSED: NON COMPLIANCE OF PLE w/ exp date of 1/31/22				INACTIVE 1/31/20 exp date		Sept	Dec	March
20					Broker		4	3	0
21	Broker	0	0	0	Associate Broker		3	2	0
22	Associate Broker	0	0	0	Salesperson		75	17	0
23	Salesperson	12	11	7	Total Inactive:		82	22	0
24	Total:	12	11	7					
25									
26	In this reporting period	Sept	Dec	March	Upgrades -Oct thru Dec 2019				
27	Revoked	0	0	0	S - AB = 3		S - B = 2		
28	Surrendered	0	0	0	Endorsements				
29					S = 0		A = 0	B = 0	
30	*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, lapsed (PLE), and revoked, all with 1/31/2020 expiration date								

EDUCATION REPORT

March 25, 2020

(as of 03/09/2020)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	11
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	266
Designated Continuing Education (DCE)	22
Post Licensing Education (PLE)	70
	Total: 373

Instructor

Permanent	149
New instructor – Anchorage	1
Temporary Instructor	0

**Statement of Net Positions
Real Estate Recovery Funds
March 3, 2020**

	Actuals					Projected	
	For the Fiscal Year Ending June 30, 2015	For the Fiscal Year Ending June 30, 2016	For the Fiscal Year Ending June 30, 2017	For the Fiscal Year Ending June 30, 2018	For the Fiscal Year Ending June 30, 2019	For the Fiscal Year Ending June 30, 2020	For the Fiscal Year Ending June 30, 2021
ASSETS							
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 279,982	\$ 163,143
Total Assets	<u>454,264</u>	<u>465,770</u>	<u>392,207</u>	<u>394,514</u>	<u>277,675</u>	<u>279,982</u>	<u>163,143</u>
LIABILITIES							
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	5,198	11,230
Total Liabilities	<u>7,211</u>	<u>(30)</u>	<u>1,517</u>	<u>(10,691)</u>	<u>11,230</u>	<u>5,198</u>	<u>11,230</u>
FUND BALANCES							
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	274,785	151,913
Total Fund Balance	<u>447,053</u>	<u>465,800</u>	<u>390,691</u>	<u>405,205</u>	<u>266,445</u>	<u>274,785</u>	<u>151,913</u>
Total Liabilities and Fund Balances	<u>\$ 454,264</u>	<u>\$ 465,770</u>	<u>\$ 392,207</u>	<u>\$ 394,514</u>	<u>\$ 277,675</u>	<u>\$ 279,982</u>	<u>\$ 163,143</u>
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16 <u>\$ 460,017</u>	Average of 6/30/16 & 6/30/17 <u>\$ 428,988</u>	Average of 6/30/17 & 6/30/18 <u>\$ 393,361</u>	Average of 6/30/18 & 6/30/19 <u>\$ 336,095</u>	Average of 6/30/19 & 6/30/20 <u>\$ 278,829</u>	Average of 6/30/20 & 6/30/21 <u>\$ 221,563</u>

Note: Per the State Comprehensive Annual Financial Report the State "funds are reported using modified accrual accounting which measures cash and other financial assets that can be readily converted to cash".

Note: The total Liabilities is year to date
For FY21 Liabilities projected using FY19

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through March 3, 2020
and
Projected for Fiscal Years Ending June 30, 2020 and June 30, 2021

	Actuals									Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Quarter Ended 9/30/19	For the Quarter Ended 12/31/19	Report thru 3/3/20	For the Quarter Ended 6/30/20	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21
REVENUES											
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	6,840	35,800	26,780	(1)	133,550 (1)	29,465
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	1,258	1,267	1,140	(2)	4,230 (2)	9,964
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	8,098	37,067	27,920	-	137,780	39,429
EXPENDITURES											
Personal Services	113,145	112,763	115,097	134,846	126,366	26,801	4,258	164	(3)	134,846 (3)	126,366
Travel	0	-	-	-	-	-	-	-	-	-	-
Commodities	0	89	-	617	-	-	-	-	-	617	-
Services - Non-claims	732	5,085	13	10	5,000	-	321	105	-	10	5,000
Services - Claims & Associated Legal costs	0	-	-	-	24,902	-	25,300	-	-	-	24,902
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	26,801	29,879	269	-	135,473	156,268
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	(18,703)	7,187	27,651	-	2,307	(116,839)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	(18,703)	7,187	27,651	-	2,307	(116,839)
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	258,972	266,160	293,811	277,675	279,982
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	258,972	266,160	293,811	293,811	\$ 279,982	\$ 163,143

(1) For FY21, licenses and permits revenue projected to be the same as FY19.

(2) Projecting through FY20 based on FY18 rate of earnings.

For FY20, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend

(3) 100% of their time on Real Estate Recovery Fund related tasks.

Statement of Cash Flows
Real Estate Recovery Fund
March 3, 2020

	Actuals					Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 133,550	\$ 29,465
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(134,846)	(126,366)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	-	(24,902)
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(627)	(5,000)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	(1,923)	(126,803)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	4,230	9,964
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	4,230	9,964
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	2,307	(116,839)
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	279,982
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 279,982	\$ 163,143

(1) For FY21, licenses and permits revenue projected to be the same as FY19.

(2) Projecting through FY20 based on FY18 rate of earnings.

(3) For FY20, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks.

Commission Members Comments & Questions

Adjournment

Division of Corporations, Business and Professional Licensing

2020 Legislative Guidance for Professional Licensing Board & Commission Members

As a member of a professional licensing board or commission, you have considerable latitude—as well as responsibility—to recommend changes to your licensing program’s enabling statutes. Members of the public, consumers, other professionals, and your industry’s association confidently approach members of the legislature to affect the change they wish to see in your practice. Whether taking the initiative or reacting to an active bill, board members also need to be prepared to champion their cause!

THE OPEN MEETINGS ACT ALWAYS APPLIES

AS 44.62.310(h) provides detailed definitions of "governmental body," "meeting," and "public entity" that, when combined, define what constitutes a public meeting. A meeting of a decision or policy-making body occurs when more than three members or a majority of the members, whichever is less, engage collectively in discussion of a subject on which the body is authorized to act and set policy and is therefore subject to the Open Meetings Act. Under this definition, it doesn't matter where the meeting occurs, if it was prearranged, or who arranged it and could include unplanned casual or social contact in any location, including the office of a legislator or an industry gathering.

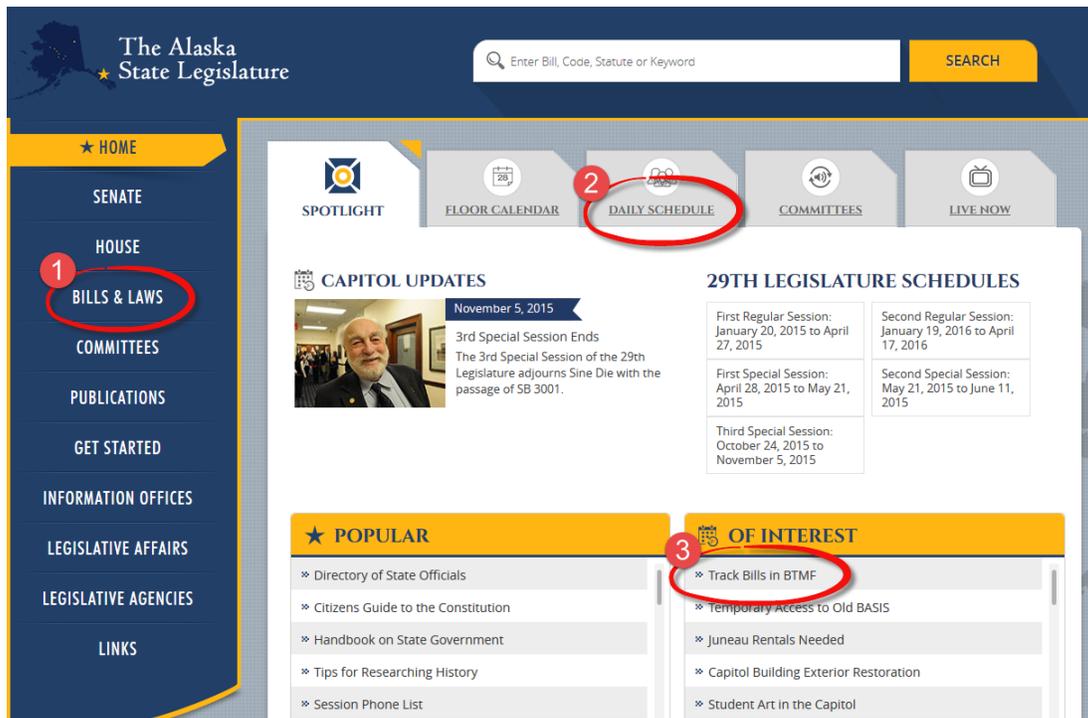
Members of boards and commissions should take care not to conduct business over email, lest the public be removed from the process. Board members should not email each other about board business; if a special meeting is needed, a member can alert staff and a meeting can be arranged and publicly noticed. Remember, all board member email correspondence is discoverable, and your board business is also the public’s business.

This information is contained in the *CBPL Guide to Excellence in Regulation*. Board members are provided a bound copy of this guidance manual; however, if you need another copy, you may download it here:
https://www.commerce.alaska.gov/web/Portals/5/pub/CBPL_Board.Commission.Guide.pdf.

BE INFORMED: IF NOT YOU, THEN WHO?

- Ahead of the legislative season, select on the record a member who will serve as the point person for legislative activity. In the absence of this person, the division will look to the chair of the board for input and interpretation. If the board is championing a piece of legislation, a history of the meeting minutes reflecting the issues and board’s perspective should be compiled by this leader and made available to board members and division management, who will be at every hearing. This research and history will be especially helpful to new board members who are appointed.
- When a bill is filed, division management will alert program staff. The examiner or executive should ensure that their board members are made aware of legislation that is filed that will affect them. With sometimes more than 50 bills to track, analyze, and testify on, division management may not be able to keep the board apprised of every late-breaking detail. Division management will periodically send updates to staff regarding legislation or request discussion with the board.
- That said, know where to find your bill using the Alaska State Legislature’s web page: akleg.gov. (See graphic below.)
 1. The **BILLS & LAWS** section on the sidebar links to a searchable list of documents. If you know the bill number, you can search using the bar at the top of the screen.
 2. The **DAILY SCHEDULE** shows all committee activity for the day you choose. It is subject to change, but it is a good starting place to see what is happening where.

- The **BTMF**—or Bill Tracking Management Facility is your best friend when trying to keep up with a bill. Take the time to set up your profile and register the bill you want to track, then you will receive email updates when its status changes or is scheduled for a hearing.



GUIDELINES FOR BOARD MEMBER TESTIMONY

- Encourage the board to become engaged: Track the bill online, participate in hearings, write a letter supporting the board’s official position, and discuss the legislation in a public meeting. It is a best practice for organizations to speak with “one voice.” Any testimony or correspondence by a board member on behalf of a board must represent deliberation and action taken on the record in a public meeting.
- Staff may not express opinions on behalf of the board or discuss legislation with elected officials without prior arrangements with division management and clearance from the Governor’s Legislative Office. If the board has published a resolution or letter regarding the legislation as a result of a vote at a public meeting, staff may provide that document to legislators per department procedures.
- Individual board members may offer their personal or professional opinions on the legislation by clarifying that while they are appointed to a board, they do not speak on behalf of the board.
- Boards must provide a member to testify telephonically (or in person, if in Juneau) at every hearing when being considered for reauthorization per AS 08.03. Without member interest and advocacy for the board or commission’s continuation, it is possible that the sponsor could withdraw the bill and the board could sunset.
- The chair or elected board spokesperson should be prepared to answer questions posed by staff or legislators, testify telephonically (or in person, if in Juneau) on bills that require subject matter expertise or upon request, and otherwise be available on short notice to engage in this process.
- Be sure to differentiate the state licensing board from the industry association. Sometimes, they share the same goals. Sometimes, they do not. Legislators must keep track of a lot of names and organizations, so be sure that you are clear that you represent the State of Alaska.

- Nervous? Don't worry! Please email or call the division director or deputy director to discuss tips or even run through some potential questions/roleplay.

LEGISLATIVE TESTIMONY CALL-IN DO'S AND DON'TS

Do remember this "off-net" system is designed to serve those who do not have any other way to testify or have a legitimate reason for using the system.

Do remember that off-net calls to the committee must be authorized prior to the meeting by the chairman. A minimum of 24 hours in advance is appreciated. Please work through the Director, Division Operations Manager, or the committee chairman's office for authorization.

Do use the streaming video available at <http://akl.tv/> to watch for your bill to come up. The chairman will announce the order of bills at the beginning of the meeting. Callers may be disconnected from the meeting if they call in prior to their bill being taken up. If video streaming is not an option for you, please contact the committee aide to make arrangements to call in early. Once the bill is before the committee, call 844-586-9085, give your name, bill number and ask to be connected to the _____ Committee.

Do Not call in before the bill you are testifying on comes before the committee.

Do remember the off net call-in lines are for testifiers only. If you wish to listen in, please use the live streaming at <http://akl.tv/>.

Do use the "mute" function of your phone until called on to testify. If this function is not available on your phone, ask the Legislative Information Office (LIO) moderator to mute your call.

Do Not use the "hold" function.

Do try to be in a quiet room without distractions or interruptions. Car noise, open windows, and barking dogs can all be heard by the legislative committee and guests at the hearing. These avoidable disturbances will detract from the credibility of your message. Please treat the important responsibility of testifying with utmost respect and professionalism.

Do remember that everything transmitted over your phone will be broadcast directly into the meeting room and recorded to become part of the permanent record.

Do remember to be in a location with good reception if using a cell phone. Disruptions coming into the meeting via the phone lines will result in all callers being disconnected from the system. This will require testifiers to call back to be reconnected. Turn off your computer or TV speakers if listening online so you do not create an audio "loop."

Do try to adhere to time limits imposed by the chairman.

Remember: There are a limited number of phone lines coming into the Capitol. These lines are also used by LIOs around the state. When all the phone lines are used up, an LIO may not be able to call in with a room full of people.