

Real Estate Commission Meeting

June 16, 2021

**Atwood Building
550 W 7th Avenue
Suite 1550
(ZOOM ONLY)**

Anchorage

Call to Order

Roll Call

Elizabeth Schok

Traci Heaton

Jaime Matthews

Jesse Sumner

Cheryl Markwood

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

June 16, 2021
Atwood Building 550 W. 7th Ave.
Suite 1550 (ZOOM ONLY)
Anchorage, AK

Email realestatecommission@alaska.gov for ZOOM information

Wednesday, June 16, 2021

Note: There will be a break for lunch from 12 until 1, if deemed necessary.

- | | | |
|-----------|---|---|
| 9:00a.m. | 1. Call to Order
a) Roll Call
b) Approval of 6/16 Agenda
c) Statements of Conflicts of Interest

2. Public Comments (est. time only; 9:15 am)

3. Meeting Minutes
a) March 17, 2021 | Markwood |
| 9:30a.m. | 4. Investigative Report
a) Probation Report
b) Statistical Report
c) Investigations Training
- Investigative Process
- Board Member Reviews (EXECUTIVE SESSION) | Hearn
Prieksat |
| 10:15a.m. | 5. Division Update
a) REC Revenues and Expenditures Report
(2021 3 rd Quarter)
b) New Board Member Training | TBD |
| 11:15a.m. | 6. Committee Reports
a) Property Management Committee
- Best Practice: Deposits, Pre-Paid Rents & Reserves
- Mission Statement & 2021 Priorities | Heaton/Taggart |
| | 7. Old Business
a) 2021 Strategic Plan Review
b) Regulation Revisions – Consider Comments/Adoption
c) AREC Property Transfer Disclosure Form Re-Write | Consalo/Markwood
Maiquis
Markwood |
| | 8. New Business
a) 2021 Annual Report | Markwood |

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9. Executive Administrator's Report

- a) Education Statistics
- b) Licensing Statistics
- c) RISC E&O Claims Report
- d) Recovery Fund Balance Report

Harris
Consalo

10. Commission Member Comments and Questions

11. Adjournment

Please report any Ethics violations to Shyla Consalo or Nancy Harris.

Next Meeting: September 15, 2021

Oral Comments & Public Comments

Approval of 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 March 17, 2021
10

11 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
12 6, a scheduled meeting of the Real Estate Commission was held March 17, 2021, at the
13 State of Alaska Atwood Building, 550 W. 7th Avenue, Suite 1550, via Zoom, Anchorage,
14 Alaska.
15

16
17 **Wednesday, March 17, 2021**

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

19 Chairperson Cheryl Markwood called the meeting to order at 9:11 a.m., at which time a
20 quorum was established.
21

22 Roll Call – 1(a)

23 Members Present via Zoom

24 Cheryl Markwood, Broker, Broker at Large, Chairperson
25 Elizabeth Schok, Associate Broker, 4th Judicial District
26 Traci Heaton, Associate Broker, 1st Judicial District
27 Jaime Matthews, Public Member, Vice Chairperson
28 Jesse Sumner, Public Member
29

30 Staff Present:

31 Shyla Consalo, Executive Administrator
32 Nancy Harris, Project Assistant
33 Sharon Walsh, CBPL Deputy Director
34

35 Staff Present via Zoom:

36 Autumn Miller, REC Investigator
37 Jared Famularo, Investigator – REC Probation Monitor
38 Marilyn Zimmerman, Paralegal
39 Cynthia Cook, Paralegal
40 Jun Maiquis, Regulation Specialist
41

42 Guests Present via Zoom:

43 Errol Champion, Broker, Coldwell Banker Race Realty, Juneau
44 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
45 Gabe Stephan, Broker, Jack White Real Estate, Anchorage
46 Traci Barickman, Broker, Re/Max Frontier, Palmer
47 Bradford Cole, Broker, Elite Real Estate Group, Wasilla
48 Debbie White, Broker, Southeast Alaska Real Estate, Juneau
49 Holly Stinson, Broker, McKinley View Real Estate, Talkeetna
50 Michael Droege, Broker, Century 21 Realty Solutions, Anchorage
51 Nicole Lawrence, Broker, Seward Properties, Seward
52 Devon Thomas, Broker, Signature Real Estate, Wasilla
53 Krystal Rogers, Associate Broker, Elite Real Estate Group, Wasilla
54 Laura McMillon, Compliance Administrator, The CE Shop
55 Maria Celli, Alaska Housing Finance Corporation

56 Travis Powell, Public Member

57

58 Approval of Agenda – 1(b)

59 Commission Members reviewed the meeting agenda.

60

61 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

62

63 **RESOLVED to approve the meeting agenda for March 17, 2021, as**
64 **amended.**

65

66 Ms. Markwood noted that agenda item 6(b) is amended in that the Commission will be
67 considering & voting on the draft Regulation Revisions to go out for public comment. She
68 also noted that agenda item 8(b) would not be provided by Ms. Walsh this meeting, due to
69 a scheduling conflict; however, staff may provide a quick overview of some items and/or
70 answers any questions Commission members may have.

71

72 **All in favor; Motion passed**

73

74 Statements of Conflicts of Interest – 1(c)

75 There were no conflicts of interests.

76

77 Commission Member Introductions – 1(d)

78 The Commission had two new Commission members appointed since the last meeting,
79 Elizabeth Schok of Fairbanks and Traci Heaton of Juneau. All Commission members took
80 a minute to introduce themselves, and provide a quick overview of their backgrounds.

81

82 Jaime Matthews stated she's the Chief Financial Officer for Copper Valley Electric, which
83 services the Glennallen area. She has two children; and she's been a public member for
84 the Commission for two years.

85

86 Jesse Sumner stated he's a local homebuilder in Wasilla; he's is on the Mat-Su Borough
87 Assembly; and he's been a public member for the Commission for two years.

88

89 Traci Heaton stated she's with Latitude 58 Real Estate Group in Juneau. Her dad was a
90 broker, so she grew up in the industry. She was licensed in the lower 48, and moved to
91 Alaska nine years ago. She received her license by endorsement, and has been doing real
92 estate in Juneau since.

93

94 Elizabeth stated she's with Somers Sotheby's International Realty in Fairbanks. She's
95 been a Realtor for 16 years – primarily residential, but she does do some commercial.
96 She's currently active with her local Board, statewide, and with NAR.

97

98 Cheryl stated she's with Markwood Realty in Fairbanks. She's celebrating her sixth year
99 as broker for her office, and she specializes in property management – specifically for
100 condo associations. She's been on the Commission for two years, and this is her first
101 meeting as the Chairperson.

102

103 Ms. Consalo made a quick announcement informing everyone that Commission member
104 Sam Goldman turned in his resignation, so he would no longer be serving on the
105 Commission. She also clarified that Chad Stigen was appointed to the other open position
106 on the Commission; however, his term would not start until June 27th, when his three years
107 of experience as a broker was met.

108

109

110 **Agenda Item 2 – Public Comments**

111 Errol Champion, Broker with Coldwell Banker Race Realty and representative for the
112 Alaska Realtors Association, gave public comment on a couple of topics. Mr. Champion
113 stated there are a couple of bills in the legislature the Commission should be aware of.
114 The first bill is Senate Bill 24 (SB24). This bill allows for nonprofit corporations to be able
115 to continue to use virtual tours and conduct business virtually if their bylaws allow for it.
116 The other two bills (companion bills) are SB86 and House Bill 15 (HB15). These bills are in
117 the Labor and Commerce Committees in the House and Senate, and they are dealing with
118 the issuing of temporary permits and licenses. It's a very broad-base bill where
119 Professional Licensing could grant almost instantaneous licenses to transferees coming
120 into the state who are licensed in another state. Mr. Champion stated Alaska Realtors
121 Association hasn't taken a position per se, but they understand there's a need for nurses
122 and perhaps hairdressers, and they should be expedited quickly. However, they still feel
123 there are a lot of professions, such as real estate and marine pilots, where local
124 knowledge and expertise must be demonstrated. Both bills have only had one hearing, but
125 the Commission should be aware there may be a bill that would require the adoption or
126 issuing of temporary licenses.

127

128 Ms. Markwood thanked Mr. Champion for bringing the information to the Commission's
129 attention and asked if there were any more public comments. No one came forward and
130 the public comment period was closed.

131

132

133 **Agenda Item 3 - Approval of Meeting Minutes**

134 December 16, 2020 Meeting Minutes – 3(a)

135

136 **On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was**

137

138 **RESOLVED to approve the December 16, 2020 meeting minutes.**

139

140 **All in favor; Motion passed.**

141

142 February 2, 2021 Meeting Minutes – 3(b)

143

144 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

145

146 **RESOLVED to approve the February 2, 2021 meeting minutes.**

147

148 **All in favor; Motion passed.**

149

150

151 **Agenda Item 4 – Investigative Report**

152 Statistical Report – 4(b)

153 Autumn Miller, REC Investigator, presented the investigation statistics for the reporting
154 period of December 1, 2020 through March 2, 2021. There are 28 open matters and 26
155 matters were closed from the last report.

156

157 Investigative Matters – 4(c)

158 CE Investigative Matters – 4(d)

159

160 **On a motion duly made by Mr. Sumner, seconded by Ms. Matthews, it was**

161

162 **RESOLVED to go into Executive Session in accordance with AS**
163 **44.62.310(c) for the purpose of discussing subjects that tend to**

164 **prejudice the reputation and character of any person.**

165

166 **All in favor; Motion passed.**

167

168 The Commission went into Executive Session at 9:28 a.m.

169

170 **On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was**

171

172 **RESOLVED to come out of Executive Session.**

173

174 The Commission came out of Executive Session at 9:57 a.m.

175

176 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

177

178 **RESOLVED to approve the Voluntary Surrender in case #2019-001288.**

179

180 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
181 **Sumner – yes, and Ms. Markwood – yes.**

182

183 **Motion passed.**

184

185 The Commission accepted the Voluntary Surrender in case #2019-001288.

186

187 **On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was**

188

189 **RESOLVED to approve the Imposition of Civil Fine in case #2020-**
190 **000118.**

191

192 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
193 **Sumner – yes, and Ms. Markwood – yes.**

194

195 **Motion passed.**

196

197 The Commission accepted the Imposition of Civil Fine in case #2020-000118.

198

199 **On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was**

200

201 **RESOLVED to amend and approve the Imposition of Civil Fine in case**
202 **#2020-000164, from \$1,000 to \$250.**

203

204 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
205 **Sumner – yes, and Ms. Markwood – yes.**

206

207 **Motion passed.**

208

209 The Commission accepted the Imposition of Civil Fine in case #2020-000164, as
210 amended.

211

212 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

213

214 **RESOLVED to approve the Voluntary Surrender in case #2020-000534.**

215

216 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
217 **Sumner – yes, and Ms. Markwood – yes.**

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Motion passed.

The Commission accepted the Voluntary Surrender in case #2020-000534.

On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was

RESOLVED to approve the Consent Agreement in case #2020-000836.

Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr. Sumner – yes, and Ms. Markwood – yes.

Motion passed.

The Commission accepted the Consent Agreement in case #2020-000836.

On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was

RESOLVED to approve the Consent Agreement in case #2020-000977.

Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr. Sumner – yes, and Ms. Markwood – yes.

Motion passed.

The Commission accepted the Consent Agreement in case #2020-000977.

Probation Report – 4(a)

Jared Famularo, REC Probation Monitor, presented the probation report to the Commission. There is 1 licensee on probation, and 1 licensee was released from probation since the last report. The licensee on probation is currently in compliance.

Break at 10:04 a.m.

Reconvene at 10:13 a.m.

Agenda Item 5 – Committee Reports

Property Management Committee – 5(a)

Ms. Taggart, Chair of the Property Management Committee, presented the Commission with a letter that outlined what the Committee accomplished in 2020, and some ideas for 2021 goals. Ms. Taggart explained that last year, the Committee made great progress on all of their goals. They only had one project remaining, which is the best practice document regarding security deposits, escrow deposits, and trust accounts. Ms. Taggart stated the Committee is asking the Commission for two things:

1. A new Committee Liaison be appointed for 2021
2. Any input on goals the Commission may have for the Committee for 2021

Ms. Taggart thanked the Commission for sending out the information via ListServ for the Alaska Housing Finance Committee's statewide rental assistance program. She stated this program helps those managing properties, as well as the public that still need relief statewide. It was passed for those funds to be available until September 30th, and currently 30,000 applications have been submitted statewide.

271 Ms. Markwood commended Ms. Taggart and the Committee on their efforts thus far, and
272 stated they've made great strides in creating multiple best practice documents available
273 for everyone in the industry to reference and share. All of the work completed by the
274 Committee has been posted to the Commission website for everyone to access.
275

276

277 **Agenda Item 6 – Old Business**

278 **AREC Property Transfer Disclosure Form Re-Write – 6(a)**

279 Ms. Markwood stated this has been a project the Commission has been working on for the
280 past year. A lot of information was gathered by previous Commission members, and the
281 project was given to her just before those Commission members' terms of service ended.
282 Ms. Markwood stated the product is currently in draft form, and will be distributed to
283 Commission members for consideration/review at the next meeting.
284

285

285 **Regulation Revisions Status Update – 6(b)**

286 Mr. Maiquis apologized for the delay in getting the draft regulations ready for public
287 comment, but the last few months he's been inundated with several high priority
288 emergency regulations projects that rendered him unavailable to complete projects that
289 were not emergency in nature.
290

291

291 Ms. Markwood thanked Mr. Maiquis for taking the time to work through the Commission's
292 regulatory revisions through this difficult time, and appreciates his time in making these
293 available for public comment. There were no additional comments or questions from the
294 Commission members on the regulation revisions.
295

296

296 **On a motion duly made by Mr. Sumner, seconded by Ms. Matthews, it was**

297

298 **RESOLVED to approve the proposed regulation draft to go out for**
299 **public comment.**

300

301 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
302 **Sumner – yes, and Ms. Markwood – yes.**

303

304 **Motion passed.**

305

306 **Disciplinary Matrix Status Update – 6(c)**

307 Ms. Consalo explained for the new Commission members what the Disciplinary Matrix is,
308 and the process that was involved in developing the document presented before them. Ms.
309 Consalo stated that both investigations and the Department of Law have reviewed the
310 Disciplinary Matrix, and have approved the document, as presented. Ms. Consalo shared
311 an email sent to her by the attorney with the Department of Law that reviewed the
312 Disciplinary Matrix. In sum, it stated there were no legal issues with the document; it
313 covered all grounds for disciplinary sanctions under the Commission's statutes and
314 regulations; it's very comprehensive, well organized, and easy to follow; the most severe
315 sanctions are clearly identified as intended to be used cautiously; and is an overall great
316 product that may want to be considered as a model for other programs developing such a
317 matrix.
318

319

319 Ms. Markwood thanked Ms. Consalo and everyone involved in developing this Disciplinary
320 Matrix, as this will prove to be very helpful as reviewing Commission members move
321 forward through investigations and disciplinary matters.
322

323

323 **On a motion duly made by Mr. Sumner, seconded by Ms. Matthews, it was**

324

325 **RESOLVED to adopt the Disciplinary Sanctions Matrix, as presented.**

326

327 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
328 **Sumner – yes, and Ms. Markwood – yes.**

329

330 **Motion passed.**

331

332 2020 AREC Strategic Plan Review – 6(d)

333 Ms. Markwood commended Commission staff for all the hard work they've done over the
334 last year in completing items from the very ambitious 2020 Strategic Plan. With that said,
335 there were a couple of projects completed that were not on the Strategic Plan that Ms.
336 Markwood wanted to recognize. First, the Disciplinary Matrix - which was a huge project
337 that will not just help Commission members in their reviews of investigative cases, but it
338 also informs both licensees and the public about what disciplinary sanctions for certain
339 violations could look like. Second, the Commission website – a lot of information on the
340 website was either outdated or non-functioning, and Ms. Consalo spent a lot of time
341 throughout the year working with the publications team in updating and fixing the website
342 to be what it is today. This has been a much needed and helpful change for the industry
343 and members of the public who visit the website for information. Ensuring the website
344 remains updated will be an ongoing need, so it should be something to consider including
345 when discussing what goals the Commission would like to have in their 2021 Strategic
346 Plan.

347

348 Ms. Markwood stated she would be going through each of the Strategic Plan's tasks to
349 help identify what tasks the Commission should be looking to carry over to 2021, and go
350 over what tasks have been completed to date. Ms. Markwood started with the first task:
351 "With agreement of the appropriate departments, upload informational videos done by
352 appropriate personnel on: 1) how to file a complaint against a licensee and its process;
353 and 2) if a complaint is filed against a license what the process is for a license.
354 Additionally, provide best practice 'white papers' on various topics as approved by the
355 Commission for placement on our website." Ms. Consalo provided a status update on this
356 task by informing the Commission she was in the script-writing stage of the presentation.
357 The slides are already done, she just needs to finish the script and record over the slides
358 once the script is done. Ms. Consalo indicated her previous goal to have something further
359 along by this meeting was a bit ambitious and unrealistic in her first year as Executive
360 Administrator. Learning the ins & outs of her role, taking on the large projects of
361 developing the Disciplinary Matrix, updating the Commission website, and working on the
362 big regulation revisions project, did not leave her any time to dedicate to this project. Ms.
363 Consalo stated her new goal is to have this project completed by next year's strategic
364 planning meeting.

365

366 Ms. Markwood moved to the second task: "Provide the Commission for consideration,
367 what they should have jurisdiction over in property management; i.e. financial
368 responsibilities of the property owner or property manager. Then, provide next steps
369 should the Commission agree to move forward with recommendations. And, provide a list
370 of property management FAQs (frequently asked questions) for both licensed property
371 managers and property owners, to be approved by the Commission then placed on our
372 website." Ms. Markwood stated this task will continue to be a work in progress, but the
373 Property Management Committee has done a great job, and has already provided several
374 valuable best practice documents that have been posted on the website.

375

376 Ms. Markwood moved to the third task: "Refine and rework current processes, to increase
377 the speed of actions to keep outside licensees and/or non-licensees from transacting
378 business for which an Alaska real estate license or broker's license is required. Then, put

379 this information on the Commission website and make sure it is easily accessible.” Ms.
380 Consalo stated she wasn’t sure what the issue was that brought this to be on the 2020
381 Strategic Plan; however, it may have been a result of a backlog investigation cases at the
382 time, where Cease & Desist orders weren’t occurring or moving at the pace they should
383 have been. Cases have since been caught up, and are moving at the appropriate pace, so
384 this item should be considered completed.

385
386 Ms. Markwood moved to the fourth task: “Define minimum standards, based on what other
387 jurisdictions have successfully implemented, for team advertising (i.e. the requirement to
388 include brokerage information, minimum size etc).” Ms. Markwood stated an advertising
389 best practice document was created & approved at the last meeting, and has been posted
390 on the Commission website for reference. There has been interest in looking at and
391 discussing possible regulation changes regarding advertising and team advertising, which
392 may be a task to consider adding to the 2021 Strategic Plan.

393
394 Ms. Markwood moved to the fifth task, which consists of five separate sub-tasks: “Assist
395 staff to clear up the following issues:

- 396 • How “inactive status” is logged/started and the McConnochie & Staff notification
397 to the affected licensee” – this will be carried over to the 2021 Strategic Plan.
- 398 • “How required education, for those who apply for license by endorsement, is
399 defined and verified” – this will be carried over to the 2021 Strategic Plan.
- 400 • “Provided a military spouse has a current license in good standing in another
401 state, streamline the process when they apply for an Alaska real estate license” –
402 this item was completed.
- 403 • “Change how the Commission receives and disseminates license history; i.e.
404 paper versus digital, or some other process” – this item was completed.
- 405 • “Define and simplify the criteria for getting or upgrading an Alaska real estate
406 license; i.e. referring to criminal history and what specifically constitutes a valid
407 reason a license will not be given/upgraded and the timing since conviction or
408 completion of sentence” – this item was placed on the 2020 Strategic Plan
409 because the Division was looking into streamlining this. This was a “keep an eye
410 on” type of task verses something the Commission needed to complete - this will
411 not be carried over to the 2021 Strategic Plan.

412
413 Ms. Markwood moved to the sixth task: “Review all regulations and propose one major
414 regulation change (clean up) which will bring regulations into the 21st century.” The
415 Commission has done its job with this task, and it is now in the hands of the Regulation
416 Specialist to put out for public comment. Mr. Maiquis’ goal is to have this project done by
417 the next meeting in hopes that the Commission can adopt the changes at that meeting.

418
419

420
421 Break at 10:50 a.m.

422 Reconvene at 11:03 a.m.

423
424

425 **Agenda Item 7 – New Business**

426 **Develop 2021 AREC Strategic Plan – 7(a)**

427 The Commission discussed issues/topics they believed need to be looked at for changes
428 and to be placed on their 2021 Strategic Plan. Ms. Matthews commented that with it being
429 a renewal year, and given the items the Commission has to carry over from 2020, it might
430 be enough to focus on for 2021, depending on what others may have to input. Ms.
431 Markwood thanked Ms. Matthews for her comment, and agreed those items will need to
432 be taken into consideration during this discussion.

433

434

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2021

GUIDING PRINCIPLE

Protect the
Consumer/Inform the Licensees

Protect the Consumer/Inform
Licensees

OBJECTIVE – how will we meet this guiding principle?

With agreement of the appropriate
departments, upload informational
videos done by appropriate
personnel on:

- How to file a complaint
against a licensee & its process
- If a complaint is filed against a
license what the process is for
a license.

Additionally, provide best practice
“white papers” on various topics as
approved by the Commission for
placement on our website.

Provide the Commission for
consideration, what they should
have jurisdiction over in property
management, i.e., financial
responsibilities of the property
owner or property manager. Then,
provide next steps should the
Commission agree to move forward
with recommendations. Provide a list
of property management FAQ’s
(Frequently Asked Questions) for
both licensed property managers &
property owners, to be approved by
the Commission then placed on our
website. To include:

- Best practices for security
deposits & earnest money
- Potential for separate
Property Management
Consumer Disclosure &
Wavier of Right to be
Represented form.
- Long-term goal to review the
Landlord Tenant Act & look at
changes in conjunction with
the real estate industry
- Review and make
recommendations to the
property management
regulations with regard to
trust account and security
deposit issues

Who will complete this task?

Commissioners, Staff & Investigator

Property Management Committee of
the Commission & Property
Management Liaison, Commissioner
Heaton

Protect the Consumer/Inform Licensees	Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include: <ul style="list-style-type: none"> • Define requirements to include brokerage information, minimum size, etc. • Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams • Review, make recommendations if necessary, and draft regulation changes 	Commissioners Schok & Heaton to provide information to staff
Inform Licensees	Assist staff to clear up the following issues: <ul style="list-style-type: none"> • How “inactive status” is logged/started & the notification to the affected licensee. • Define & Verify how required education, for those who apply for license by endorsement. • Define & Simplify the criteria for getting or upgrading a license. • Sharing of Information 	Commissioner Markwood & Staff
Protect the Consumer/Inform Licensees	Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21 st century.	Commissioners & Staff
Protect the Consumer	Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement	Commissioner Markwood
Commission Business/Inform Licensees	Review upcoming licensing renewal cycle fee adjustment, as to conform with the surety fund balance.	Commissioners & Staff
Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff

435 Election of Vice Chair & Education Liaison – 7(b)
 436 Ms. Markwood asked if there was anyone who would like to nominate a Commission
 437 member for the Vice Chair. It was clarified that a real estate license is not required to be
 438 nominated for this position. Ms. Matthews was nominated for Vice Chair. There were no
 439 further nominations.
 440

441 **On a motion duly made by Ms. Schok, seconded by Mr. Sumner, it was**

442

443 **RESOLVED that Ms. Matthews would be the Vice Chairperson for the**
444 **Commission for 2021.**

445

446 **All in favor; Motion passed.**

447

448 Ms. Markwood asked if there was anyone who would like to nominate a Commission
449 member for the Property Management Committee Liaison. Ms. Heaton was nominated for
450 Property Management Committee Liaison. There were no further nominations.

451

452 **On a motion duly made by Mr. Sumner, seconded by Ms. Matthews, it was**

453

454 **RESOLVED that Ms. Heaton would be the Property Management**
455 **Committee Liaison for 2021.**

456

457 **All in favor; Motion passed.**

458

459

460 **Agenda Item 9 – Executive Administrator’s Report**

461 **Education Statistics – 9(a)**

462 Ms. Harris presented the education report for March 17, 2021. She reported that as of
463 March 3, 2021, there were 13 pre-licensing courses; 4 broker upgrade courses; 342
464 elective courses; 53 designated courses; and 72 post-licensing courses approved, with a
465 total of 484 courses approved. Ms. Harris stated there are currently 70 approved
466 instructors.

467

468 **Train the Trainer Course Request – 9(b)**

469 Ms. Harris stated she’s been receiving a lot of feedback and requests for a Train the
470 Trainer workshop. Ms. Harris explained that, in the past, instructors were required to take
471 a Train the Trainer workshop to renew their instructor license. A number of years ago, the
472 Commission changed that, so the instructor license would be more widely available to
473 those who were interested. Currently, the requirement to obtain an instructor license is that
474 the individual must have experience teaching or training adults. There’s no set number of
475 hours, there just must be some type of experience. If an individual does not have any
476 experience teaching or training adults, they can attend a Commission approved Train the
477 Trainer workshop in lieu of the experience. Ms. Harris stated it appears a lot of individuals
478 don’t have the required experience teaching or training adults, so there have been
479 requests for the Commission to approve a Train the Trainer workshop. In order to do this,
480 a Request for Procurement (RFP) would need to go out for bid to hire an instructor to
481 teach the workshop. The workshop would be an eight-hour course that could be split into
482 two separate four-hour days, if electing to provide the workshop virtually.

483

484 **On a motion duly made by Ms. Schok, seconded by Ms. Heaton, it was**

485

486 **RESOLVED to approve a Train the Trainer workshop to be held**
487 **sometime in September/October 2021.**

488

489 **All in favor; Motion passed.**

490

491 **Licensing Statistics – 9(c)**

492 Ms. Consalo presented the licensing report for March 17, 2021. She reported that as of
493 March 3, 2021, there were 107 new licenses issued; 2,795 active licensees; 20 inactive
494 licensees; 409 lapsed licenses with 17 of those for non-compliance of PLE; 236 transfers;

495 78 licensees who completed their PLE requirements; 10 license upgrades from
496 salesperson to associate broker; 1 license upgrade from salesperson to broker; and 1
497 licensee on probation.

498
499 RISC E&O Claims Report – 9(d)

500 Ms. Consalo presented the report for RISC E&O claims for their fourth quarter (Oct - Dec).
501 Total closed claims were \$3,000, and the total open claims were \$32,002, for a total of
502 \$35,002 in claims for the fourth quarter. All of these claims were the same claims/cases
503 reported in the third quarter report; however, the loss amounts from the most recent claim
504 increased from the third quarter report.

505
506 Recovery Fund Balance Report – 9(e)

507 The Commission reviewed the Recovery Fund Balance Report as presented.
508 Ms. Consalo presented the Recovery Fund Report for the second quarter, ending
509 December 31, 2020. The Commission received a total of \$6,263 for license fees
510 processed between October and December, leaving the current total fund balance at
511 \$296,086. The projected balance for the end of the fiscal year is \$211,011 with an average
512 2-year licensing cycle fund balance of \$269,431.

513
514
515 Break for lunch at 11:56 a.m.
516 Reconvened at 1:01 p.m.

517
518
519 **Agenda Item 8 – Division Update**

520 REC Revenues and Expenditures Report – 8(a)

521 Sharon Walsh, Deputy Director of the Division of Corporations, Business, and Professional
522 Licensing, presented the Division Update.

523
524 Ms. Walsh welcomed the new Commission members and provided a brief introduction of
525 herself. Ms. Walsh presented the report for the second quarter of 2021, ending December
526 31, 2020. She stated the current revenue was \$148,670. Expenditures totals were as
527 follows: There were non-investigative expenditures of \$51,863 and investigative
528 expenditures of \$59,242, for a total of \$111,105 in direct expenditures. There were indirect
529 expenditures of \$83,590 (this includes internal administration, department, and statewide
530 costs), leaving the total expenditures at \$194,695. There was a total surplus of
531 \$1,001,037.

532
533 Ms. Walsh recommended Commission members review the information on board finances
534 in the Board Guidance Ms. Consalo provided, as it breaks down the methodology used to
535 determine the finances for each board. Ms. Walsh further explained the boards are
536 considered a receipt supported service (RSS), which means licensees carry the costs and
537 the boards have no general finds.

538
539 New Board Member Training – 8(b)

540 Ms. Walsh commented she understood the Commission wished to have some formal
541 board member training; however, it is very difficult for her or Director Sara Chambers to
542 arrange this type of training during legislative session. Ms. Walsh indicated they plan to
543 schedule a thorough board training for all Boards and Commissions sometime this
544 summer.

545
546 Ms. Markwood thanked Ms. Walsh for her report, and stated they look forward to the
547 training in the summer. Ms. Markwood then asked if Ms. Consalo or Ms. Harris could

548 provide a brief overview on ex-parte communications and the Open Meetings Act, as she
549 feels those are very important for the new members to understand.

550
551 Ms. Consalo explained that one of the most important things to remember with ex-parte
552 communication and the Open Meetings Act is that Commission business cannot be
553 discussed with three or more Commission members present, outside of a publicly noticed
554 meeting. This includes all forms of communication – email, phone, in-person, etc. If the
555 Commission Chair wanted to send a message to all Commission members regarding a
556 matter, that communication would have to be routed through Commission staff for
557 dissemination to all Commission members. If Commission members wished to discuss
558 Commission business with other Commission members, it's important to remember that
559 communication cannot occur with three or more Commission members, or it is considered
560 an official meeting. All Commission meetings must be publicly noticed at least 10 days
561 prior to the meeting. Ms. Consalo recommended Commission members review pages 24 –
562 28 of the Board Guidance packet for more detailed explanation of what you should and
563 shouldn't do with regards to ex-parte communication and the Open Meetings Act.

564
565

566 **Agenda Item 10 – Commission Member Comments & Questions**

567 Ms. Matthews thanked Ms. Markwood for stepping up for the Chair position and running
568 an efficient meeting. She thanked the staff for their continuous hard work, and Ms.
569 Consalo for her informative emails and quick communication. Ms. Matthews also
570 welcomed the new members to the Commission, and stated she looks forward to working
571 with them.

572

573 Mr. Sumner welcomed the new Commission members, and stated he looks forward to the
574 next meeting.

575

576 Ms. Schok stated it was a great first meeting, and she absorbed a lot of good information.
577 She's excited about the work the Commission has done and continues to do, and is
578 looking forward to serving.

579

580 Ms. Heaton expressed the same sentiments as Ms. Schok, and further stated this is going
581 to be a learning opportunity for her but is looking forward to the journey. She thought the
582 meeting was a great use of time, and she appreciates that it was well-prepared and
583 concise. She has a lot of information to research moving forward, but she excited and
584 looking forward to serving.

585

586 Ms. Markwood thanked everyone in attendance, and welcomed the new Commission
587 members. She thanked Ms. Taggart for continuing to step up and lead the Property
588 Management Committee. She thanked Commission staff for the wonderful job they do in
589 representing the Commission, and being so helpful to the industry. She reminded
590 Commission members to check the meeting schedule for the year, and ensure they have
591 no conflicts, as it is important all Commission members attend the meetings. If any of the
592 Commission members find they have conflicts in attending any of the meetings, please let
593 staff know as soon as possible so adjustments can be made, if necessary. She further
594 stated serving on the Commission has been a true joy for her, and she appreciates
595 everyone's hard work, dedication, and time.

596

597

598 **Agenda Item 11 – Adjournment**

599 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

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RESOLVED to adjourn.

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All in favor; Motion passed.

Meeting adjourned at 1:27 p.m.

The next meeting will be held June 16, 2021 in Anchorage.

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

Investigative Report



PROBATION REPORT

DATE: June 1, 2021
TO: Alaska Real Estate Commission
THRU: Amber Whaley, Senior Investigator
FROM: Michele Hearn, Investigator/Probation Monitor
SUBJECT: Probation Report for the June 16, 2021 Commission Meeting

The following is a complete list of individuals on probation for this Commission. There is currently **one (1)** individual being monitored on probation. Since the last probation report, **zero (0)** probation cases were terminated. All individuals are in compliance with their agreements.

<u>NAME</u>	<u>CASE NUMBER</u>	<u>PROBATION START</u>	<u>PROBATION END</u>
Carrie Parvin	2020-000644	06/17/2020	06/17/2021

END OF REPORT



MEMORANDUM

DATE: June 02, 2021
TO: Real Estate Commission
THRU: Greg Francois, Chief Investigator
FROM: Erika Prieksat, Investigator *EP*
RE: Investigative Report for the June 16, 2021 Meeting

The following information was compiled as an investigative report to the Board for the period of March 03, 2021 thru June 02, 2021; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 33

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE ASSOCIATE BROKER			
2021-000022	Violation of licensing regulation	Complaint	02/10/2021
2021-000107	Unethical conduct	Complaint	02/16/2021
2021-000231	Advertising	Complaint	03/12/2021
2021-000238	Fraud or misrepresentation	Complaint	04/05/2021
2021-000287	Violation of licensing regulation	Complaint	04/05/2021
REAL ESTATE BROKER			
2020-000535	Fraud or misrepresentation	Complaint	01/26/2021
2021-000185	Violation of licensing regulation	Complaint	03/12/2021
2021-000264	Unlicensed practice or activity	Complaint	05/13/2021

2021-000267	Violation of licensing regulation	Complaint	04/26/2021
2021-000286	Violation of licensing regulation	Complaint	04/01/2021
2016-000807	Fraud or misrepresentation	Monitor	07/01/2020
2016-000949	Fraud or misrepresentation	Monitor	07/01/2020
2017-000602	Fraud or misrepresentation	Monitor	07/01/2020
2020-000224	Criminal action - no conviction	Monitor	
2020-000078	Supervision	Investigation	06/11/2020

REAL ESTATE SALESPERSON

2021-000269	License application problem	Intake	04/06/2021
2021-000448	Violation of licensing regulation	Intake	05/26/2021
2021-000059	Unlicensed practice or activity	Complaint	02/17/2021
2021-000106	Unethical conduct	Complaint	02/16/2021
2021-000138	Unlicensed practice or activity	Complaint	02/24/2021
2021-000139	Unlicensed practice or activity	Complaint	02/24/2021
2021-000183	Violation of licensing regulation	Complaint	04/01/2021
2021-000184	Violation of licensing regulation	Complaint	04/05/2021
2021-000211	Incompetence	Complaint	04/14/2021
2021-000273	Falsified application	Complaint	05/10/2021
2021-000313	Fraud or misrepresentation	Complaint	04/22/2021
2021-000393	Violation of licensing regulation	Complaint	05/11/2021
2019-001263	Unlicensed practice or activity	Investigation	08/24/2020
2020-000015	Fraud or misrepresentation	Investigation	06/15/2020
2020-000077	Fraud or misrepresentation	Investigation	06/11/2020
2020-000110	Advertising	Investigation	05/06/2020
2020-000132	Fraud or misrepresentation	Investigation	12/04/2020
2020-001020	Fraud or misrepresentation	Investigation	02/03/2021

Closed - 15

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
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**REAL ESTATE ASSOCIATE
BROKER**

2021-000120	Fraud or misrepresentation	Closed-Intake	04/15/2021	No Action - Lack of Jurisdiction
2021-000121	Fraud or misrepresentation	Closed-Intake	04/15/2021	No Action - Lack of Jurisdiction
2021-000193	Violation of licensing regulation	Closed-Intake	04/15/2021	No Action - Lack of Jurisdiction

REAL ESTATE BROKER

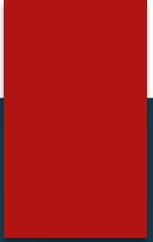
2021-000142	Advertising	Closed-Intake	03/26/2021	Incomplete Complaint
2021-000143	Advertising	Closed-Intake	03/26/2021	Incomplete Complaint
2021-000202	Fraud or misrepresentation	Closed-Intake	04/29/2021	Incomplete Complaint
2021-000235	Violation of licensing regulation	Closed-Intake	05/07/2021	Incomplete Complaint
2020-000118	Falsified application	Closed-Investigation	03/22/2021	License Action

REAL ESTATE SALESPERSON

2021-000271	Fraud or misrepresentation	Closed-Intake	05/18/2021	Incomplete Complaint
2021-000272	Violation of licensing regulation	Closed-Intake	05/18/2021	Incomplete Complaint
2019-001288	Criminal action - no conviction	Closed-Investigation	03/22/2021	License Action
2020-000164	Falsified application	Closed-Investigation	03/22/2021	License Action
2020-000534	Violation of licensing regulation	Closed-Investigation	03/22/2021	License Action
2020-000836	Continuing education	Closed-Investigation	03/25/2021	License Action
2020-000977	Continuing education	Closed-Investigation	04/08/2021	License Action

END OF REPORT

Training



Investigative Process Overview

PRESENTED BY INVESTIGATIONS

Who Are We?

State of Alaska



Department of Commerce, Community, and Economic Development



Division of Corporations, Business and Professional Licensing



Investigations



What Do We Do?

The mission of the Division of Corporations, Business and Professional Licensing is to ensure that **competent**, **professional** and **regulated** commercial services are available to Alaska consumers.

Three License Types

01

Professional License:

Individual specialty such as a Nurse, Doctor, Dentist, Massage Therapist, etc...

02

Business License:

(AS 43.70.020) If providing any service for the exchange of money, a business license is required in the state of Alaska.

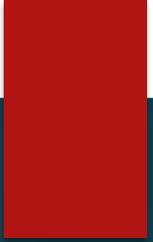
03

Corporate Entity

(Corporation): A group of persons who are deemed in law to be a single legal **entity**. The **corporate entity** is legally distinct from its members; it has legal personality and can hold property, sue and be sued in its own name as if it were a natural person.

Who Needs a Professional License Through the State of Alaska?

- ▶ Acupuncturists
- ▶ Architects, Engineers, and Land Surveyors
- ▶ Athletic Trainers
- ▶ Audiologists & Speech-Language Pathologists
- ▶ Barbers & Hairdressers
- ▶ Behavior Analysts
- ▶ Big Game Commercial Services Board
- ▶ Chiropractic Examiners
- ▶ Collection Agencies
- ▶ Concert Promoters
- ▶ Construction Contractors
- ▶ Dental Examiners
- ▶ Dietitians & Nutritionists
- ▶ Dispensing Opticians
- ▶ Electrical Administrators
- ▶ Euthanize Domestic Animals
- ▶ Geologists
- ▶ Guardians & Conservators
- ▶ Hearing Aid Dealers
- ▶ Home Inspectors
- ▶ Marine Pilots
- ▶ Marital & Family Therapy
- ▶ Massage Therapists
- ▶ Mechanical Administrators
- ▶ Medical Board
- ▶ Midwives
- ▶ Morticians
- ▶ Naturopathy
- ▶ Nursing
- ▶ Nurse Aide Registry
- ▶ Nursing Home Administrators
- ▶ Optometry
- ▶ Pawnbrokers
- ▶ Pharmacy
- ▶ Physical Therapy & Occupational Therapy
- ▶ Prescription Drug Monitoring Program
- ▶ Professional Counselors
- ▶ Psychologist and Psychological Associate
- ▶ Public Accountancy
- ▶ Real Estate Appraisers
- ▶ Real Estate Commission
- ▶ Social Work Examiners
- ▶ Telemedicine Business Registry
- ▶ Underground Storage Tank Worker
- ▶ Veterinary Examiners



What Do We Investigate?

Statutes & Regulations

- ▶ **AS = Alaska Statutes:** Are passed by either the US Congress or State Legislatures: The legislatures create bills that, when passed by a vote, become statutory law.
- ▶ **AAC = Alaska Administrative Code // Regulation:** Regulations, on the other hand, are standards and rules adopted by administrative agencies (Boards) that govern how laws will be enforced.

Difference between Statutes and Regulations:

Although many people use the terms "statute" and "regulation" interchangeably, they aren't the same. Governing bodies, such as the United States Congress or a state legislature, enact statutes. On a local level, the statutes enacted by municipalities are known as ordinances. Regulations put those statutes to work, fleshing out the details.

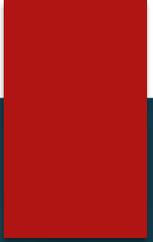
Different Roles



EXAMPLE:

- ▶ AK Legislature creates Statutes.
- ▶ Boards create Regulations.
- ▶ Investigations investigate ***alleged violations*** of Statutes and/or Regulations.
- ▶ Board Members **verify whether or not a violation occurred** when reviewing a case from investigations.

Investigators gather information. Licensed board members determine if a violation of statute or regulation has occurred.



How Does Someone File a
Complaint?

Public Website

<https://www.commerce.alaska.gov/web/cbpl/Investigations.aspx>



THE STATE
of **ALASKA**

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

ADM

FOR DIVISION USE ONLY

Investigations Section

550 West 7th Avenue, Suite 1500, Anchorage, AK 99501

Phone: (907) 269-8174 • Fax: (907) 269-8195

Website: CBPLinvestigations.Alaska.Gov

Email: Investigations@Alaska.Gov

Investigations — Request for Contact

The division investigates matters pertaining to business licenses, the sale of tobacco products, and licensed professionals. Not all issues will fall within our jurisdiction. You may have to contact other agencies for assistance. We encourage you to call to ensure that we are able to assist you.

This is only a request for contact. You may submit this form via US Mail, fax, or email, to the contact information listed above. Once the division has reviewed this information you will be contacted and may be asked to fill out a complaint package.

PART I Your Contact Information

Complete Name:	First Name:	Middle Name:	Last Name:
Mailing Address:	Address:	City:	State: Zip Code:
Contact Phone:	() -		
Email Address:			

PART II Description of Incident

Type of Business or Profession Involved:	
Name(s) of Person or Business Involved:	
Date(s) Which Incident Occurred:	
Brief Description of Incident:	

Contact Us Directly

Contact Us

State of Alaska/DCCED
Division of Corporations, Business and
Professional Licensing
Investigations Section
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501-3567
Phone: (907) 269-8174
Fax: (907) 269-8195

Email: Investigations@Alaska.gov

Next Step: Is the Complaint Jurisdictional?

- Review informal guidelines established by the Board or Commission, and the statutes and regulations of that specific practice area.
- If the complaint does not appear to allege a violation that is within the Board's jurisdiction, the Division may close the complaint.

Next Step: Is the Complaint Jurisdictional?

Complaints that are typically not jurisdictional are:

- Criminal complaints (Law Enforcement)
- Money or civil matters (Alaska Court System)
- “Bedside Manner”
- Quality of work complaints (Contractors)
- Unfair or deceptive business practices (Alaska Consumer Protection)
- Landlord Tenant Laws

The Complaint is Jurisdictional. What Happens Next?

The complainant is asked to complete a complaint packet.

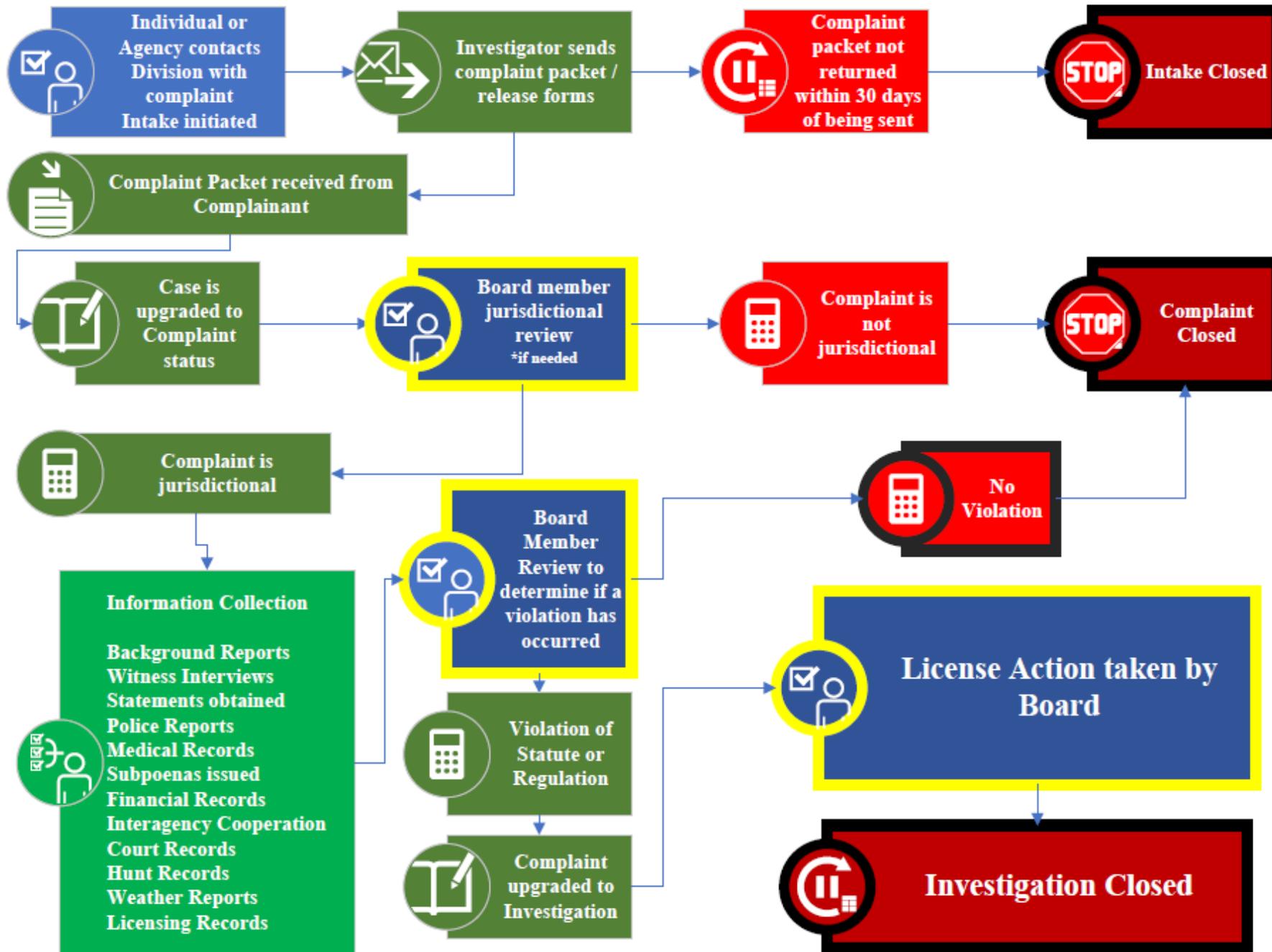
The packet provides the complainant to:

- Provide a summary of the incident
- Include supporting documentation
- Sign a release of information
- Sign an Affidavit

The Division does not generally accept anonymous complaints, except in unusual instances.

We require consumers to be accountable for their allegations; thereby avoiding manipulation of our process by unscrupulous parties seeking to eliminate competition or pursue personal or professional vendettas.

INVESTIGATIVE PROCESS



Three Stages of “Investigation”

INTAKE: **Preliminary information stage**

- Typically generated upon receipt of a Request for Contact form or a Referral Email.

COMPLAINT: **Fact-gathering stage**

- Escalates when a Complaint Packet is received.

INVESTIGATION: **Violation verified stage**

- Following a Board Member review, case escalates when a Board Member confirms a violation is present.

Complaint

Upon the receipt of the Complaint Packet, the case will escalate to "COMPLAINT" stage.

"Notice of Complaint" letter is sent to the Respondent notifying them a complaint has been received against them. This gives the Respondent an opportunity to provide an explanation.

Once enough information has been gathered to either **prove or disprove** an allegation, the case is presented to a Board Member for review.

The Board Member will review the case to determine whether or not a violation is present - and if so, recommends an appropriate disposition to address it.

Investigation

Violation is verified, case escalates to "INVESTIGATION"
"Notice of Investigation" letter is sent to the Respondent explaining WHY his/her actions were violation(s).

2. License Action
(Consent Agreement, Fine, Suspension, etc..)

Board Member's Recommendation:
1. Non-disciplinary Letter of Advisement
(Closes Case)

License Action:
Offered to Respondent

1. If agrees, License Action is presented to Board for adoption: If adopted, closes case.

2. If disagrees & refuses, Division moves forward with the LITIGATION PROCESS & files an Accusation.

Administrative Hearing:
Division prepares the case for Administrative Hearing and the case is presented to an Administrative Law Judge (ALJ).

ALJ Decision is presented to the Board for final consideration.

Investigation



After a licensed Board Member Reviewer determines a violation of statute or regulation is present:

- ▶ Case escalates to “INVESTIGATION”
- ▶ A Notice of Investigation (NOI) is sent to the Respondent, notifying them a violation was verified.
- ▶ RBM recommends the appropriate action (Disciplinary or Non-Disciplinary) to address the violation:

Disciplinary Action:

- ▶ Consent Agreement
 - Probation
 - Civil Fine
 - Continuing Education
- ▶ Imposition of Civil Fine
- ▶ Suspension
- ▶ Revocation
- ▶ Etc..

Non-Disciplinary Action:

Non-Disciplinary Letter of Advisement

Three Investigation Case Types

- ▶ **Application Matters:** Inquires initiated by Licensing to review applications for truthfulness & accuracy.
- ▶ **Consumer Complaints:** Inquiries initiated upon the receipt of a Complaint Packet (or written complaint).
- ▶ **Inspections:** Onsite inspections to ensure operations are in accordance to AS 43.70 & 12 AAC 12



Confidentiality

- Investigations are required by statute to be kept confidential.
- This often prevents the complainant, licensee, and the Board from obtaining progress reports or information that may disclose the current status of an open investigation.
- This also protects the reputation of licensees who may be accused of wrongdoing but the allegations against them are unproven.
- Cases often involve other agencies, businesses, and practices; disclosing information during an on-going case can compromise the investigation, create conflicts for reviewing Board members, or result in unnecessary hardship to the licensee.

Questions / Discussion

INVESTIGATIVE OVERVIEW



Board Member Review Training
(EXECUTIVE SESSION)

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 21	
										FY 20	1st - 3rd 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	\$ 618,451	\$ 249,280
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	\$ 618,451	\$ 249,280
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	65,350	80,613
2000 - Travel	12,096	13,013	25,109	12,781	6,803	19,584	15,632	5,036	20,668	3,046	-
3000 - Services	24,221	20,404	44,624	26,599	14,085	40,684	13,683	9,813	23,496	19,306	2,785
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	87,702	83,398
Investigation Expenditures											
1000-Personal Services	118,045	94,399	212,443	91,700	90,606	182,306	51,422	83,598	135,020	93,884	78,609
2000 - Travel										2,078	-
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	27,568
3094 - Inter-Agency Hearing/Mediation	6,956	18,825	25,781	6,929	19,603	26,532	-	3,689	3,689	-	2,778
3000 - Services other								958	958	1,010	367
4000 - Commodities								-	-	-	-
Total Investigation Expenditures	188,951	172,737	361,688	142,268	160,285	302,553	52,068	88,775	140,843	98,664	109,322
Total Direct Expenditures	405,962	328,527	734,489	319,950	300,115	620,065	197,108	224,480	421,588	186,366	192,720
Indirect Expenditures											
Internal Administrative Costs	85,845	61,048	146,893	95,730	87,001	182,731	108,746	110,362	219,108	108,667	81,500
Departmental Costs	55,495	68,943	124,438	54,735	58,811	113,546	53,154	57,353	110,507	37,533	28,150
Statewide Costs	38,787	39,391	78,178	20,226	23,348	43,574	18,608	20,811	39,419	20,978	15,734
Total Indirect Expenditures	180,127	169,382	349,509	170,691	169,160	339,851	180,508	188,526	369,034	167,178	125,384
TOTAL EXPENDITURES	\$ 586,089	\$ 497,909	\$ 1,083,998	\$ 490,641	\$ 469,275	\$ 959,916	\$ 377,616	\$ 413,006	\$ 790,622	\$ 353,544	\$ 318,104
Cumulative Surplus (Deficit)											
Beginning Cumulative Surplus (Deficit)	\$ (278,770)	\$ 274,985		\$ 99,946	\$ 695,563		\$ 523,449	\$ 912,708		\$ 782,155	\$ 1,047,062
Annual Increase/(Decrease)	553,755	(175,039)		595,617	(172,114)		389,259	(130,553)		264,907	(68,824)
Ending Cumulative Surplus (Deficit)	\$ 274,985	\$ 99,946		\$ 695,563	\$ 523,449		\$ 912,708	782,155		1,047,062	978,238
Statistical Information											
Number of Licenses for Indirect calculation	2,761	3,001		3,066	3,558		4,129	4,041		3,771	
Additional information:	<ul style="list-style-type: none"> • 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 change 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. 										

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

Appropriation Name (Ex)	(All)
Sub Unit	(All)
PL Task Code	REC1

Sum of Budgetary Expenditures Object Name (Ex)	Object Type Name (Ex)		Grand Total
	1000 - Personal Services	3000 - Services	
1011 - Regular Compensation	86,129.72		86,129.72
1014 - Overtime	119.56		119.56
1023 - Leave Taken	15,655.24		15,655.24
1028 - Alaska Supplemental Benefit	6,250.21		6,250.21
1029 - Public Employee's Retirement System Defined Benefits	1,012.53		1,012.53
1030 - Public Employee's Retirement System Defined Contribution	5,164.88		5,164.88
1034 - Public Employee's Retirement System Defined Cont Health Reim	2,838.62		2,838.62
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	1,237.14		1,237.14
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	12,152.44		12,152.44
1039 - Unemployment Insurance	153.70		153.70
1040 - Group Health Insurance	23,710.66		23,710.66
1041 - Basic Life and Travel	35.06		35.06
1042 - Worker's Compensation Insurance	948.16		948.16
1047 - Leave Cash In Employer Charge	2,071.80		2,071.80
1048 - Terminal Leave Employer Charge	1,423.23		1,423.23
1053 - Medicare Tax	1,356.87		1,356.87
1063 - GGU Business Leave Bank Usage	-		-
1077 - ASEA Legal Trust	58.90		58.90
1079 - ASEA Injury Leave Usage	5.58		5.58
1080 - SU Legal Trst	11.45		11.45
1970 - Personal Services Transfer	(1,114.42)		(1,114.42)
3000 - Training/Conferences		224.00	224.00
3002 - Memberships		786.00	786.00
3035 - Long Distance		19.55	19.55
3036 - Local/Equipment Charges		3.66	3.66
3045 - Postage		724.65	724.65
3046 - Advertising		278.17	278.17
3057 - Structure, Infrastructure and Land - Rentals/Leases		88.55	88.55
3088 - Inter-Agency Legal		28,515.79	28,515.79
3094 - Inter-Agency Hearing/Mediation		2,777.60	2,777.60
1016 - Other Premium Pay	0.67		0.67
3085 - Inter-Agency Mail		80.16	80.16
Grand Total	159,222.00	33,498.13	192,720.13

Training

welcome!

we will start
momentarily



DCCED

Division of
Corporations,
Business and
Professional
Licensing

welcome,
professional
licensing
board member



DCCED
Division of
Corporations,
Business and
Professional
Licensing

Inspiring **public confidence** through
balanced regulation of
competent professional
& business services

DIVISION
MISSION
STATEMENT

self-funded services to support businesses & protect consumers



Business Licensing

- Answer questions about applications
- Issue business licenses
- Grant endorsements to sell nicotine products

Corporations

- Assist corporations with registration
- Register trademarks
- Maintain corporate reporting records

Professional Licensing

- License qualified professionals per AS 08
- Provide administrative support for twenty-one boards

Enforcement

- Enforce licensing statutes and regulations
- Investigate public complaints regarding violations of licensing law
- Assist boards, commissions, and the division director when considering license discipline

Administrative Support

- Provide front-line customer service
- Support division's clerical and fiscal functions

volume by the numbers

2018

Business Licenses	73,952
Tobacco Endorsements	1,351
Corporations	73,053
Professional Licenses	89,414
Investigative Matters	1,256
License Actions	221

professions regulated by the division

22

Acupuncturists

Athletic Trainers

Audiologists

Behavior Analysts

Collection Agencies

Guardians & Conservators

Construction Contractors

Concert Promoters

Dietitians & Nutritionists

Dispensing Opticians

Electrical Administrators

Animal Euthanasia Permits

Professional Geologists

Hearing Aid Dealers

Home Inspectors

Mechanical Administrators

Morticians

Naturopaths

Nursing Home Administrators

Pawnbrokers

Speech-Language Pathologists

Underground Storage Tank

Workers

boards or commissions regulating professions

21

Board of Registration for
Architects, Engineers and Land
Surveyors

Board of Barbers and
Hairdressers

Big Game Commercial Services
Board

Board of Chiropractic Examiners

Board of Dental Examiners

Board of Marine Pilots

State Medical Board

Board of Marital and Family
Therapy

Board of Massage Therapists

Board of Certified Direct-Entry
Midwives

Board of Nursing

Board of Examiners in Optometry

Board of Professional Counselors

Board of Pharmacy

Board of Physical Therapy and
Occupational Therapy

Board of Psychologist and
Psychological Associate
Examiners

Board of Public Accountancy

Board of Certified Real Estate
Appraisers

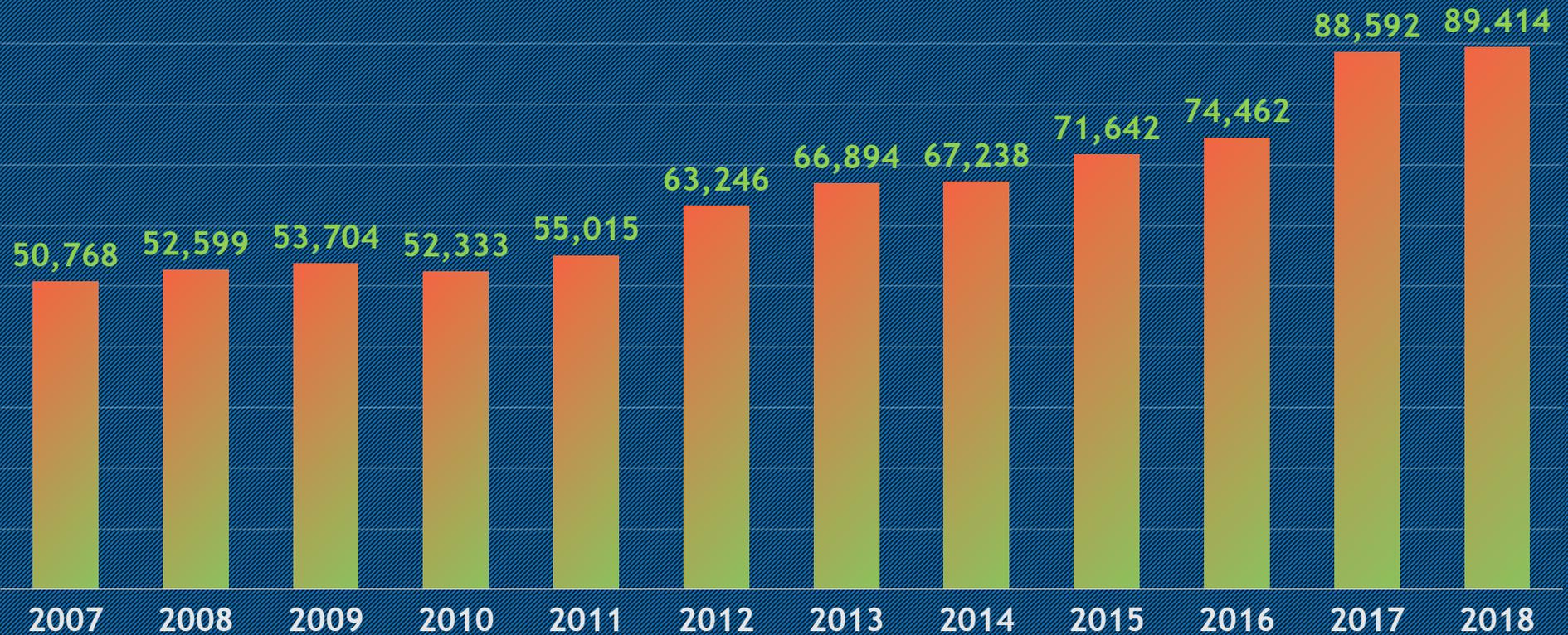
Real Estate Commission

Board of Social Work Examiners

Board of Veterinary Examiners

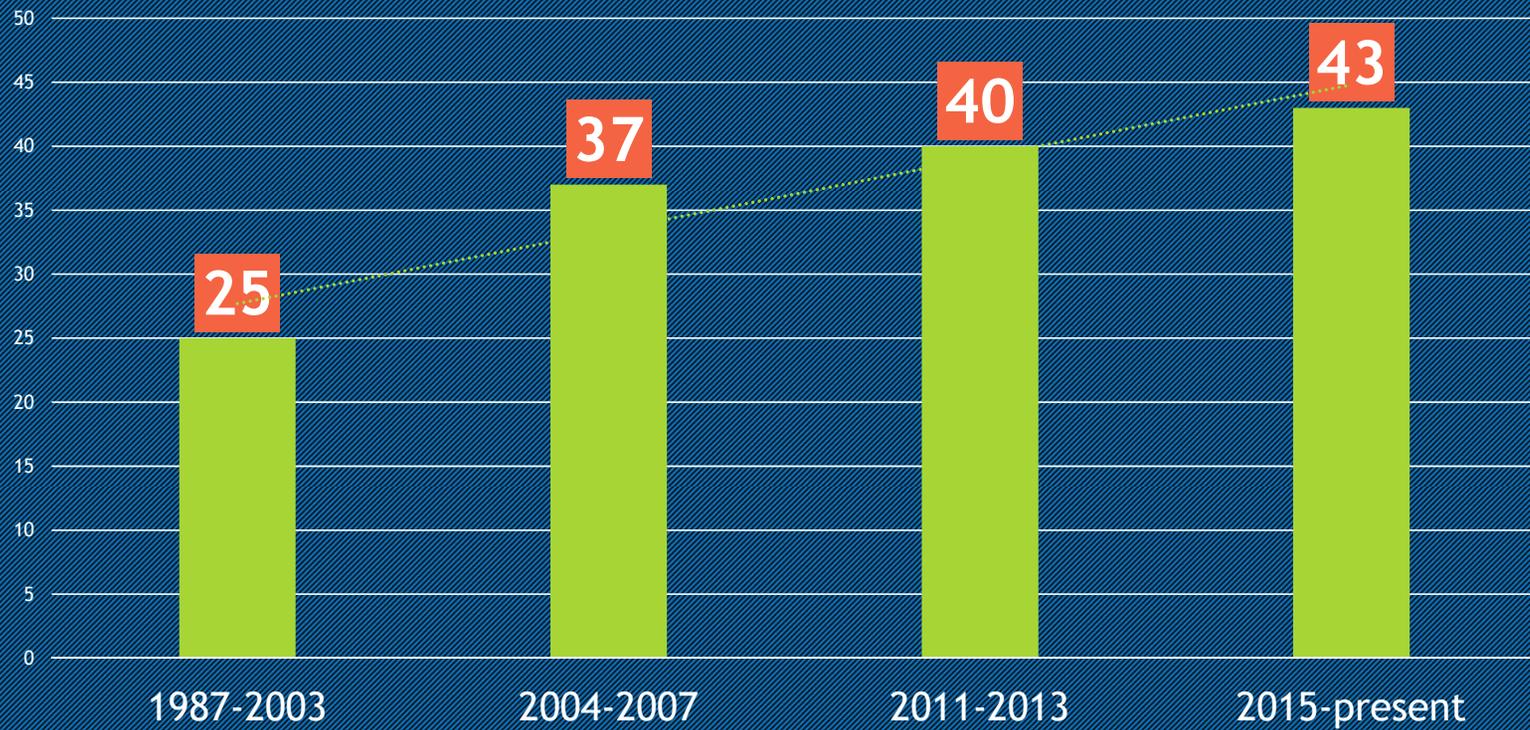
total professional licenses

2007
to
2018



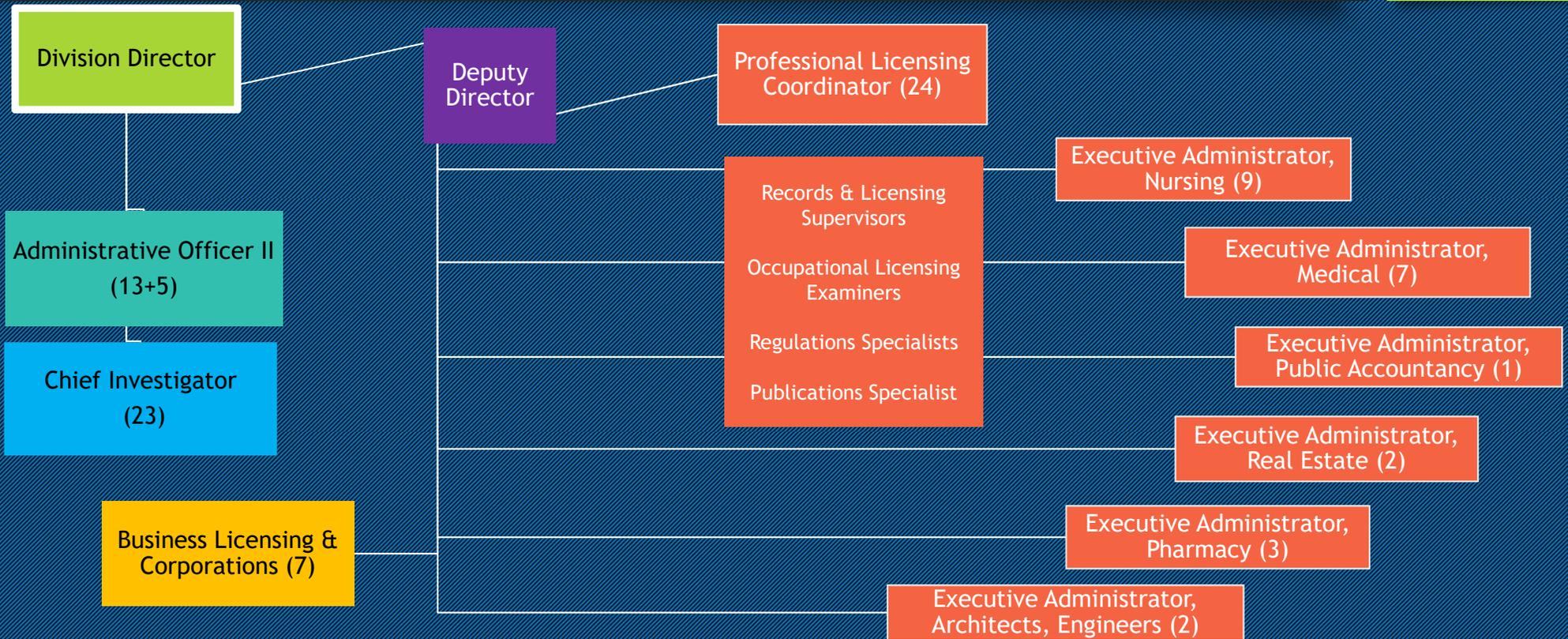
professional licensing programs

1987
to
present



division personnel

103



RESEARCH

Applicant finds out what is required in Alaska.



APPLICATION

Applicant fills out and submits form and fee.



DOCUMENTS

Transcripts, hospital privileges, other docs are submitted.



REVIEW

Examiner reviews file, communicates with applicant.



INVESTIGATION

If criminal or disciplinary history, referred for investigation.



LICENSURE

When complete, a license is issued.

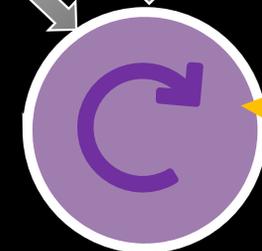


initial review:
10 day standard

staff:
2 weeks

board:
2 weeks

board:
2 weeks



CLARIFICATION

If more information is needed, it is requested and reviewed.



DENIAL OR WITHDRAWAL

If not qualified, a license is denied. Applicant may withdraw.

timeframe until
**APPLICATION PACKAGE
IS COMPLETE**
depends on:

applicant
educational institution
credentialing service
letters of reference
court documents
other factors outside division's control or
applicant's control

MY LICENSE online portal

Fall
2018

- **Access license file through myAlaska.** Same login as PFD application.
- **Renew** your professional license online.
- **Update** your email and mailing addresses.
- **Go Paperless.** Opt-in to receive electronic communication about licensure, regulations changes, and other important news.
- **Apply** online, **upload** documents, **allow access** to credentialing agencies, and **track progress** of application.

LICENSE DETAILS

License Number: [REDACTED]
 Program: Medical
 Type: Physician
 Status: In Process
 Issue Date:
 Effective Date:
 Expiration Date:
 Public Note:
 Mailing Address: [REDACTED]
 Email: [REDACTED]

Actions

Edit Contact Information

Renew License

This license's status of "In Process" is not available for online renewal at this time.

Information:

- This license application is in process. Additional action may be required. Please review your application progress in the Events section.
- Please review and submit any outstanding documents in the Events section.

Events

Event				Event Date
Status	Item	Amount Owed	Message from Examiner	Documents
▼ Initial Application (Credentials) 1/11/2019				
✓ Completed	Submission		FCVS	
✓ Completed	Exam Scores		Exam Scores (FLEX)	
✓ Completed	Diploma		Diploma	
✓ Completed	Verification of Education		Verification of Education ([REDACTED] Medical Center)	
✓ Completed	Post Graduate Education Certificate (s)		Post Graduate Certificate ([REDACTED] University Hospital)	
✓ Completed	Verification of Post Graduate Experience		Verification of Post Graduate Experience ([REDACTED] University Hospital)	
✓ Completed	Certificate		ECFMG Certification	
✓ Completed	Clearance Report from the Federation of State Medical Boards		FSMB Clearance Report	
✓ Completed	Verification of License -		Verification of License (MI)	1/28/2019

✓ Completed	Verification of License - Incoming		Verification of License (FL)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (AL)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (WI)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (AR)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (NC)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (CO)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (PA)	1/28/2019
✓ Completed	Verification of License - Incoming		Verification of License (MO)	1/29/2019
✓ Completed	Submission		2006 California List	1/31/2019
✓ Completed	AMA/AOA Profile		AMA/AOA Profile	
✓ Completed	Status Letter		(Status Update)	1/31/2019
⚠ Incomplete	Submission	PAID (View Receipt)	Initial Application	1/11/2019
⚠ Incomplete	Authorization for Release of Records			
⚠ Incomplete	Post Graduate Education Certificate (s)		Post Graduate Certificate ([REDACTED] Medical Center)	
⚠ Incomplete	Verification of Post Graduate Experience		Verification of Post Graduate Experience (University [REDACTED] Medical Center)	
⚠ Incomplete	Verification of License - Incoming		Pennsylvania	
⚠ Incomplete	Verification of License - Incoming		District of Columbia	
⚠ Incomplete	Verification of License - Incoming		Texas	
⚠ Incomplete	Verification of License - Incoming		Nebraska	
⚠ Incomplete	Verification of License - Incoming		New York	
⚠ Incomplete	Verification of License - Incoming		New York	
⚠ Incomplete	Verification of License - Incoming		Louisiana	
⚠ Incomplete	DEA Clearance Report			
⚠ Incomplete	Signature/Photo Page		The original page must be mailed into the department	
⚠ Document Required	Continuing Education Certificate(s)		OPIOID EDUCATION: If you hold a valid DEA registration, you must submit two hours of continuing education in pain management and opioid use and addiction.	Upload File

governance or management



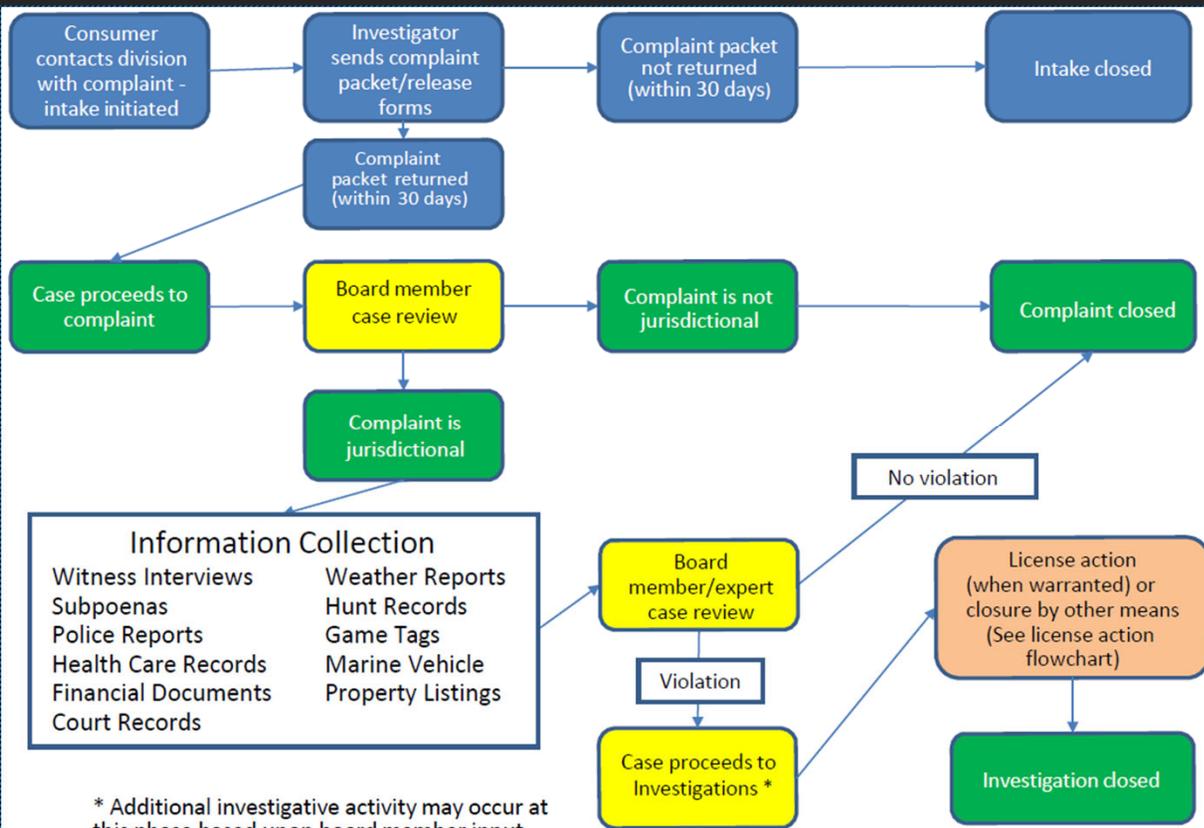
boards provide **GOVERNANCE**

- Is it central to the mission?
- Is it a big-picture concern?
- Does it need high-level scrutiny or support?
- Is it a board statute or regulation?
- Is it a decision affecting a license?

division provides **MANAGEMENT**

- Does it involve day-to-day administration?
- Is it a centralized statute or regulation?
- Does it direct staff or resources?

investigative process



AO 306
 moves investigative staff
 and responsibilities to
 Department of Law in
 FY2020

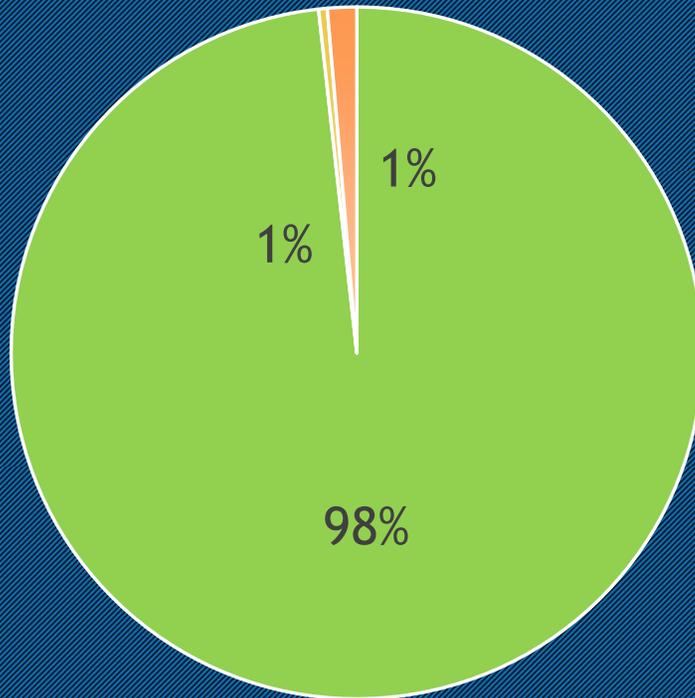
investigative process



- Options available to boards and to the division when there is no board governing that license type**
- Deny a license
 - Issue cease and desist order
 - Issue letter of advisement
 - Negotiate consent agreement
 - File accusation
 - Fine
 - Place on probation
 - Restrict or condition license
 - Suspend
 - Revoke

funding and fees

FY
18



■ program receipts

■ 3rd party travel reimbursement

■ federal grants through I/A

0% undesignated general funds

funding and fees



AS 08.01.065(c):

- Total amount of fees approximately equal the actual regulatory costs
- Annually review each fee level
- Consult with boards about fee changes
- Calculate fee adjustments and adopt regulations to implement adjustments

funding and fees



streamlining and reducing expenses

- videoconferencing board meetings
- training board members and holding them accountable
- ongoing cross-training and sharing staff
- identifying staff “superpowers”
- finding opportunities within statutes and regulations
- eliminating assumptions

what we strive to deliver



“right-touch regulation”

- transparent
- balanced
- reasonable
- responsive
- within our allocated resources

are we getting it right?



grocery and clothing sellers
lemonade stands, florists,
automotive service technicians

phlebotomists, radiologic technicians,
professional geologists, ministers



telemedicine businesses, massage therapy establishments
worker's compensation insurance

vaping product sellers

surgeons, banks, marijuana cultivators, construction contractors,
psychologists, manicurists, engineers, massage therapists,
teachers, registered nurses, dentists, hair braiders, etc.



HOT TOPICS



- **Relevance**

- “The way we have always done it” may not be good enough for today
- Keeping up with current educational, professional, and ethical standards

- **Responsiveness**

- To ideas and input from all parties: You wear a “board member” hat, not a “special interest” hat.
- To time-sensitive requests: Meeting RSVPs, votes, input, advice

Core question: Does it serve the public interest?

board member resources



<http://professionallicense.alaska.gov>

A screenshot of the website header for the Alaska Department of Commerce, Community, and Economic Development. The header is dark blue with white text. On the left is the state seal of Alaska. To its right is the text "Department of Commerce, Community, and Economic Development" and "DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING". On the right side of the header is a white search input field and a grey "Search" button. Below the header is a navigation bar with five menu items: "HOME", "CORPORATIONS", "BUSINESS LICENSING", "PROFESSIONAL LICENSING", and "INVESTIGATIONS". The "PROFESSIONAL LICENSING" item is circled in red.

Department of Commerce, Community, and Economic Development
DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

HOME

CORPORATIONS

BUSINESS LICENSING

PROFESSIONAL LICENSING

INVESTIGATIONS

CBPL QUICK LINKS

[How To Get Licensed](#)

[Pay By Credit Card](#)

[Buy a Business License](#)

[File a Complaint](#)

[Request License Verification](#)

[Order a Wall Certificate](#)

[Request SSN Exemption](#)

[Name/Address Change or Duplicate License](#)

[ADA Accommodation](#)

[License Search](#)

[Public Records Requests](#)

[License Expiration Dates](#)

[Meetings & Regulation Notices](#)

[Examination Notices](#)

[Military Licensing](#)

[Centralized Licensing Statutes](#)

[Centralized Licensing Regulations](#)

[Board Member Resources](#)

[Annual Reports](#)

[Current Financial Reports](#)

board member
resources



PROFESSIONAL LICENSING

Board Member Resources:

- [CBPL Guide to Excellence in Regulation](#) 
Topics covered:
 - Executive Branch Ethics
 - Framework for Decisionmaking
 - Meetings and Parliamentary Procedure
 - Adopting Regulations
 - Investigation Process
 - Legislative Guidance
 - State Travel Policy and Procedure
 - How Board Finances Work
 - Evaluating Your Board and Yourself
- [Code of Conduct](#)
- [Board Member Communications Training](#)
- [Welcome to the Board!](#) 
- [New Member Quick-Start](#)
- [Current Annual Reports](#)
- [Current Quarterly Schedules of Revenues and Expenditures](#)
- [Council on Licensure, Enforcement, and Regulation Member Resources](#)
(*contact the Division for access*)
- Important Business Forms:
 - [W-9 for travel expense reimbursement](#)
 - [EDI agreement for travel expense reimbursement](#)

board member
resources



NEW in 2019!

Join the listserv:

<http://list.state.ak.us/mailman/listinfo/licensingboards>

Transparency

Discretion

Fairness

CRUCIAL
CONCEPTS

crucial concept: **transparency**



It is the policy of the state that
governmental units generally exist
to aid in the conduct
of the people's business.

crucial concept: **transparency**



It is the intent of the law that

- **actions** of those units be taken openly, &
- **deliberations** be conducted openly.

crucial concept: **transparency**



What constitutes a *meeting*?

- **Three or more members** discussing a matter upon which they have the **power to take action**
- **Committees of the board**, including standing and ad hoc committees

crucial concept: **transparency**



What constitutes a *meeting*?

- **In person, phone, email, or text**—it's still a meeting
- All must be **publicly noticed**:
 - on the state's Online Public Notice System
 - in a major newspaper of the state

AS 44.62.310

crucial concept: **transparency**



Professional licensing boards may enter executive session during a **publicly noticed meeting** when:

- matters tend to **prejudice the reputation and character** of any person, provided the person may request a public discussion

crucial concept: **transparency**



Professional licensing boards may enter executive session during a **publicly noticed meeting** when:

- matters which—by law, municipal charter, or ordinance— are **required to be confidential**

crucial concept: **transparency**



Public notice does not apply when holding a meeting **solely to make a decision in an adjudicatory proceeding**

This means that if the board is **ONLY** meeting to discuss license action, it does not have to publicly notice the meeting; however, it **may not take up any other business**

AS 44.62.310

crucial concept: **discretion**



protect legally **confidential** information

protect the licensee's **due process rights**

maintain **fairness and integrity** of a procedure

crucial concept: **discretion**



Every person has a right to inspect a public record in the state, except:

- certain records pertaining to **juveniles**
- certain **educational** records
- **medical** and related public health records
- records required to be kept **confidential by another law**

(Alaska Public Records Act: AS 40.25.120)

crucial concept: **discretion**



Every person has a right to inspect a public record in the state, except:

- certain records or information compiled for **law enforcement** purposes
- certain **attorney-client** and **legislative** records
- records that are **proprietary, privileged, or a trade secret**

(Alaska Public Records Act: AS 40.25.120)

crucial concept: **fairness**



The regulations process:

- **discussion not allowed** during the public comment period—with individual board members or the board as a whole—**unless publicly noticed**
- gives everyone the **same opportunity** to comment and be heard

crucial concept: **fairness**



The regulations process:

- provides the board members with the **same information** for deliberation
- maintains an **accurate public record** of rulemaking

crucial concept: **fairness**



Avoid conflicts of interest

- employer/employee or family **relationship**
- **stakeholder** in a business or organization
- significant and specific **financial gain**

crucial concept: **fairness**



Avoid conflicts of interest

- inability to remain impartial or
- inability to **appear** to remain impartial for any reason
- can **nullify board vote** and **erode public trust**

crucial concept: **fairness**



Avoid ex parte communication

“An oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given....”

In other words:

“Does everyone have the same information?”

crucial concept: **fairness**



Licensing Staff

.....

Board Member

Board Member

Board Member

Board Member

Board Member

Board Member

Board Member

crucial concept: **fairness**



Investigative Staff

Reviewing Board Member

crucial concept: **fairness**



Avoid ex parte communication

- deliberation on **whether to issue or deny** a license
- deliberation on **disciplining or revoking** a license
- deliberation on **proposed regulations**
- where you have **undue power or influence**

crucial concepts



safeguard **transparency, discretion, and fairness:**

- provide all board members with the **same information**
- withhold information that is **not legally relevant**

crucial concepts



safeguard **transparency, discretion, and fairness:**

the **chair should recuse members** who have more or different information:

- **reviewing board member** on a case
- ex parte contact with the **licensee**
- ex parte contact with the **applicant**

crucial concepts



safeguard **transparency, discretion, and fairness:**

avoid conversations

1. with each other
2. about board business
3. outside of publicly noticed board meetings

crucial concepts



safeguard **transparency, discretion, and fairness:**

avoid conversations

1. with individuals
2. about specific disciplinary cases
3. about license applications, or
4. about pending protected board decisions

crucial concepts



safeguard **transparency, discretion, and fairness:**

attempt to cure ex parte

by communicating relevant information with staff,
who can share with board members

Inspiring **public confidence** through
balanced regulation of
competent professional
& business services

DIVISION
MISSION
STATEMENT

license@alaska.gov



Thank you for your service to the state.

CBPL

Alaska
Division of
Corporations,
Business and
Professional
Licensing

Committee Reports

MEMORANDUM

Date: April 22, 2021
To: Alaska Real Estate Commission
From: Cassandra Taggart, Chair, Property Management Committee
RE: Best Practice – Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves

The Property Management Committee is requesting the Alaska Real Estate Commission to review and approve the Best Practice – Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves listed below. Once approved, the Property Management Committee is requesting submitting this best practice document to the ListServ and add this to the Best Practices list on the AREC – Property Management section of the public website.

This best practice document is regarding generally accepted practices in the property management industry around the topic of handling of Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves for any or all parties involved in property management contracts.

It was determined that many accounting professionals that process paperwork and brokerages have a variety of different ways of processing these funds that can cause confusion on what is typically expected in the transaction when working together in the industry. As a result, it is recommended to document some generally accepted practices to strengthen the defined duties and relationships between licensees and the public.

BEST PRACTICE

Date: April 22,2021

Adopted: (Complete when passed)

Title: Best Practice – Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves

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

From: Alaska Real Estate Commission & Property Management Committee

Regulation Reference:

12 AAC 64.117 – Broker’s Written Policy

12 AAC 64.125 – Supervision

12 AAC 64.220 – Record of Trust Account Transactions

12 AAC 64.220(b) To ensure landlord and tenant and/or association and homeowner funds are tracked through a related but separated transaction code and transaction ledger.

12 AAC 64.220(d) A broker shall establish a ledger for every transaction, including those transactions for which the deposit is held in the trust account of a cooperating broker, title company, or another third party.

12 AAC 64.240. Brokers Commission

12 AAC 64.250. Prohibited Trust Account Activity

12 AAC 64.570. Property Management of Real Property

12 AAC 64.570(E) Written documentation to refund a security deposit or deduct money from a security deposit.

12 AA 64.560 Compliance with Uniform Residential Landlord and Tenant Act

Statue Reference:

Sec. 08.88.90 – Exceptions

Sec. 08.88.331 – Making a transaction

Sec. 08.88.341 - Listings or management contracts

Sec. 08.88.351 - Accounts; Records of transaction

Sec. 08.88.361 - When commission is earned

Sec. 08.88.655 - Compensation

Sec. 08.88.405 – Preparation of documents

Sec. 08.88.685. Policies, guidelines, and requirements

Sec. 08.88.615(3) - Duties owed by licensee in all licensee relationships - presentation

Purpose: To provide guidance to assist any and all parties in property management transactions regarding what is generally accepted practices for handling of these funds.

Disclosure: All parties in a property management transaction should familiarize themselves with the latest Alaska Real Estate Commission Statutes and Regulations prior to taking on any action affecting your or another person's rights or understanding of these best practices document. This publication is not the law.

1. Broker Policy Handbook:

- a. In addition to 12 AAC 64.220, Brokers should define a detailed process that is acceptable for the brokerage on holding and distributing security deposits, dues deposits, pre-paid rents, reserves, and any ebb and flows of funds.
- b. It is recommended to do frequent audits of bank accounts facilitated by the brokerage or third-party consisting of security deposits, dues deposits, pre-paid rents, and reserves to ensure trust account balances are accurate.
- c. Review accounting practices in accordance with 12 AAC 64.220(b) to ensure landlord, tenant and/or association, and homeowner funds are tracked through a related but separated transaction code and transaction ledger.
 - i. *Example: Landlord and tenant can have a transaction code relating to a property, but the transaction ledger for a landlord is separate than the transaction ledger of a tenant, so the funds are not commingled.*
- d. It is highly encouraged to do frequent monthly audits of transaction ledgers for clients, landlords, associations, homeowners, tenants, and the brokerage to ensure funds for specific transaction codes and transaction ledgers are accurate and in the appropriate ledger to avoid commingling of funds between the various transaction ledgers.

- i. Example: Review the tenant transaction codes, transaction ledger, and the funds for the tenant within a separate ledger from funds of the landlord to ensure the ledger is accurate and not commingled.*
 - ii. Example: Review the transaction codes and transaction ledger for a homeowner. Ensure that the funds for the homeowner are in a separate ledger from funds of the association.*
- e. Encourage a policy and review process for the reporting and reconciling of trust accounts, transaction ledgers, and other appropriate accounts that involve security deposits, dues deposits, pre-paid rents, and reserves.
- f. Encourage a clarification on when and how the parties intend to deliver deposits, reserves, and rents from the brokerage to a third-party or client(s).
 - i. Example: If the situation was a property for sale; when and to whom will deposits, reserves, and pre-paid rents be allowed to transfer. A brokerage could enforce that only a title company could receive these funds for processing for the sale.*
 - ii. Example: If the situation was a property transferring to another management company or client, when and to whom will deposits, rents, and reserves be allowed to transfer.*
- g. It is recommended that a tenant's security deposit is held in the brokerage trust account for ease of processing, accounting of the funds, and reconciliation. According to 12 AAC 64.220(d), if funds are held in a landlord's trust account or other account outside of the brokerage, a broker shall establish a ledger for every transaction.
- h. Third-Party ledgers should have a review process in place to ensure it is accounted for and fully transparent to all parties in the transaction, along with routine reconciliations for accuracy and compliance with 12 AAC 64.220.
 - i. Examples of Third-Party ledgers: Landlord's trust accounts holding tenant's security deposits. Association holding dues deposits. Title company holding security deposits during the sale of a property.*
- i. Encourage a brokerage to consider how, when, and to whom to release funds such as security deposits, dues deposits, reserves, pre-paid rents, and/or rents to be remitted/transferred once the services of the management contract ends.
- j. Brokerage should consider a policy on having a detailed and clear transaction ledger for security deposits and security deposit transmittal.
 - i. Example: The security deposit ledger and transmittal, separate charges are to be fully itemized with details rather than a lump sum for all costs.*
- k. Brokerage should consider utilizing ULTA – Alaska Uniform Landlord Tenant Act within their policy and procedures regarding residential lease agreements to ensure proper care of security deposits and pre-paid rents. See ULTA Sec. 34.03.070 and 12 AAC 64.560 as a reference.

2. Processing of Funds

- a. It is a general practice to have dues deposits, reserves, and daily activities acknowledged and separated within the financial documents and/or accounts; however, the association board and/or covenants may have additional guidelines over this matter.
 - i. *Example: A report, like a balance sheet, should acknowledge how much of the total funds are dues deposits, reserves, or daily activities.*
- b. In an association, each homeowner has a transaction code with its own transaction ledger to account for the dues deposits set aside for each homeowner.
- c. If the lease agreement contract states a certain dollar amount for a security deposit, then this exact amount should be held in the trust or appropriate account while also being accounted for within the financials. If the lease agreement contract and transaction ledger are not in alignment, the contract should be adjusted to reflect an appropriate amendment to the lease agreement.
 - i. *Example: The security deposit on the lease agreement contract states \$1,000 but the tenant only paid \$500, the tenant transaction ledger would only reflect \$500. An amendment to the lease agreement is then signed to have both lease contract and transaction ledger in alignment of each other stating the deposit is now \$500.*
- d. Commissions owed will be charged and paid directly from the transaction ledger that belongs to the appropriate client paying for services and be in compliance with 12 AAC 64.240 and 12 AAC 64.250.
 - i. *Example: A licensee assisted in a leasing contract. The licensee should invoice the paying client to render payment for services through the brokerage rather than deducting commissions from deposits, rents, or pre-paid rents held in a separate transaction ledger in a trust account.*
- e. Pre-paid rents should remain in the transaction ledger and be released/transferred once services or charges are rendered.
 - i. *Example: Tenant pays rent for a future month causing the funds to be considered pre-paid. These funds will remain in this transaction code/ledger and transferred to the landlord when it becomes due.*
- f. A tenant's security deposit will remain in the tenant's transaction code/ledger and be released once services/charges are due and can be payable by the security deposit or transferred to a third-party due to an event.
 - i. *Example: A landlord has a bill from a third-party for services that a landlord is obligated to pay. Once paid, the landlord has the option to back bill the charges to the tenant transaction ledger for reimbursement. The tenant can pay this invoice or depending on the lease agreement and/or amendments, the security deposit can render as payment for this charge.*

MEMORANDUM

Date: April 22, 2021
To: Alaska Real Estate Commission
From: Kassandra Taggart, Chair, Property Management Committee
Approved: (Complete when passed)

At its meeting on April 22, 2021, the Property Management Committee came up with prioritized areas to work on in 2021. These priorities were established based on the Alaska Real Estate Commission's 2021 Strategic Plan.

Mission Statement

Licensed property and association managers be well informed, educated, and supportive of real estate needs for Alaskans.

Objectives (approved 12/19/19):

1. Clarity and best practices on security deposits and management of client accounts
2. Advocacy for education of all property and association management
3. Review of Alaska Real Estate Commission property management and association regulations to bring up the standards to today's practice, 12 AAC 64.550, 12 AAC 64.560, 12 AAC 64.570
4. Consistently research what other states have done in the area of property and association management
5. Connecting property and association management resources to the public

2021 Priorities:

1. Develop a best practice document on security and dues deposits
2. Develop a list of property management FAQs for both licensed property managers & property owners
3. Look into developing a separate consumer disclosure & waiver of right to be represented form specific to property management
4. Review & make recommendations to the property management regulations regarding trust account & security deposit issues (long-term goal)
5. Review the Landlord Tenant Act & look at changes in conjunction with the real estate industry (long-term goal)

Old Business

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2021

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that our Executive Administrator Shyla Consalo, Project Assistant Nancy Harris, and the REC Investigator, will all support us in reaching our goals.

GUIDING PRINCIPLE	OBJECTIVE - how will we meet this guiding principle?	Who will complete this task?	Status/Notes
Protect the Consumer/Inform Licensees	<p>With agreement of the appropriate departments, upload informational videos done by appropriate personnel on:</p> <ul style="list-style-type: none"> How to file a complaint against a licensee & its process If a complaint is filed against a license what the process is for a license <p>Additionally, provide best practice "white papers" on various topics as approved by the Commission for placement on our website.</p>	Commissioners, Staff & Investigator	Goal to have recorded presentation done & submitted to Chief Investigator for review/approval by the next year's Strategic Planning meeting
Protect the Consumer/Inform Licensees	<p>Provide the Commission for consideration, what they should have jurisdiction over in property management, i.e., financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. Provide a list of property management FAQ's (Frequently Asked Questions) for both licensed property managers & property owners, to be approved by the Commission then placed on our website. To include:</p> <ul style="list-style-type: none"> Best practices for security deposits & earnest money Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry Review and make recommendations to the property management regulations with regard to trust account and security deposit issues 	Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton	<p>Work in Progress – PM Committee continuing to develop best practices for REC consideration, several already approved & on website</p> <p style="color: red;">2 documents to be presented for consideration at June meeting</p>
Protect the Consumer/Inform Licensees	<p>Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include:</p> <ul style="list-style-type: none"> Define requirements to include brokerage information, minimum size, etc. Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams Review, make recommendations if necessary, and draft regulation changes 	Commissioners Schok & Heaton to provide information to staff	<p>Previous Commission completed a best practice document already approved & on website</p> <p>*Requires a regulation change</p>
Inform Licensees	<p>Assist staff to clear up the following issues:</p> <ul style="list-style-type: none"> How "inactive status" is logged/started & the notification to the affected licensee. Define & Verify how required education, for those who apply for license by endorsement. Define & Simplify the criteria for getting or upgrading a license. Sharing of Information 	Commissioner Markwood & Staff	
Protect the Consumer/Inform Licensees	Review all regulations & propose one major regulation change (clean up) which will bring regulations into the 21 st century.	Commissioners & Staff	Complete – Public Comment Ended 6/4/21 – Commission to Vote on Adopting Regs
Protect the Consumer	Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement.	Commissioner Markwood	<p style="color: red;">Draft form to be discussed at June meeting</p> <p>* Requires a Regulation Change</p>
Commission Business/Inform Licensees	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.	Commissioners & Staff	<p>Discussion to Occur at September Meeting</p> <p>* Requires a Regulation Change</p>
Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff	

Regulation Revisions – Status Update

STATE OF ALASKA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT PROCEDURES		Procedure No. DOL - 19	Page 2 of 2
		Effective Date December 1995	
SUBJECT BOARD/COMMISSION ACTION ON REGULATIONS		Supersedes	Dated
		APPROVED BY	
DIVISION Occupational Licensing	SECTION Licensing		

The board/commission chair often presides over the hearing. The general principle for conducting a regulations hearing is fairness. The board/commission may impose a time limit on commenters, but each commenter must be treated equally.

Staff should provide a sign-in sheet at the beginning of the hearing for those who plan to give oral comments.

FINAL ACTION BY THE BOARD/COMMISSION ON PROPOSED REGULATIONS: After carefully considering the written comments, any oral comments if a hearing was held, and discussing the costs of the proposal, the board/commission may take final action on proposed regulations. The board/commission's final action must be taken during a properly-noticed public meeting.

The board/commission may adopt the regulations as proposed, amend and adopt the regulations, or take no action on the regulations. If the board/commission amends the regulations beyond the summary of proposed changes it has given during the public notice process, the board/commission must give additional notice before adopting the regulations. It is important for the board/commission to explain the reason for its actions on the record. This is not only helpful in the preparation of the final draft of the regulations, but it is also important during the review of the regulations by the Department of Law and in case of a legal challenge to the regulations.

The record of the meeting should include how the board/commission considered the public comment in its deliberations. Also, the board/commission chair or other board/ commission member must make a statement on the record indicating how the board/commission gave special consideration to the cost to private persons. The board/commission must discuss the costs to private persons on the record, even if no comments on costs were submitted or if there are no apparent costs.

The board/commission's final action must be in the form of a motion that is passed.

The staff person responsible for the minutes of the meeting is also responsible for giving a draft copy of the minutes to the regulations specialist as soon as possible after the meeting.

FINAL REVIEW OF ADOPTED REGULATIONS: After a board/commission has adopted regulations, the regulations specialist will prepare the proper paperwork and submit the project to the Department of Law for final review. If approved by the Department of Law, then the project is sent to the Lieutenant Governor's office for filing.

The regulations specialist will notify board/commission members and affected staff of the effective date of approved regulations.

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA REAL ESTATE COMMISSION

BRIEF DESCRIPTION: The Real Estate Commission proposes to update various regulations relating to examination, admission, application, licensure requirements, renewal notice, profession title, classroom and virtual course requirements, instructor approval, and definitions; to be more consistent with current times and processes.

The Real Estate Commission (Commission) proposes to adopt regulation changes in Title 12, Chapter 64 of the Alaska Administrative Code including the following:

1. **12 AAC 64.010. Examination**, is proposed to change the processes for application by examination for real estate salesperson or broker.
2. **12 AAC 64.040. Admission to examination**, is proposed to update the notification processes for admission to examination; to be more consistent with current times.
3. **12 AAC 64.059. Review of license applications**, is proposed to change the age and employment experience requirements for an applicant to qualify for an associate broker or broker licensure, and to conform with current statutory requirements.
4. **12 AAC 64.060. Applications for licensure**, is proposed to remove outdated regulations.
5. **12 AAC 64.061. License by endorsement**, is proposed to update the contents for licensure requirements; to be more consistent with current times and processes, and to conform with current statutory requirements.
6. **12 AAC 64.071. License renewal**, is proposed to update the renewal reminder notice processes to be more consistent with current times.
7. **12 AAC 64.075. Employment and transfer**, is proposed to update the language to be more consistent with current times and processes.
8. **12 AAC 64.077. Broker authorization of license applications**, is proposed to require an applicant applying to work in a branch office to submit the employing broker information form of the application; and update the language to be more consistent with current times and processes.
9. **12 AAC 64.130. Grounds for revocation or suspension**, is proposed to change “agent” to “licensee”.
10. **12 AAC 64.135. Inspections or audits of records and accounts**, is proposed to change “agent” to “licensee”.
11. **12 AAC 64.410. Minimum classroom and virtual course requirements**, is proposed to add the option of virtual courses and establish requirements for virtual course delivery and attendance; and update the language to be more consistent with current times and processes.
12. **12 AAC 64.430. Correspondence courses**, is proposed to update the language to be more consistent with current times and processes.
13. **12 AAC 64.440. Instructor approval**, is proposed to add an additional requirement for instructor applicants to have no disciplinary action within the last five years by any real estate regulating authority or professional real estate association; and to update contact information for the organizations listed in the editor’s note.
14. **12 AAC 64.990. Definitions**, is proposed to add a definition for “virtual course”.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806. Additionally, the Commission will accept comments by facsimile at (907) 465-2974 and by electronic mail at RegulationsAndPublicComment@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system at <http://notice.alaska.gov/202341>, and using the comment link. **The comments must be received not later than 4:30 p.m. on June 4, 2021.** Comments received after this deadline will not be considered by the Commission.

You may submit written questions relevant to the proposed action to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806 or by e-mail at RegulationsAndPublicComment@alaska.gov. **The questions must be received at least 10 days before the end of the public comment period.** The Commission will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and on the Commission's website at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/RealEstateCommission.aspx>. The Commission may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jun Maiquis at (907) 465-2537 or RegulationsAndPublicComment@alaska.gov not later than May 28, 2021 to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Jun Maiquis at (907) 465-2537 or RegulationsAndPublicComment@alaska.gov, or go to <https://www.commerce.alaska.gov/web/portals/5/pub/REC-0421.pdf>.

After the public comment period ends, the Commission will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected.** Written comments and questions received are public records and are subject to public inspection.

Statutory Authority: AS 08.88.051; AS 08.88.061; AS 08.88.071; AS 08.88.081; AS 08.88.091; AS 08.88.095; AS 08.88.111; AS 08.88.171; AS 08.88.191; AS 08.88.251; AS 08.88.263; AS 08.88.291; AS 08.88.311; AS 08.88.351; AS 08.88.401; AS 44.33.020

Statutes Being Implemented, Interpreted, or Made Specific: AS 08.88.051; AS 08.88.061; AS 08.88.071; AS 08.88.081; AS 08.88.091; AS 08.88.095; AS 08.88.111; AS 08.88.171; AS 08.88.191; AS 08.88.251; AS 08.88.263; AS 08.88.291; AS 08.88.311; AS 08.88.351; AS 08.88.401; AS 44.33.020

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 5/3/2021

/s/
Jun Maiquis, Regulations Specialist
Division of Corporations, Business and
Professional Licensing

For each occupation regulated under the Division of Corporations, Business and Professional Licensing, the Division keeps a list of individuals or organizations who are interested in the regulations of that occupation. The Division automatically sends a Notice of Proposed Regulations to the parties on the appropriate list each time there is a proposed change in an occupation's regulations in Title 12 of the Alaska Administrative Code. If you would like your address added to or removed from such a list, send your request to the Division at the address above, giving your name, either your e-mail address or mailing address (as you prefer for receiving notices), and the occupational area in which you are interested.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

Chapter 64. Real Estate Commission.

12 AAC 64.010 is amended to read:

12 AAC 64.010. Examination. (a) A person may apply for the real estate salesperson or broker examination with the commission **approved testing service**. [IF A TESTING SERVICE IS AUTHORIZED BY THE COMMISSION UNDER AS 08.88.191, A PERSON MAY ALSO APPLY FOR THE EXAMINATION WITH THE TESTING SERVICE.]

(b) Deadlines for registration for the examination **are set by the commission approved testing service** [WILL BE PUBLISHED WITH THE REGISTRATION INFORMATION OR WILL BE AVAILABLE FROM THE COMMISSION. DEADLINES FOR REGISTRATION WILL NOT BE LESS THAN THREE DAYS BEFORE THE EXAMINATION].

(c) Registration fees for the [WRITTEN] examination are not refundable.

(d) An applicant for licensure shall pass **an** [A WRITTEN] examination, approved by the commission, before applying for a license as a real estate broker, associate real estate broker, or real estate salesperson. The [WRITTEN] examination consists of a general part and a state part. An applicant must sit for both parts of the [WRITTEN] examination during the same examination session. (Eff. 8/6/67, Register 24; am 8/9/72, Register 43; am 8/22/79, Register 71; am 12/6/81, Register 80; am 7/16/94, Register 131; am 10/27/99, Register 152; am 4/24/2009, Register 190; am ___/___/_____, Register _____)

Authority: AS 08.88.051 AS 08.88.081 AS 08.88.191
 AS 08.88.071 AS 08.88.171

Editor's note: Information regarding the examination described in 12 AAC 64.010 may

Register _____, _____ 2021 **PROFESSIONAL REGULATIONS**

be obtained by **contacting** [WRITING OR CALLING] the commission at Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, Alaska, 99501-3567; Phone: (907) 269-**8168** [8162]; FAX: (907) 269-**8156** [8196], **or website at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/RealEstateCommission.aspx>**; or **from** the testing service at **Pearson Vue, 5601 Green Valley Drive, Bloomington, MN 55437-1099, Phone: (800) 274-5992, or website at <https://home.pearsonvue.com/>** [PROMISSOR, 3 BALA PLAZA WEST, SUITE 300, BALA CYNWYD, PENNSYLVANIA 19004; PHONE: (800) 274-5992; FAX: (888) 204-6291].

12 AAC 64.040 is amended to read:

12 AAC 64.040. Admission to examination. (a) Before the scheduled examination date, an applicant who has registered to sit for the examination will be sent [AN ADMISSION TICKET FROM THE COMMISSION THAT SPECIFIES THE TIME AND PLACE OF THE EXAMINATION. IF A TESTING SERVICE IS AUTHORIZED BY THE COMMISSION UNDER AS 08.88.191, THE APPLICANT WILL BE SENT] a confirmation notice or receive a confirmation number by **electronic mail** [TELEPHONE] from the testing service that specifies the time and place of the examination.

(b) An applicant who has not **pre-registered** [REGISTERED] for the examination by the deadline described in 12 AAC 64.010(b) **may** [WILL] not be admitted to the examination **at the sole discretion of the testing service**. (Eff. 8/6/67, Register 24; am 8/22/79, Register 71; am 7/1/89, Register 110; am 10/8/90, Register 116; am 10/27/99, Register 152; am ___/___/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.111 AS 08.88.191

12 AAC 64.059(d)(1)(B) is amended to read:

(B) the applicant's date of birth that shows the applicant is at least 22 [21] years old;

12 AAC 64.059(d)(5) is amended to read:

(5) submits a statement, signed by the brokers who employed the applicant, verifying that the applicant has at least 36 [24] months of active and continuous experience as a real estate licensee within the 60 [36] months before the date of application for an associate broker license; and

• • •

(Eff. 2/11/95, Register 133; am 6/2/95, Register 134; am 2/12/99, Register 149; am 9/6/2002, Register 163; am 3/27/2008, Register 185; am 6/22/2008, Register 186; am 5/31/2012, Register 202; am 12/13/2014, Register 212; am 2/21/2019, Register 229; am 8/30/2020, Register 235; am ___ / ___ / _____, Register _____)

Authority: AS 08.88.071 AS 08.88.091 AS 08.88.263
AS 08.88.081 AS 08.88.171

12 AAC 64.060(f) is repealed:

(f) **Repealed** ___ / ___ / _____ [IF A LICENSEE WHO HOLDS AN ASSOCIATE BROKER LICENSE LIMITED TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT BECOMES AN OWNER OF A COMMUNITY ASSOCIATION MANAGEMENT COMPANY, OR IS HIRED BY A CORPORATION, PARTNERSHIP,

LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY TO BE A BROKER OF A COMMUNITY ASSOCIATION MANAGEMENT OFFICE, THE LICENSEE SHALL RETURN THE ASSOCIATE BROKER LICENSE TO THE COMMISSION. AFTER RECEIVING THE ASSOCIATE BROKER LICENSE, THE COMMISSION WILL ISSUE A BROKER LICENSE TO THE LICENSEE LIMITED TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT].

12 AAC 64.060(g) is repealed

(g) **Repealed** / / [A LICENSEE WHO HOLDS A BROKER OR ASSOCIATE BROKER LICENSE LIMITED TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT MAY OBTAIN A BROKER OR ASSOCIATE BROKER LICENSE THAT IS NOT LIMITED AS DESCRIBED IN (F) OF THIS SECTION, BY COMPLYING WITH THE REQUIREMENTS OF AS 08.88.171 AND THIS CHAPTER].

(Eff. 8/6/67, Register 24; am 8/22/79, Register 71; am 12/6/81, Register 80; am 10/8/90, Register 116; am 7/16/94, Register 131; am 9/15/94, Register 131; am 2/11/95, Register 133; am 2/12/99, Register 149; am 9/6/2002, Register 163; am 5/31/2012, Register 202; am ____/____/____, Register _____)

Authority: AS 08.88.071 AS 08.88.171 AS 08.88.191
AS 08.88.081

12 AAC 64.061(c)(1)(C)(i) is amended to read:

(i) determine that the applicant must provide additional information regarding the applicant's active status by furnishing a report of listings

and sales, **or property management activity**, accomplished by the applicant during **three** [TWO] or more years within the last **five** [THREE] years of licensure immediately preceding application in order to verify that the applicant meets the requirements of this subparagraph; the report must be certified as correct by the broker with whom the applicant has been associated; if due to conditions outside of the control of the applicant, a broker is not reasonably available to certify the report, an applicant may request and receive approval from the commission for an alternative manner to provide verification that the report is correct, **this report may be provided by electronic mail or postal mail**;

(Eff. 12/6/81, Register 80; am 9/29/83, Register 88; 7/16/94, Register 131; am 2/12/99, Register 149; am 2/5/2010, Register 193; am ___/___/_____, Register _____)

Authority: AS 08.88.071 AS 08.88.081 AS 08.88.263

12 AAC 64.071(a) is amended to read:

(a) Except as provided in (g) of this section, all licenses lapse January 31 of every even-numbered year unless renewed under this section and in accordance with AS 08.88.091, 08.88.171, and 08.88.251. A renewal reminder **notice** [DOCUMENT] will be provided **by the commission, either by electronic mail or postal mail**, to each licensee with a current expiration date at least 60 days before the renewal date.

(Eff. 2/6/81, Register 80; am 9/29/83, Register 88; am 7/1/89, Register 110; am 10/8/90, Register 116; am 3/6/91, Register 117; am 7/16/94, Register 131; am 11/1/2003, Register 168; am 1/1/2006, Register 176; am 5/31/2012, Register 202; am 1/9/2014, Register 209; am ___/___/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.095 AS 08.88.251
AS 08.88.091 AS 08.88.171

12 AAC 64.075(a) is amended to read:

(a) An individual may not be involved in activities requiring licensure under AS 08.88 until the individual's employing broker signs and delivers to the commission, **either by electronic mail or postal mail**, a notice of employment of the individual and the individual's license certificate is delivered to the broker by the licensee or the commission.

12 AAC 64.075(b) is amended to read:

(b) When a licensee requests a license transfer from one broker to another, the terminating broker shall sign and date the front of the license certificate, provide a copy to the licensee, and submit the original to the commission, **either by electronic mail or postal mail**, within five days from the date of the licensee's request for a license transfer. The licensee shall provide the new employing broker with a copy of the signed license certificate and provide the commission with a completed application for license transfer and the fees established in 12 AAC 02.360. The commission will mail an amended license certificate directly to the new employing broker.

12 AAC 64.075(e) is amended to read:

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after [WRITTEN NOTICE BY THE COMMISSION TO THE LICENSEE OF] the commission's receipt, **either by electronic mail or postal mail**, of notice from the licensee's

terminating broker interrupts the licensee's period of active and continuous experience. (Eff. 8/22/79, Register 71; am 12/6/81, Register 80; am 7/1/89, Register 110; am 7/16/94, Register 131; am 9/15/94, Register 131; am 9/6/2002, Register 163; am 6/22/2008, Register 186; am ____/____/____, Register _____)

Authority: AS 08.88.081 AS 08.88.171 AS 08.88.251

12 AAC 64.077(b) is amended to read:

(b) An applicant applying to work in a branch office shall submit to the commission **the Employing Broker Information form of the** [AN] application signed by the registered broker and the associate broker in charge of the branch office. **This form may be signed digitally or non-digitally, and may be submitted either by electronic mail or postal mail.**

12 AAC 64.077(c) is amended to read:

(c) When the registered broker of an office notifies the commission office in advance of an absence from the office, the broker or an associate broker designated by the registered broker to supervise transactions or licensees during the broker of record's absence may sign, **either digitally or non-digitally,** for the broker of record on a license application. (Eff. 7/16/94,

Register 131; am 2/12/99, Register 149; am ____/____/____, Register _____)

Authority: AS 08.88.081 AS 08.88.291 AS 08.88.311
AS 08.88.171

12 AAC 64.130(13) is amended to read:

(13) failing to submit to the seller or the seller's **licensee** [AGENT] all written

bona fide offers received before the seller accepts another offer in writing and the broker has knowledge of the acceptance;

(Eff. 8/6/87, Register 24; am 8/22/79, Register 71; am 10/19/80, Register 76; am 12/6/81, Register 80; am 7/1/89, Register 110; am 7/16/94, Register 131; am 6/28/97, Register 142; am 5/28/98, Register 146; am 11/18/2006, Register 180; am 1/9/2014, Register 209; am ____/____/_____, Register _____)

Authority: AS 08.88.071 AS 08.88.081 AS 08.88.401

12 AAC 64.135(a) is amended to read:

(a) The commission will, in its discretion, and the commission's designee may, inspect a broker's transaction records; the inspection must be conducted between 8:00 a.m. and 5:00 p.m., Monday through Friday, unless otherwise agreed, and the broker must be given at least 72 hours' advance notice of the inspection. The broker shall make available to the commission or its designee all requested transaction records including, but not limited to, earnest money agreements, listing agreements, trust account records, disbursal records, broker or **licensee** [AGENT] communications regarding transactions, and closing statements for all principals to transactions.

(Eff. 8/22/79, Register 71; am ____/____/_____, Register _____)

Authority: AS 08.88.081 **AS 44.33.020** [AS 44.33.020(1)]
AS 08.88.351

12 AAC 64.410 is amended to read:

12 AAC 64.410. Minimum classroom and virtual course requirements. (a) Except as

provided in (f) and (g) of this section, only real estate education courses certified by the commission, or the commission's designee, meet the requirements of AS 08.88.091 and 08.88.095. To be certified, a course **whether delivered in a classroom or virtually**, must meet the following minimum requirements:

(1) the course must add to the practical knowledge required to perform the duties of a real estate practitioner in areas identified in 12 AAC 64.063, 12 AAC 64.064, and 12 AAC 64.500;

(2) the course content must be applicable to all areas of the state, but may also include consideration of unique local circumstances;

(3) repealed 6/28/97;

(4) the course must be taught by an instructor approved by the commission to teach that course topic;

(5) a guest instructor who is not approved may be used to present a specialized portion of a course if an approved instructor for the course topic is also present;

(6) students must be required to adhere to a strict attendance policy, **whether in a classroom or attending virtually**, in order to receive credit for the course;

(7) students **taking a course virtually** must **be present using a device with video and audio capabilities**;

(8) students must complete a course and instructor evaluation on a form [REQUIRED BY THE COMMISSION; THE COMMISSION WILL PROVIDE A MASTER COPY OF THE FORM TO EACH COURSE SPONSOR] **that meets or exceeds the basic evaluation provided by the commission**;

(9) [(8)] a certificate of completion shall be given to each student who attends and

participates in the course and completes the evaluation, showing the

- (A) name of student;
- (B) city where course was held;
- (C) course title and course approval number;
- (D) date the course was delivered;
- (E) number of contact hours awarded;
- (F) signature of the course instructor or sponsor; and
- (G) name of the course instructor.

(b) A transcript from a college or university registrar may substitute for the certificate of completion required in **(a)(9)** [(a)(8)] of this section.

(c) Regardless of the number of courses taken in a single day, a student may not receive credit for more than

(1) 10 hours of instruction per day to meet the continuing education requirements of AS 08.88.091 and 12 AAC 64.500; or

(2) eight hours of instruction per day to meet the education requirements of AS 08.88.095 and 12 AAC 64.064.

(d) The commission will maintain a list, updated quarterly, of approved courses that are open to any licensee. The commission will make the list available at the division's office in Anchorage, **through** [IN] the commission **ListServ** [NEWSLETTER], **the commission's website** [THROUGH A PUBLICLY ACCESSIBLE ELECTRONIC MEDIUM], and by other appropriate methods.

(e) **Any** [A] course outline submitted to the commission in compliance with 12 AAC 64.420(a)(3)(D) is the property of the author or course sponsor.

(f) Courses developed by a national organization that issues professional designations in specific areas of licensed real estate practice, and that are required to earn or maintain a nationally recognized professional designation, will be recognized for credit if

(1) the course is taught by an instructor certified by the national organization to deliver the course; and

(2) the national organization provides

(A) a list of the designations offered and the courses required for each designation to the commission annually; and

(B) a certificate of successful course completion.

(g) Courses in the subject areas identified in 12 AAC 64.500 offered by an accredited college or university will be recognized for credit. To determine the number of credit hours to be granted, the licensee must

(1) submit a syllabus of the course, **either by electronic mail, through a link, or by postal mail**; and

(2) arrange for and ensure the submission of an official transcript directly from the college or university where the course was offered, **either by electronic mail or postal mail**.

(Eff. 10/8/90, Register 116; am 3/6/91, Register 117; am 7/16/94, Register 131; am 9/15/94, Register 131; am 6/28/97, Register 142; am 5/28/98, Register 146; am 2/12/99, Register 149; am 1/1/2006, Register 176; am 3/27/2008, Register 185; am ____ / ____ / _____, Register _____)

Authority: AS 08.88.061 AS 08.88.091 AS 08.88.095
AS 08.88.081

12 AAC 64.430 is amended to read:

12 AAC 64.430. Correspondence courses. (a) To obtain certification of a correspondence course a sponsor must

(1) meet the requirements of 12 AAC 64.420;

(2) submit a copy of the complete course materials that will be provided to participants, including any published texts [AND AUDIO-CASSETTE] or **videos** [VIDEOTAPES]; and

(3) submit **a copy of** the [WRITTEN] instructions for completing each lesson, **either by electronic mail or postal mail.**

(b) All courses taken by correspondence must include an **unanswered** examination, or a project activity, to be turned into the **instructor** [COURSE SPONSOR] for grading **upon completion of the course.** The **examination or** project activity must be submitted along with the course material to the commission for prior approval, **either by electronic mail or postal mail.**

(Eff. 10/8/90, Register 116; am 2/12/99, Register 149; am 3/27/2008, Register 185; am

_____/_____/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.091

12 AAC 64.440 is amended to read:

12 AAC 64.440. Instructor approval. (a) Except as provided in 12 AAC 64.410(f) and (g), only a course taught by an instructor who is approved by the commission, or the commission's designee, to teach a course on that topic meets the education requirements of AS 08.88.091, AS 08.88.095, and this chapter. A national instructor must obtain approval from the commission, or the commission's designee, in the appropriate topic area before teaching any course other than a course required to qualify a licensee for a professional designation in licensed

real estate practice from a national organization.

(b) An applicant for instructor approval must apply to the commission by submitting

- (1) a completed application on a form provided by the department;
- (2) the fees required in 12 AAC 02.360;
- (3) a list of topics the applicant is seeking approval to teach; and
- (4) a resume indicating the education and experience of the applicant in the

requested topic areas, including the experience and education required in (c) of this section.

(c) To be approved as an instructor, an applicant must have experience teaching or training adults, and at least one of the following:

- (1) a bachelor's degree in real estate or a related field;
- (2) five years of experience as a real estate licensee with documented experience

in the topic area the applicant is seeking approval to teach;

(3) another combination of experience and education that establishes the applicant's credentials in the requested topic area;

(4) be listed as an approved instructor by a national organization that offers professional real estate courses that have been approved by the commission for continuing education credit under 12 AAC 64.420.

(d) Successful completion of an instructor workshop sponsored by the Association of Real Estate License Law Officials (ARELLO), the National Association of Realtors (NAR), the Real Estate Educators' Association (REEA), the International Right of Way Association (IRWA), the Community Association Institute (CAI), or other national organization determined to be comparable by the commission, or the commission's designee, may be substituted for the teaching experience or training required in (c) of this section.

(e) If necessary to verify or substantiate the qualifications of an applicant for instructor approval, the commission, or its designee, will interview an applicant for instructor approval. If the commission requests division staff to conduct the interview, the division staff shall conduct the interview using the standards for instructor approval set out in this section. The division staff shall prepare a report on the interview and provide it to the commission for further action.

(f) **The applicant must have not been disciplined within the last five years by any real estate regulating authority or professional real estate association.**

(g) 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.

(h) [(g) REPEALED 6/22/2008.

(h)] An applicant for initial instructor approval that wishes to substitute completion of an

instructor workshop in (d) of this section for teaching experience or training required in (c) of this section, must apply for instructor approval not later than six months after completing an approved instructor workshop. (Eff. 10/8/90, Register 116; am 3/6/91, Register 117; am 7/16/94, Register 131; am 6/28/97, Register 142; am 2/12/99, Register 149; am 1/1/2006, Register 176; am 6/22/2008, Register 186; am 1/9/2014, Register 209; am 8/30/2020, Register 235; am ____/____/_____, Register _____)

Authority: AS 08.88.061 AS 08.88.091 AS 08.88.095
AS 08.88.081

Editor's note: Information on workshops described in 12 AAC 64.440 may be obtained from the applicable organizations at the following **websites** [ADDRESSES]: Association of Real Estate License Law Officials (ARELLO), <https://www.arello.com/> [P.O. BOX 129, CENTERVILLE, UT 84014-0129]; National Association of Realtors (NAR), <https://www.nar.realtor/> [430 NORTH MICHIGAN AVE., CHICAGO, IL 60611]; Real Estate Educator's Association (REEA), <https://www.reea.org/> [10565 LEE HIGHWAY, SUITE 104, FAIRFAX, VA 22030-3135]; International Right of Way Association (IRWA), <https://www.irwaonline.org/> [13650 SOUTH GRAMERCY PLACE, GARDENA, CA 90249]; Community Association Institute (CAI), <https://www.caionline.org/> [1630 DUKE STREET, ALEXANDRIA, VA 22314].

12 AAC 64.990(b) is amended by adding a new paragraph to read:

(10) “virtual course” means a course that is approved for credit by the commission and is provided in an interactive on-line, real-time learning environment where the majority of the curriculum is delivered using the internet; and in which students are

separated by location from their instructor of record, yet have the ability to participate through chats and audio.

(Eff. 12/6/81, Register 80; am 4/10/83, Register 86; am 9/29/83, Register 88; am 10/8/90, Register 116; am 7/3/94, Register 130; am 7/16/94, Register 131; am 9/15/94, Register 131; am 2/12/99, Register 149; am 9/6/2002, Register 163; am 6/22/2008, Register 186; am 12/7/2011, Register 200; am 2/21/2019, Register 229; am ____/____/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.091

Public Comment on Regulation Revisions

Maiquis, Jun C (CED)

From: TRACI BARICKMAN <tjb@mtaonline.net>
Sent: Wednesday, May 5, 2021 7:20 AM
To: Regulations and Public Comment (CED sponsored)
Subject: AREC Proposed Changes
Attachments: Pages from REC Notice-0521.pdf

Importance: High

I have reviewed the proposed changes recommended by the AREC and have questions and concerns regarding a few of the changes. Please see my attached notes for consideration. Thank you for your attention to this. The attached notes are only the pages I had questions or comments on.

Respectfully,
Traci Barickman

Traci J. Barickman ABR, CRB, CRS, GRI, EPRO

Broker/Owner & Trainer
125 W. Evergreen Ave., Suite 201
Palmer, Alaska 99645
(907) 315-0324



Email: tjb@mtaonline.net

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(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

Chapter 64. Real Estate Commission.

12 AAC 64.010 is amended to read:

12 AAC 64.010. Examination. (a) A person may apply for the real estate salesperson or broker examination with the commission **approved testing service**. [IF A TESTING SERVICE IS AUTHORIZED BY THE COMMISSION UNDER AS 08.88.191, A PERSON MAY ALSO APPLY FOR THE EXAMINATION WITH THE TESTING SERVICE.]

(b) Deadlines for registration for the examination **are set by the commission approved testing service** [WILL BE PUBLISHED WITH THE REGISTRATION INFORMATION OR WILL BE AVAILABLE FROM THE COMMISSION. DEADLINES FOR REGISTRATION WILL NOT BE LESS THAN THREE DAYS BEFORE THE EXAMINATION].

(c) Registration fees for the [WRITTEN] examination are not refundable.

(d) An applicant for licensure shall pass **an** [A WRITTEN] examination, approved by the commission, before applying for a license as a real estate broker, associate real estate broker, or real estate salesperson. The [WRITTEN] examination consists of a general part and a state part.

Should this include pass both parts? Or is this covered elsewhere?

An applicant must sit for both parts of the [WRITTEN] examination during the same examination session. (Eff. 8/6/67, Register 24; am 8/9/72, Register 43; am 8/22/79, Register 71; am 12/6/81, Register 80; am 7/16/94, Register 131; am 10/27/99, Register 152; am 4/24/2009, Register 190; am ___/___/_____, Register _____)

Authority: AS 08.88.051 AS 08.88.081 AS 08.88.191
AS 08.88.071 AS 08.88.171

Editor's note: Information regarding the examination described in 12 AAC 64.010 may

Register _____, _____ 2021 **PROFESSIONAL REGULATIONS**

Authority: AS 08.88.081 AS 08.88.095 AS 08.88.251
AS 08.88.091 AS 08.88.171

12 AAC 64.075(a) is amended to read:

(a) An individual may not be involved in activities requiring licensure under AS 08.88 until the individual's employing broker signs and delivers to the commission, **either by electronic mail or postal mail**, a notice of employment of the individual and the individual's license certificate is delivered to the broker by the licensee or the commission.

12 AAC 64.075(b) is amended to read:

(b) When a licensee requests a license transfer from one broker to another, the terminating broker shall sign and date the front of the license certificate, provide a copy to the licensee, and submit the original to the commission, **either by electronic mail or postal mail**, within five days from the date of the licensee's request for a license transfer. The licensee shall provide the new employing broker with a copy of the signed license certificate and provide the commission with a completed application for license transfer and the fees established in 12 AAC 02.360. The commission will mail an amended license certificate directly to the new employing broker.

12 AAC 64.075(e) is amended to read:

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after [WRITTEN NOTICE BY THE COMMISSION TO THE LICENSEE OF] the commission's receipt, **either by electronic mail or postal mail**, of notice from the licensee's

Register _____, _____ 2021 **PROFESSIONAL REGULATIONS**

This doesn't make sense. Is this putting the task on the *terminating* broker? Not sure this is clear.
terminating broker interrupts the licensee's period of active and continuous experience. (Eff.

8/22/79, Register 71; am 12/6/81, Register 80; am 7/1/89, Register 110; am 7/16/94, Register 131; am 9/15/94, Register 131; am 9/6/2002, Register 163; am 6/22/2008, Register 186; am ____/____/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.171 AS 08.88.251

12 AAC 64.077(b) is amended to read:

(b) An applicant applying to work in a branch office shall submit to the commission **the Employing Broker Information form of the** [AN] application signed by the registered broker and the associate broker in charge of the branch office. **This form may be signed digitally or non-digitally, and may be submitted either by electronic mail or postal mail.**

12 AAC 64.077(c) is amended to read:

(c) When the registered broker of an office notifies the commission office in advance of an absence from the office, the broker or an associate broker designated by the registered broker to supervise transactions or licensees during the broker of record's absence may sign, **either digitally or non-digitally,** for the broker of record on a license application. (Eff. 7/16/94, Register 131; am 2/12/99, Register 149; am ____/____/_____, Register _____)

Authority: AS 08.88.081 AS 08.88.291 AS 08.88.311

AS 08.88.171

12 AAC 64.130(13) is amended to read:

(13) failing to submit to the seller or the seller's **licensee** [AGENT] all written

(f) Courses developed by a national organization that issues professional designations in specific areas of licensed real estate practice, and that are required to earn or maintain a nationally recognized professional designation, will be recognized for credit if

(1) the course is taught by an instructor certified by the national organization to deliver the course; and

(2) the national organization provides

(A) a list of the designations offered and the courses required for each designation to the commission annually; and

(B) a certificate of successful course completion.

(g) Courses in the subject areas identified in 12 AAC 64.500 offered by an accredited college or university will be recognized for credit. To determine the number of credit hours to be granted, the licensee must

Does the AREC staff now have access to outside links?

(1) submit a syllabus of the course, either by electronic mail, through a link, or by postal mail; and

(2) arrange for and ensure the submission of an official transcript directly from the college or university where the course was offered, either by electronic mail or postal mail.

(Eff. 10/8/90, Register 116; am 3/6/91, Register 117; am 7/16/94, Register 131; am 9/15/94, Register 131; am 6/28/97, Register 142; am 5/28/98, Register 146; am 2/12/99, Register 149; am 1/1/2006, Register 176; am 3/27/2008, Register 185; am ____/____/____, Register ____)

Authority: AS 08.88.061 AS 08.88.091 AS 08.88.095
AS 08.88.081

12 AAC 64.430 is amended to read:

(e) If necessary to verify or substantiate the qualifications of an applicant for instructor approval, the commission, or its designee, will interview an applicant for instructor approval. If the commission requests division staff to conduct the interview, the division staff shall conduct the interview using the standards for instructor approval set out in this section. The division staff shall prepare a report on the interview and provide it to the commission for further action.

BAD IDEA

(f) The applicant must have not been disciplined within the last five years by any real estate regulating authority or professional real estate association. I am conflicted with this change. I don't disagree that it is a good policy, but not all licensees are members of professional associations. You are placing conditions on only a percentage of licensees.

(g) 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.

(h) [(g) REPEALED 6/22/2008.

(h)] An applicant for initial instructor approval that wishes to substitute completion of an

Maiquis, Jun C (CED)

From: TRACI BARICKMAN <tjb@mtaonline.net>
Sent: Wednesday, May 5, 2021 12:47 PM
To: Consalo, Shyla M (CED)
Cc: Regulations and Public Comment (CED sponsored); Harris, Nancy A (CED)
Subject: Re: AREC Proposed Changes

Thank you!

Traci J. Barickman

Broker/Owner & Trainer ABR, CRB, CRS, GRI, EPRO
125 W. Evergreen Ave., Suite 201
Palmer, Alaska 99645
(907) 315-0324



Our Clients' and Associates' Safety Come First

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From: "Consalo, Shyla M (CED)" <shyla.consalo@alaska.gov>
Date: Wednesday, May 5, 2021 at 11:51 AM
To: TRACI BARICKMAN <tjb@mtaonline.net>
Cc: "Regulations and Public Comment (CED sponsored)" <regulationsandpubliccomment@alaska.gov>, "Harris, Nancy A (CED)" <nancy.harris@alaska.gov>
Subject: RE: AREC Proposed Changes

Good Afternoon Traci,

Thank you for your comments. I have reviewed them, and am providing responses to your questions/concerns.

1. Re: 12 AAC 64.010(d), passing the exam is covered in the first sentence of the subsection. The portion you commented on is stating that both portions of the exam must be taken at the same time.
2. Re: 12 AAC 64.075(b), this will need to be amended to take the word "original" out, so that licenses can be emailed.
3. Re: 12 AAC 64.075(e), this is not putting the task on the terminating broker. At the beginning of the subsection it states "Failure of the licensee", so it is the licensee's responsibility to submit the appropriate paperwork within that time frame.

4. Re: 12 AAC 64.410(g), staff does have access to a lot of outside links. There may be circumstances where a link doesn't work or we can't obtain access for some reason; however, there are work arounds to that – we just felt it should be included as an option.
5. Re: 12 AAC 64.440(f), we understand not all licensees are members of professional associations. This change was added due to numerous expressed concerns from licensees (mainly brokers) in the industry. The language to be added on the application will be the same language that is already in the Professional Fitness Questions section on all of our other applications. I've attached a copy for your reference.

I hope these responses provide a little more clarity. Thank you!

Shyla Consalo
Executive Administrator
Alaska Real Estate Commission
550 W. 7th Ave., Suite 1500
Anchorage, AK 99501

From: Regulations and Public Comment (CED sponsored)
Sent: Wednesday, May 5, 2021 9:01 AM
To: TRACI BARICKMAN <tjb@mtaonline.net>
Cc: Consalo, Shyla M (CED) <shyla.consalo@alaska.gov>
Subject: RE: AREC Proposed Changes

Traci, thank you for taking the time to comment. Your comments/questions will be forwarded to the Commission for consideration.

From: TRACI BARICKMAN [<mailto:tjb@mtaonline.net>]
Sent: Wednesday, May 5, 2021 7:20 AM
To: Regulations and Public Comment (CED sponsored) <regulationsandpubliccomment@alaska.gov>
Subject: AREC Proposed Changes
Importance: High

I have reviewed the proposed changes recommended by the AREC and have questions and concerns regarding a few of the changes. Please see my attached notes for consideration. Thank you for your attention to this. The attached notes are only the pages I had questions or comments on.

Respectfully,
Traci Barickman

Traci J. Barickman ABR, CRB, CRS, GRI, EPRO
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125 W. Evergreen Ave., Suite 201
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Email: tjb@mtaonline.net

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PART IV Professional Fitness Questions

The following questions must be answered. "Yes" answers may not automatically result in license denial. If you answer "Yes" to any of the questions, please explain dates and circumstances on a separate piece of paper, signed and dated, and send any supporting documents that are applicable (court records, judgments, charging documents, etc.).

Applications submitted without the appropriate attachments will be considered incomplete and will not be processed.

The contents of licensing files are generally considered public records. If you believe that the additional information you are attaching to explain a "yes" answer should be considered confidential, state that in the attachment. A request for confidentiality may or may not be granted.

When in doubt, disclose and explain.

- | | |
|---|---|
| <p>1. Since the date your last Alaska license was issued or renewed:
Have you ever been convicted of a crime or are you currently charged with committing a crime? For the purpose of this question, "crime" includes a misdemeanor, felony, or a military offense. "Convicted" includes having been found guilty by verdict of a judge or jury, having entered a plea of guilty, nolo contendere, or no contest, or having been given probation, a suspended imposition of sentence (SIS), or a fine.</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>2. Since the date your last Alaska license was issued or renewed:
Have you ever had a real estate license revoked, denied, suspended, surrendered, placed on probation, or subject of any restriction, censure, reprimand, consent agreement or any other disciplinary or license action?</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>3. Since the date your last Alaska license was issued or renewed:
Have you ever had any other professional or occupational license revoked, denied, suspended, surrendered, placed on probation, or under any restriction, censure, reprimand, or any other disciplinary or license action in the state or any other jurisdiction?</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>4. Since the date your last Alaska license was issued or renewed:
Have you ever had a fidelity bond denied or revoked?</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>5. Since the date your last Alaska license was issued or renewed:
Are you the subject of an unresolved complaint or disciplinary action before a real estate regulating authority or a professional real estate association?</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>6. Since the date your last Alaska license was issued or renewed:
Have you ever had a lawsuit filed against you alleging deceit, fraud, misrepresentation or conversion of funds?</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |
| <p>7. Have you attached required documentation for any "Yes" answers for questions 1 - 7?
(Check "No" if you have not answered yes to any question.)</p> | <p><input type="checkbox"/> Yes
<input type="checkbox"/> No</p> |

Maiquis, Jun C (CED)

From: Alaska Online Public Notices <noreply@state.ak.us>
Sent: Thursday, May 13, 2021 2:42 PM
To: Maiquis, Jun C (CED)
Subject: New Comment on NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA REAL ESTATE COMMISSION

A new comment has been submitted on the public notice [NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE ALASKA REAL ESTATE COMMISSION](#).

Submitted:

5/13/2021 2:42:03 PM

Patrick Gabriel Stephan
gstephan@jackwhite.com

Anchorage, AK, US
Anonymous User

Comment:

Regarding Page 6, 12AAC 64.075(b)

I suggest amending as follows: (b)When a licensee requests a license transfer from one broker to another, the terminating broker shall sign and date the front of the license certificate, either digitally or non-digitally, and provide a copy to the licensee,...

Thanks,

Gabe

You can review all comments on this notice by [clicking here](#).

[Alaska Online Public Notices](#)

AREC Property Transfer Disclosure
Form Re-Write



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 a~~ Transferee/Buyer (hereafter referred to as Buyer) ~~of an interest in residential real property~~ makes a written offer of residential real property, 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).

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.

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 licensee 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 licensee-. 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 **must** disclose defects or other conditions in the real property, or the real property interest being transferred. **The Seller To comply, disclosure does not** 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.

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 **the** 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"/> | <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 . . . Check items that need replace

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

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

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

○ **Supply information for the following items:**

Average Annual-Monthly Utility Costs:

Utility History Attached.

Gas	\$ _____	<input type="checkbox"/>	Company/Source: _____
Electric	\$ _____	<input type="checkbox"/>	Company/Source: _____
Oil	\$ _____ /Gallons: _____	<input type="checkbox"/>	Company/Source: _____
Propane	\$ _____	<input type="checkbox"/>	Company/Source: _____
Wood	\$ _____	<input type="checkbox"/>	Company/Source: _____
Coal	\$ _____	<input type="checkbox"/>	Company/Source: _____
Water	\$ _____	<input type="checkbox"/>	Company/Source: _____
Sewer	\$ _____	<input type="checkbox"/>	Company/Source: _____
Refuse	\$ _____	<input type="checkbox"/>	Company/Source: _____
Other	\$ _____	<input type="checkbox"/>	Company/Source: _____

Additional Information:

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 | Unknown |
|---|--------------------------|--------------------------|--------------------------|
| 1. Do you know of any existing, pending, or potential legal action(s) concerning the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you know of any street or utility improvements planned that will affect the property?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Road maintenance provided by? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the property currently rented or leased? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, expiration date: _____ / _____ / _____ | | | |
| 5. Is there a homeowner's association (HOA) for the property?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, HOA name: _____ HOA Telephone: _____ | | | |
| <input type="checkbox"/> Mandatory <input type="checkbox"/> Voluntary <input type="checkbox"/> Inactive Monthly Dues Amount: \$ _____ per _____ | | | |
| Are there any levied or pending assessments?..... | | | |
| Who is responsible for issuing the resale certificate? | | | |
| Name: _____ Telephone: _____ | | | |

- **Setbacks/Restrictions:**
- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 1. Have you been notified of any proposed zoning changes for the property?..... | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you aware of features of the property shared in common with adjoining property owners, such as | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| a. walls, fences, and driveways, whose use or responsibility for maintenance may affect the property?.. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are there subdivision conditions, covenants, or restrictions? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are you aware of any violations of building codes, zoning, setback requirements, subdivision covenants, borough, or city restrictions on this property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are you aware of any nonconforming uses of this property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- **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? _____

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

Sewer System: **Yes** **No** **Unknown**
 Type: Public Private Community Other _____

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

If Private: Septic Tank Holding Tank Other: _____

Drain field 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, leach fields, cribs, etc. on the property?.....

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

Provide Shared Well agreement if any

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?.....

Hot Water Heater:
 Age: _____ years. Capacity: _____ gallons. Type: Gas Electric Other _____

.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: What type? _____ Electric _____ Gas _____ Wood _____ Pellet _____ Other? _____
 Date chimney(s) last cleaned or serviced? _____ Who cleaned/serviced? _____
 years.

Freeze-ups:

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

➢ If If yes, please explain. _____

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

➢ Location, and explain use. _____

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? _____

Additional Information (Continued):

Yes No Unknown

- 1. To the best of your knowledge, has the property been inspected by an engineer/home inspector in the last 5 years?
- 2. Are you aware of any deed, or other private restrictions on the use of the property?.....
- 3. Are you aware of any variances being applied for, or granted, on this property?.....
- 4. Are you aware of any easements on the property?

Encroachments:

- 5. Does anything on your property encroach (extend) onto your neighbor's property?
- 6. Does anything on your neighbor's property encroach onto your property?

Environmental Concerns:

- 7. 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?
- 8. Are you aware of any mildew or mold issues affecting this property?
- 9. Are you aware of any underground storage tanks on this property, other than previously referenced fuel? or septic tanks? Number of tanks:_____.....
- 10. Are you aware if the property is in an avalanche zone/mudslide area?.....
- 11. Are you aware if the property has flooded?

Flood zone designation:

- 12. Are you aware of any erosion/erosion zone or accretion affecting this property?.....
- 13. 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?
- 14. Have you ever filed an insurance claim for any environmental damage to the property?
- 13. Are you aware of a waste disposal site or a gravel pit within a one-mile radius of the property?.....

Soil Stability:

- 14. Are you aware of any debris burial or filling on any portion of the property?.....
- 15. 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?
- 16. Are you aware of any drainage, or grading problems that affect this property?.....

Construction, Improvements/Remodel:

- 17. Have you remodeled, made any room additions, structural modifications, or improvements?.....
- a. If Yes, please describe. Was the work performed with necessary permits in compliance with building codes?.....
- b. Was a final inspection performed, if applicable?.....
- 18. Has a fire ever occurred in the structure?.....

Pest Control or Wood Destroying Organisms:

- 19. Are you aware of any termites, ants, insects, squirrels, vermin, rodents, **bed bugs** etc. in the structure?
- a. If Yes, when? _____
- b. If Yes, what type? _____
- c. If Yes, where? _____
- d. If Yes, describe what was done to resolve the problem: _____
- 20. Has there been damage in the past resulting from termites, ants, insects, squirrels, rodents, etc. in the structure?.....
- a. If Yes, when? _____
- b. If Yes, what type? _____
- c. If Yes, where? _____
- d. If Yes, describe what was done to resolve the problem: _____

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

Other:

Yes No Unknown

- 21. Are you aware of any murder or suicide having occurred on the property within the preceding 3 years?.....
- 22. Are you aware of any human burial sites on the property?.....

Additional Information (Continued):

Noise

- a. Are you aware of any noise sources that may affect the property, including airplanes, trains, dogs, traffic, racetracks, neighbors, etc.?
- b. If Yes, explain: _____

Pets

- a. Have there been any pets/animals in the house?
- b. If Yes, ~~what kind~~ **how many and what type?** _____

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~~ **they have** read and received a signed copy of this statement from the Seller or any licensee involved or participating in this transaction.

**Licensees are not responsible for an act, error, or omission on the part of the seller/s.
Licensees are not responsible for an act, error, or omission on the party of a buyer/s when the buyer/s choose not to have the property professionally inspected prior to purchase.**

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

Buyer: _____ Date: _____ Buyer

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

Date 08-4229b (Rev. 7/08)

RESET FORM 08-4229b



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

Buyer: _____ Date: _____ Buyer

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

New Business

Annual Report

Fiscal Year 2021

Real Estate Commission



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

**Division of Corporations, Business
and Professional Licensing**

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

**Real Estate Commission
FY 2021 Annual Report**

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**Real Estate Commission
FY 2021 Annual Report**

Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires
Cheryl Markwood, Chairperson Broker/Broker At Large	Fairbanks	Mar 01, 2019	Mar 01, 2023
Traci Heaton Associate Broker, 1 st Judicial District	Juneau	Mar 01, 2021	Mar 01, 2025
Elizabeth Schok Associate Broker, 4 th Judicial District	Fairbanks	Mar 01, 2021	Mar 01, 2025
Chad Stigen Associate Broker, Broker At Large	Palmer	June 27, 2021	Mar 01, 2025
Vacant Broker/Associate Broker, 3 rd Judicial District			
Jaime Matthews, Vice Chairperson Public Member	Glennallen	Mar 01, 2019	Mar 01, 2025
Jesse Sumner Public Member	Wasilla	Mar 01, 2019	Mar 01, 2025

**Real Estate Commission
FY 2021 Annual Report**

Identification of Staff

Shyla Consalo – Executive Administrator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
550 W. 7th Avenue, Suite 1500
Anchorage, Alaska 99501
(907) 269-8197

Nancy Harris – Project Assistant

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Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
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(907) 269-8168

Erika Prieksat – Investigator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Alaska Real Estate Commission
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Jun Maiquis – Regulations Specialist II

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2550

Sher Zinn – Regulations Specialist II

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2550

Real Estate Commission FY 2021 Annual Report

Narrative Statement

Effective May 19, 2021, the Alaska Real Estate Commission consists of 5 members who were appointed by the Governor and approved by the Legislature; of the 5 members, 3 were held over and 2 are new. The Commission is comprised of brokers or associate brokers who represent 3 of the Judicial Districts; 2 are at large, and 2 are public members. There is currently one vacant position for the 3rd Judicial District, and the vacant Broker At Large position will be filled effective June 27, 2021.

Our year started out a bit hectic with our new Executive Administrator, Shyla Consalo, assuming her new role at the beginning of the COVID-19 pandemic. Ms. Consalo had to quickly learn her role, in the midst of adjusting to work environment changes, handling the massive questions in the industry on how licensees were to continue working, and navigating an emergency regulations project to adjust the education requirements due to testing center closures. In addition to all of this, Ms. Consalo worked diligently to ensure the backlog of applications and continuing education audits were cleared out & processed. This was accomplished within 3 months of assuming her position.

In the first year serving in her new role, Ms. Consalo organized & added information to the OnBoard database for ease of use for Commission members; completely revamped the Commission website with updated, current, and accurate information; pushed 3 regulations projects through for approval and implementation, one of which was a large project to bring the regulations into the 21st century; developed a Disciplinary Matrix for Commission members to use as a guide when reviewing investigation cases where disciplinary action is recommended – this Disciplinary Matrix was approved by the Commission on March 17, 2021; and assisted the Commission in developing their Strategic Plan for 2021.

Autumn Miller (formerly Roark) did an excellent job of keeping up with complaints as they came in, as well as working through cases that were in progress. Ms. Miller did a phenomenal job as our investigator getting through cases to ensure consumer claims were dealt with quickly, efficiently, and appropriately. Unfortunately, Ms. Miller's last day with the Division was on April 16, 2021. Senior Investigator Erika Prieksat is working with the Commission to ensure a seamless transition in the appointment of a new investigator. During this time, we had a total of 71 cases opened and 76 cases closed; this included continuing education and probation cases.

On July 21, 2020, the emergency regulation change to 12 AAC 64.063 was made permanent. In light of the COVID-19 pandemic, the Commission adopted an emergency regulation change to 12 AAC 64.063 relating to minimum education requirements for licensure. This change gives licensees who have completed the required education for initial licensure, the needed extension to take their exams and file their applications due to the closure of testing facilities during a declared disaster by the Governor under AS 26.23.020. This allows applicants, who have completed the required education, the ability to apply for a real estate license up to 60 days after testing becomes available. This prevents applicants from having to re-complete the education requirement if it expires because of testing facilities being closed.

One of the most significant accomplishments this year was progress made in completing items on the 2020 Strategic Plan. This was the first time the Commission ever had such a specific, actionable plan that helped in keeping us focused on both short-and long-term objectives. We were able to complete 6 of the 9 objectives specific to the Commission, and the Property Management Committee was able to make significant progress on their ongoing objective. The Property Management Committee worked very hard and put together 3 best practice documents: Optional Educational Resources for Property Management Specialties, Property Management Reporting, and Property Management Contracts & Disclosures. They provided a review of what they accomplished in 2020, and requested guidance from the Commission on goals they would like to see in 2021. At the Commission's June 2021 meeting, the Property Management Committee will be submitting a best practice document on Security Deposits, Dues Deposits, Pre-Paid Rents, and Reserves for approval. They will also be submitting their Mission Statement & 2021 Priorities for approval.

FY 2021 Narrative Statement (continued)

We maintained a Recovery Fund balance above the minimum required (per AS 08.88.455) of \$250,000, yet under the maximum of \$500,000. The balance as of now is \$277,201.

Last fiscal year, the Commission had 5 Zoom/Teleconference meetings. The Property Management Committee had 4 Zoom/Teleconference meetings. We will continue to use the Zoom platform for as many meetings as practicable.

The Commission is requesting at least one in-person meeting (if possible under the current circumstances) during our next September meeting because of the unique nature and difficulty of matters being worked through by the Commission.

With our Strategic Plan in place, we are excited to be focused and working to accomplish our objectives. The Strategic Plan is attached for your information below.

FY 2021 Narrative Statement (continued)

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2021

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that our Executive Administrator Shyla Consalo, Project Assistant Nancy Harris, and the REC Investigator, will all support us in reaching our goals.

GUIDING PRINCIPLE	OBJECTIVE - how will we meet this guiding principle?	Who will complete this task?
Protect the Consumer/Inform Licensees	With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: <ul style="list-style-type: none"> • How to file a complaint against a licensee & its process • If a complaint is filed against a license what the process is for a license Additionally, provide best practice "white papers" on various topics as approved by the Commission for placement on our website.	Commissioners, Staff & Investigator
Protect the Consumer/Inform Licensees	Provide the Commission for consideration, what they should have jurisdiction over in property management, i.e., financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. Provide a list of property management FAQ's (Frequently Asked Questions) for both licensed property managers & property owners, to be approved by the Commission then placed on our website. To include: <ul style="list-style-type: none"> • Best practices for security deposits & earnest money • Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form • Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry • Review and make recommendations to the property management regulations with regard to trust account and security deposit issues 	Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton
Protect the Consumer/ Inform Licensees	Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include: <ul style="list-style-type: none"> • Define requirements to include brokerage information, minimum size, etc. • Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams • Review, make recommendations if necessary, and draft regulation changes 	Commissioners Schok & Heaton to provide information to staff
Inform Licensees	Assist staff to clear up the following issues: <ul style="list-style-type: none"> • How "inactive status" is logged/started & the notification to the affected licensee. • Define & Verify how required education, for those who apply for license by endorsement. • Define & Simplify the criteria for getting or upgrading a license. • Sharing of Information 	Commissioner Markwood & Staff
Protect the Consumer/Inform Licensees	Review all regulations & propose one major regulation change (clean up) which will bring regulations into the 21 st century.	Commissioners & Staff
Protect the Consumer	Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement.	Commissioner Markwood
Commission Business/Inform Licensees	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.	Commissioners & Staff
Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff

**Real Estate Commission
Fiscal Year 2021 Annual Report**

Budget Recommendations for FY 2022

The Budget Recommendations section anticipates the board’s fiscal priorities for the upcoming year. Please complete all parts of this section with details about anticipated meetings, conferences, memberships, supplies, equipment, to other board requests. Meeting expenses that are being funded through third-party reimbursement or direct booking must be identified separately from expenses paid through license fees (receipt-supported services or RSS). Be sure to explain any items listed as “other” so they may be tracked appropriately.

Board Meeting Date	Location	# Board	# Staff
September 15, 2021	Anchorage	7	2
<input checked="" type="checkbox"/> Airfare:			\$650.00
<input checked="" type="checkbox"/> Hotel:			\$916.00
<input checked="" type="checkbox"/> Ground:			\$471.68
<input checked="" type="checkbox"/> Other: MI&E			\$540.00
Total Estimated Cost:			\$2,577.68

Board Meeting Date	Location	# Board	# Staff
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input type="checkbox"/> Other:			\$0.00
Total Estimated Cost:			\$0.00

Board Meeting Date	Location	# Board	# Staff
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input type="checkbox"/> Other:			\$0.00
Total Estimated Cost:			\$0.00

**Real Estate Commission
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Budget Recommendations for FY 2022 (continued)

Travel Required to Perform Examinations

Not applicable

Date	Location	# Board	# Staff
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Description of meeting and its role in supporting the mission of the Board:

<input type="checkbox"/> Airfare:	\$0.00
<input type="checkbox"/> Hotel:	\$0.00
<input type="checkbox"/> Ground:	\$0.00
<input type="checkbox"/> Conference:	\$0.00
<input type="checkbox"/> Other:	\$0.00

Describe "Other" (break out all sections):

Total Estimated Cost: \$0.00

Out-of-State Meetings and Additional In-State Travel (Rank in order of importance)

#1 Rank in Importance or Not Applicable

Date	Location	# Board	# Staff
September 15-19, 2021	Orlando, FL		1

Description of meeting and its role in supporting the mission of the Board:

One staff member to attend the Association of Real Estate License Law Officials (ARELLO) annual conference. Attending this conference would allow for the staff member that attends, to bring back to the REC information regarding current trends and issues in the real estate industry in the US and CAN. This information would provide the REC with concepts on how other jurisdictions are handling those issues through regulation, education, and licensing.

Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$650.00	\$0.00	\$0.00	\$650.00
<input checked="" type="checkbox"/> Hotel:	\$745.00	\$0.00	\$0.00	\$745.00
<input checked="" type="checkbox"/> Ground:	\$100.00	\$0.00	\$0.00	\$100.00
<input checked="" type="checkbox"/> Conference:	\$630.00	\$0.00	\$0.00	\$630.00
<input checked="" type="checkbox"/> Other	\$297.00	\$0.00	\$0.00	\$297.00
Describe "Other" (break out all sections): MI&E – some fees are based on previous year estimations current unavailability of information on the ARELLO website.				
Net Total:	\$2,422.00	\$0.00	\$0.00	\$2,422.00

Out-of-State Meetings and Additional In-State Travel

#2 Rank in Importance

Date	Location	# Board	# Staff	
October 5-8, 2021	Birmingham, AL		2	
Description of meeting and its role in supporting the mission of the Board:				
2021 ARELLO Regulatory Investigations Seminar. This event gathers all real estate investigators and auditors to discuss current trends in real estate, real estate issues, and investigative skills (how conduct interviews, report writing, etc.). It also provides an opportunity to learn and share valuable information about current problems and discovering solutions for investigators.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$1,200.00	\$0.00	\$0.00	\$1,200.00
<input checked="" type="checkbox"/> Hotel:	\$1,192.48	\$0.00	\$0.00	\$1,192.48
<input checked="" type="checkbox"/> Ground:	\$350.00	\$0.00	\$0.00	\$350.00
<input checked="" type="checkbox"/> Conference:	\$900.00	\$0.00	\$0.00	\$900.00
<input checked="" type="checkbox"/> Other	\$420.00	\$0.00	\$0.00	\$420.00
Describe "Other" (break out all sections):				MI&E – some fees are based on previous year estimations due to current unavailability of information on the ARELLO website.
Net Total:	\$4,062.48	\$0.00	\$0.00	\$4,062.48

Out-of-State Meetings and Additional In-State Travel

#3 Rank in Importance

Date	Location	# Board	# Staff	
Description of meeting and its role in supporting the mission of the Board:				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input type="checkbox"/> Airfare:	\$0.00	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Hotel:	\$0.00	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Ground:	\$0.00	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Conference:	\$0.00	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$0.00	\$0.00	\$0.00	\$0.00

**Real Estate Commission
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Budget Recommendations for FY 2022 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Association of Real Estate License Law Officials (ARELLO)	ARELLO	\$780.00

Description of item and its role in supporting the mission of the Board:

Membership to ARELLO offers the REC access to a nationwide disciplinary database. It also provides access to education, investigation and licensing resources.

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Instructor Development/Train the Trainer Workshop	TBD	\$5,000.00

Description of item and its role in supporting the mission of the Board:

An 8-hour Instructor Development/Train the Trainer Workshop, specifically tailored to meet the requirements of beginning (or fairly new) real estate instructors.

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
		\$0.00

Description of item and its role in supporting the mission of the Board:

**Real Estate Commission
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Budget Recommendations for FY 2022 (continued)

Other Items with a Fiscal Impact	Cost Per Event:	\$0.00
<input type="checkbox"/> Not Applicable	Number of Events:	0
Product or Service	Provider	Total Cost
		\$0.00
Description of item and its role in supporting the mission of the Board:		

Other Items with a Fiscal Impact	Cost Per Event:	\$0.00
<input type="checkbox"/> Not Applicable	Number of Events:	0
Product or Service	Provider	Total Cost
		\$0.00
Description of item and its role in supporting the mission of the Board:		

Summary of FY 2022 Fiscal Requests	
Board Meetings and Teleconferences:	\$2,577.68
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$6,484.48
Dues, Memberships, Resources, Training:	\$5,780.00
Total Potential Third-Party Offsets:	-\$0.00
Other:	\$0.00
Total Requested:	\$14,842.16

**Real Estate Commission
Fiscal Year 2021 Annual Report**

Legislation Recommendations Proposed Legislation for FY 2022

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed legislation:

**Real Estate Commission
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Regulation Recommendations Proposed Legislation for FY 2022

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed regulations:

As a part of the Commission's 2020 Strategic Plan, the Commission identified the following recommended changes to be made in order to bring the regulations into the 21st century. The Commission intends to adopt the changes, barring any unusual concern(s) that may arise. We are hopeful these changes will be effective sometime in July 2021:

12 AAC 64.010(a), (b), (c), (d), and Editor's Note – Examination

This regulation is proposed to update the language to be more consistent with current times, and to update the contact information for the Commission and the testing service provider.

12 AAC 64.040 – Admission to Examination

This regulation is proposed to update the notification processes for admission to examination to be more consistent with current times, and to update the language regarding registration to be more consistent with current practices.

12 AAC 64.059(d)(5) – Review of License Applications

This regulation is proposed to change the age and employment experience requirements for an applicant to qualify for an associate broker or broker licensure, and to conform with current statutory requirements.

12 AAC 64.060(f) and (g) – Applications for Licensure

This regulation is proposed to remove outdated regulations relating to a license limited to practicing community association management. These licenses are no longer issued as of 1999, and there are no more licensees with this type of license.

12 AAC 64.061(c)(1)(C)(i) – License by Endorsement

This regulation is proposed to update the requirements for licensure by endorsement, to include property management activity as an option for an applicant's proof of active status; to change the employment experience requirements for an applicant to qualify for an associate broker or broker licensure, and to conform with the current statutory requirements; and to be more consistent with current times and processes.

**Real Estate Commission
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Regulation Recommendations Proposed Legislation for FY 2022 (*Continued*)

12 AAC 64.071(a) – License renewal

This regulation is proposed to update the renewal reminder notice processes to be more consistent with current times.

12 AAC 64.075(a), (b), and (e) – Employment and Transfer

This regulation is proposed to update the language to be more consistent with current times and processes.

12 AAC 64.077(b) and (c) – Broker Authorization of License Applications

This regulation is proposed to require an applicant applying to work in a branch office to submit the employing broker information form of the application; and update the language to be more consistent with current times and processes.

12 AAC 64.130(13) – Grounds for revocation or suspension

This regulation is proposed to change “agent” to “licensee”.

12 AAC 64.135(a) – Inspections or Audits of Records and Accounts

This regulation is proposed to change “agent” to “licensee”.

12 AAC 64.410 – Minimum Classroom and Virtual Course Requirements

This regulation is proposed to add the option of virtual courses and establish requirements for virtual course delivery and attendance; and update the language to be more consistent with current times and processes.

12 AAC 64.430 – Correspondence Courses

This regulation is proposed to update the language to be more consistent with current times and processes.

12 AAC 64.440(f) and Editor’s Note – Instructor Approval

This regulation is proposed to add an additional requirement for instructor applicants to have no disciplinary action within the last five years by any real estate regulating authority or professional real estate association; and to update contact information for the organizations listed in the editor’s note.

12 AAC 64.990(b)(10) – Definitions

This regulation is proposed to add a definition for “virtual course”.

As a part of the Commission’s 2021 Strategic Plan, the Commission identified the following recommended changes in anticipation of updating the Residential Real Property Transfer Disclosure Statement:

12 AAC 64.930(a) – Property Transfer Disclosure Form

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

Real Estate Commission Fiscal Year 2021 Annual Report

Goals and Objectives

Part I

FY 2021's goals and objectives, and how they were met:

- 1) With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: a) how to file a complaint against a licensee and its process; and b) if a complaint is filled against a license what the process is for that license.
 - Commission staff will be working with the investigations team in accomplishing this goal over the next fiscal year.
- 2) Provide best practices white papers on various topics, as deemed appropriate, on the Commission website as approved by the Commission.
 - Several best practice documents have been approved & posted on the Commission website. As additional topics arise, Commission members and staff will work together to draft best practices accordingly and post them on the Commission website.
- 3) Provide to the Commission for consideration, what the Commission should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations.
 - A Property Management Committee was created in December 2019, and has been working on addressing best practices within the property management industry, as well as looking to see if any regulation changes are necessary. The Committee has already drafted several best practice documents that have been approved by the Commission & posted to the Commission website under a newly created "Property Management Resources" link. The Committee will continue to address any additional best practice topics over the next fiscal year.
- 4) Provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to review to put on the Commission website.
 - This goal is being addressed through the Property Management Committee.
- 5) Refine and rework current processes, to increase the speed of actions to keep outside licensees or non-licensees from transacting business for which an Alaska real estate license or broker's license is required. Then, provide this information on the Commission website.
 - The Commission, with the aid of the investigations team, has been able to address this item through proper training on how to handle these matters when they are reported, and ensuring these cases are processed efficiently and timely. The former backlog of unlicensed practice cases was resolved, and the processes moving forward have been streamlined.
- 6) Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising (i.e. the requirement to include brokerage information).
 - The Commission approved a best practice document on advertising, that addresses some of the advertising issues seen in team advertising - this document was posted on the Commission website. The Commission has refined this goal for FY2022, and will continue to look further into this issue over the next fiscal year.

**Real Estate Commission
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Goals and Objectives (continued)

Part I (continued)

FY 2021's goals and objectives, and how they were met:

7) Long-Term Goal: Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21st century.

- Commission members and staff have been actively working on this project since the implementation of the 2020 Strategic Plan in March. This goal is in the final stages of the regulations project process, and should be completed by July 2021.

8) Long-Term Goal: Assist staff to clear up the following issues:

- How "inactive status" is logged/started and the notification to the affected licensee;
- How required education, for those who apply for license by endorsement, is defined and verified;
- Provided a military spouse has a current license in good standing in another state, streamline the process when they apply for an Alaska real estate license;
 - This item has been addressed through education, and use of the expedited processing form, as well as addressing an initial backlog of applications to be processed, and keeping the processing times (moving forward) within or exceeding Division standards.
- Change how the Commission receives and disseminates license history; i.e. paper versus digital, or some other process; and
 - This item has been addressed through several policy changes, due to COVID, and other states changing how they disseminate license histories. May eventually require a formal regulation change to address the requirement of receipt directly from licensing agencies.
- Define and simplify the criteria for getting or upgrading an Alaska real estate license; i.e. referring to criminal history and what specifically constitutes a valid reason a license will not be given/upgraded and the timing since conviction or completion of sentence.
 - The portion referencing the criminal history aspect has been addressed through education & clarification via meetings, emails, and phone calls. There are other aspects of obtaining & upgrading an Alaska real estate license that will be looked into further over the next fiscal year.

Due to the multi-faceted nature of this goal, some of which may require regulation changes or coordination with other sections within the Division, this goal will take considerable time and effort to implement and remains a long-term goal of the Commission. The items not yet addressed, have been carried over to the Commission's 2021 Strategic Plan and FY2022 goals.

Goals for FY2022 were discussed and considered at the March 2021 quarterly meeting.

**Real Estate Commission
Fiscal Year 2021 Annual Report**

Goals and Objectives

Part II

FY 2022's goals and objectives, and proposed methods to achieve them.

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

- 1) With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: a) how to file a complaint against a licensee and its process; and b) if a complaint is filled against a license what the process is for that license.
 - This goal is in process, and Commission staff will be working with the investigations team in accomplishing this goal over the next fiscal year.
- 2) Provide best practices white papers on various topics, as deemed appropriate, on the Commission website as approved by the Commission.
 - This goal is in process and ongoing. Several best practice documents have been approved & posted on the Commission website. As additional topics arise, Commission members and staff will work together to draft best practices accordingly and post them on the Commission website.
- 3) Provide to the Commission for consideration, what the Commission should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations.
 - This goal is in process and ongoing until the Commission deems the Property Management Committee has fulfilled its purpose in entirety. The Committee has already drafted several best practice documents that have been approved by the Commission & posted to the Commission website. The Committee has also recently drafted/finalized the best practice document for security deposits & earnest money, as well as drafted a 2021 Mission Statement & Priorities memorandum – both are to be presented to the Commission at their June 2021 meeting for approval. The Committee will continue to address topics, as outlined in the Committee's 2021 priorities memorandum, over the next fiscal year.
- 4) Provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to review to put on the Commission website. To include:
 - Best practices for security deposits & earnest money;
 - Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form;
 - Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry; and
 - Long-term goal to review and make recommendations to the property management regulations with regard to trust account and security deposit issues.

This goal is in process, and is being addressed through the Property Management Committee.

**Real Estate Commission
Fiscal Year 2021 Annual Report**

Goals and Objectives (continued)

Part II (continued)

FY 2022's goals and objectives, and proposed methods to achieve them.

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

6) Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. Ton included:

- Define requirements to include brokerage information, minimum size, etc.;
- Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams; and
- Review, make recommendations if necessary, and draft regulation changes.

This goal has been assigned to two Commission members for colaberation & brainstorming over the next fiscal year.

7) Long-Term Goal: Assist staff to clear up the following issues:

- How "inactive status" is logged/started and the notification to the affected licensee;
- How required education, for those who apply for license by endorsement, is defined and verified; and
- Define and simplify the criteria for getting or upgrading an Alaska real estate license.

This goal is in process and ongoing. Due to the multi-faceted nature of this goal, some of which may require regulation changes or coordination with other sections within the Division, this goal will take considerable time and effort to implement and remains a long-term goal of the Commission.

8) Long-Term Goal: Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21st century.

- This goal is in the final stages of the regulations project process, and should be completed by July 2021.

9) Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement.

- This has been a long-term goal for the Commission that has been worked on by several past Commission members. The project was recently re-assigned to another Commission member, who has reviewed & made changes to the form, which will be brought to the June 2021 meeting for consideration & discussion.

10) Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.

- This goal will be addressed within the next few months, as the Commission prepares to move into a renewal cycle over the next fiscal year.

11) Review and make recommendations regarding DCE Education Topics for the next renewal cycle.

- This goal will be addressed over the next fiscal year, possibly through the creation of an Education Committee.

**Real Estate Commission
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Sunset Audit Recommendations

Date of Last Legislative Audit: June 15, 2017
Board Sunset Date: June 30, 2026

Audit Recommendation:	The audit recommends the DCPBL Chief Investigator continue to improve oversight to ensure cases are actively investigated and completed timely.
Action Taken:	The Chief Investigator has new procedures in place to ensure that the timeliness of cases, complaints, and in-take matters are addressed through quarterly reporting.
Next Steps:	Continue monitoring cases in quarterly reports from the Investigator to the Real Estate Commission at their quarterly meetings.
Date Completed:	Ongoing

Executive Administrator's Report

EDUCATION REPORT

June 16, 2021

(as of 6/02/2021)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	13
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	357
Designated Continuing Education (DCE)	59
Post Licensing Education (PLE)	72
	Total: 505
<u>Instructor</u>	
Permanent	73
<u>New Instructor</u>	2
• Jerry Dale Carlton, Fayetteville, AR Residential Real Estate Council (RREC), formerly CRS	
• Carrie Jaime, Anchorage, AK	
Temporary Instructor	0

LICENSING REPORT

JUNE 16, 2021

New Licensees March 4, 2021 - June 2, 2021: 121
Total Number of <u>Active</u> Licensees with 1/31/2022 exp: 2,900
Total Number of Licensees with 1/31/2022 exp: *3,060

ACTIVE: 1/31/22 exp	Dec	Mar	Jun
Broker	420	418	420
Associate Broker	387	391	401
Salesperson	1,989	1,986	2,079
Total Active:	2,796	2,795	2,900

INACTIVE: 1/31/22 exp	Dec	Mar	Jun
Broker	0	0	2
Associate Broker	1	1	1
Salesperson	24	19	6
Total Inactive:	25	20	9

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/22			
	Dec	Mar	Jun
Broker	0	0	0
Associate Broker	0	0	0
Salesperson	7	17	1
Total:	7	17	1

LAPSED: 1/31/20 exp	Dec	Mar	Jun
Broker	28	28	35
Associate Broker	34	35	39
Salesperson	309	346	407
Total Lapsed:	371	409	481

Transfers:	Dec	Mar	Jun
	296	236	213

PLE Completed:	Dec	Mar	Jun
	51	78	60

Upgrades:	
S - AB = 11	S - B = 2

In this reporting period	Dec	Mar	Jun
License Returned	49	28	20
Probation License	2	1	1
Suspended	0	1	0
Revoked	0	0	0
Surrendered	0	0	0

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2022 expiration date

RICE INSURANCE SERVICES COMPANY, LLC
 CLAIMS LISTING FOR CNA CLAIMS
 REAL ESTATE COMMISSION GROUP POLICY
 FIRST QUARTER 2021

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC13284	9/1/2016	10/16/2018	9/5/2018	Non-Discl / Misrep Mold	18 EO 0001AK-	O	\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
							\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00

CLAIMS COUNT:	1	--Losses---	----	---
CLOSED CLAIMS:	0	Closed Paid:	\$0.00	\$0.00
OPEN CLAIMS:	1	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$0.00	\$0.00
		Open Paid:	\$0.00	\$0.00
		Open Reserves:	\$1,000.00	\$1,000.00
		Open Incurred:	\$1,000.00	\$1,000.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$1,000.00	\$1,000.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14132	10/25/2017	9/19/2019	9/19/2019	Incident / Allegations Unknown	19 EO 0002AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC13986	4/4/2019	7/25/2019	6/28/2019	Negligent Hiring of Contractor	19 EO 0002AK-	C	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
CC14231	4/15/2017	10/28/2019	10/28/2019	Subpoena	19 EO 0002AK-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
							\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00

CLAIMS COUNT:	3	--Losses---	----	---
CLOSED CLAIMS:	3	Closed Paid:	\$3,000.00	\$0.00
OPEN CLAIMS:	0	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$3,000.00	\$0.00
		Open Paid:	\$0.00	\$0.00
		Open Reserves:	\$0.00	\$0.00
		Open Incurred:	\$0.00	\$0.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$3,000.00	\$0.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14970	6/24/2019	8/11/2020	7/23/2020	Misrep Water Damage	20 EO 0003AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC15349	5/7/2020	12/21/2020	10/26/2020	Ethics Complaint	20 EO 0003AK-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC15332A	10/13/2020	12/14/2020	12/7/2020	Misrep Other	20 EO 0003AK-	O	\$1,001.00	\$1,001.00	\$0.00	\$0.00	\$0.00	\$2,002.00
CC14979	8/23/2018	8/17/2020	8/7/2020	Breach of Prprty Mgmt Contract	20 EO 0003AK-	O	\$5,000.00	\$9,000.00	\$0.00	\$618.90	\$0.00	\$14,000.00
CC15332	10/13/2020	12/14/2020	12/7/2020	Misrep Other	20 EO 0003AK-	O	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
							\$11,001.00	\$19,001.00	\$0.00	\$618.90	\$0.00	\$30,002.00

CLAIMS COUNT:	5	--Losses---	----	---
CLOSED CLAIMS:	2	Closed Paid:	\$0.00	\$0.00
OPEN CLAIMS:	3	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$0.00	\$0.00
		Open Paid:	\$0.00	\$618.90
		Open Reserves:	\$11,001.00	\$18,382.10
		Open Incurred:	\$11,001.00	\$19,001.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$11,001.00	\$19,001.00

**RICE INSURANCE SERVICES COMPANY, LLC
ALASKA REAL ESTATE COMMISSION
GROUP POLICY CLAIMS INFORMATION
FIRST QUARTER 2021**

Group Policy Number	TOTAL PAID FOR CLOSED CLAIMS			TOTAL INCURRED FOR OPEN CLAIMS			Claims Count	Total Incurred
	Claims Count	Loss	Legal	Claims Count	Loss	Legal		
18 EO 0001AK-	0	\$0.00	\$0.00	1	\$1,000.00	\$1,000.00	1	\$2,000.00
19 EO 0002AK-	3	\$3,000.00	\$0.00	0	\$0.00	\$0.00	3	\$3,000.00
20 EO 0003AK-	2	\$0.00	\$0.00	3	\$11,001.00	\$19,001.00	5	\$30,002.00
21 EO 0004AK-	0	\$0.00	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTALS	5	\$3,000.00	\$0.00	4	\$12,001.00	\$20,001.00	9	\$35,002.00

Total Incurred Closed Claims \$3,000.00

Total Incurred Open Claims \$32,002.00

*The incurred amount for open claims includes payments and reserve amounts set by the adjusters (the estimated amount needed for damages and claims expenses to close the open claims) but does not include any amounts incurred but not reported (IBNR), loss development amounts (a factor used by actuaries to determine the ultimate loss incurred), or administrative costs (the insurer's costs to provide the program, including their staffing costs and expense allocations, program administration, marketing, and claims adjustment costs). All of these factors are additional costs for the program.

**Statement of Net Positions
Real Estate Recovery Funds
March 31, 2021**

	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	For the Fiscal Year Ending June 30, 2022
ASSETS								
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 238,217	\$ 288,392
Total Assets	<u>454,264</u>	<u>465,770</u>	<u>392,207</u>	<u>394,514</u>	<u>277,675</u>	<u>327,850</u>	<u>238,217</u>	<u>288,392</u>
LIABILITIES								
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,514	4,857
Total Liabilities	<u>7,211</u>	<u>(30)</u>	<u>1,517</u>	<u>(10,691)</u>	<u>11,230</u>	<u>4,857</u>	<u>18,514</u>	<u>4,857</u>
FUND BALANCES								
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	322,993	219,703	283,535
Total Fund Balance	<u>447,053</u>	<u>465,800</u>	<u>390,691</u>	<u>405,205</u>	<u>266,445</u>	<u>322,993</u>	<u>219,703</u>	<u>283,535</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>\$ 327,850</u>	<u>\$ 238,217</u>	<u>\$ 288,392</u>
Average 2 year licensing cycle fund balance:		<u>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> \$ 302,763	<u>Average of 6/30/20 & 6/30/21</u> \$ 283,034	<u>Average of 6/30/21 & 6/30/22</u> \$ 144,196

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 FY22 Liabilities projected using FY20

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through March 31, 2021
and
Projected for Fiscal Years Ending June 30, 2021 and June 30, 2022

	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 Quarter Ended 9/30/20	For the Quarter Ended 12/31/20	For the Quarter Ended 3/31/21	For the Quarter Ended 6/30/21	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22
REVENUES												
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	18,395	5,740	16,120	-	(1) 46,964	(1) 193,865
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	732	523	(1,616)	-	(2) (361)	(2) 6,918
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	19,127	6,263	14,504	-	46,603	200,783
EXPENDITURES												
Personal Services	113,145	112,763	115,097	134,846	126,366	124,812	22,863	34,292	33,380	-	(3) 125,227	(3) 124,812
Travel	0	-	-	-	-	-	-	-	-	-	-	-
Commodities	0	89	-	617	-	-	-	-	-	-	-	-
Services - Non-claims	732	5,085	13	10	5,000	497	-	-	9	-	1,009	497
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	-	-	-	-	10,000	25,300
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	150,608	22,863	34,292	33,389	-	136,236	150,608
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	(28,029)	(18,885)	-	(89,633)	50,175
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	(28,029)	(18,885)	-	(89,633)	50,175
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	324,115	296,086	277,201	327,850	238,217
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	324,115	296,086	277,201	277,201	\$ 238,217	\$ 288,392

(1) For FY22, licenses and permits revenue projected to be the same as FY20.

(2) Projecting through FY21 based on FY19 rate of earnings.

For FY21, 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.

Statement of Cash Flows
Real Estate Recovery Fund
March 31, 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 Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 193,865 ⁽¹⁾	\$ 46,964	\$ 193,865
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(124,812) ⁽²⁾	(125,227)	(124,812)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	(10,000)	(25,300)
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(1,009)	(497)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	43,257	(89,272)	43,257
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	6,918 ⁽³⁾	(361)	6,918
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	(361)	6,918
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(89,633)	50,175
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	238,217
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 238,217	\$ 288,392

(1) For FY22, licenses and permits revenue projected to be the same as FY20.

(2) Projecting through FY21 based on FY19 rate of earnings.

(3) For FY21, 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