

State of Alaska

Real Estate Commission
Work Meeting

February 26, 2025

1:30 pm

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

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

February 26, 2025

**Atwood Building,
550 W 7th Avenue, Ste 1535
Anchorage AK**

ZOOM Info: Join meeting: <https://us02web.zoom.us/j/89977782177>
Meeting ID: 899 7778 2177 Passcode: 027364
Call-In: +1 (669)900- 6833 or (253)215-8782

Wednesday, February 26, 2025

- 1:30 p.m. 1. Call to Order Markwood
2. Introductions
3. Public comments
4. Topics for review/discuss for consideration for new or revised regulations, create FAQs or Best Practices
- a. Minimum Education Requirements for Licensure –
-revise Endorsement pre-licensing timeframe, 12 AAC 64.063(a)(2)
 - b. Education Requirements after Initial License-
-Broker/AB PLE -non-compliant, 12 AAC 64.064(g)
 - c. Temporary Military Courtesy License-add-
-Employing Broker and E & O Insurance requirement, 12 AAC 64.066
 - d. Employment and Transfer-
-add specific time for processing office change applications, 12 AAC 64.075(f)
 - e. Requirements for Establishing and Maintaining an Office-
-add verbiage for physical location-12 AAC 64.110(a) and (b).
 - f. Advertising –size of text of office name vs team name -12 AAC 64.130(8)
 - g. Minor revisions-clean up –
 - 1. -License Required for Employees, Directors, Agents and Officers –12 AAC 64.065 (5)(c)
 - 2. -Temporary Absence of Broker of Record- 12 AAC 64.078(b)(2)
 - h. Other
5. Recommendations to Commission, if applicable
- Adjournment

Next REC meeting March 26, 2025

Application by Endorsement

Proposal: Streamlining Application by Endorsement Education Requirements - 12 AAC 64.063. Minimum Education Requirements for Licensure.

Purpose:

To simplify the Application by Endorsement education requirements for out-of-state licensees seeking Alaska Real Estate Commission (REC) licensure. This proposal grants educational credit to applicants with more than two years of real estate experience in their license type while ensuring compliance with Alaska-specific education requirements. Key changes include requiring a 6-hour Alaska Law course and modifying the 30-hour Broker Pre-Licensing course to increase Alaska Law instruction from 3 hours to 6 hours.

Proposed Changes:

1. Application by Endorsement (No impact on initial licensure by exam)

- Replace the 18–24-month Pre-Licensing Education requirement with a 6-hour Alaska Law course, to be completed within 18 months of application.
- Require all applicants by Endorsement to submit proof of completion/certification for the equivalent pre-licensing education based on their license type:
 - Broker/Associate Broker: Equivalent 30-hour Broker Pre-Licensing (BPL).
 - Salesperson: Equivalent 40-hour Salesperson Pre-Licensing (SPL).

2. Modification to Broker Pre-Licensing Education Requirements

- Increase the Alaska Law component of the 30-hour Broker Pre-Licensing course from 3 hours to 6 hours to enhance state-specific regulatory knowledge within the approved courses.

This proposal maintains high educational standards while making the licensing process more efficient for experienced professionals entering Alaska's real estate market.

Proposed Regulation:

12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE. (a) All real estate education courses used to qualify for initial licensure must

- (1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 and this section; and
- (2) have been completed within the 18 months immediately preceding the date of application, except that the real estate education courses used to qualify for initial licensure by endorsement must have completed the **6hr Alaska Law Course within the 18 months immediately preceding the date of application.**

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics: **except that the real estate education courses the applicant used to qualify for initial licensure by endorsement must submit education documentation that is comparable to Alaska education requirements including topics and hours listed in 12 ACC 64.063(b)(1-5) to obtain a license in another jurisdiction;**

- (1) broker supervision requirements and record keeping - four contact hours;
- (2) trust accounting procedures - three contact hours;

- (3) organizing and managing a real estate office - three contact hours;
- (4) property management – two contact hours; and
- (5) broker-level education to understand the applicability of the following areas covered previously in the applicant’s initial education course to receive a real estate salesperson license:

- (A) licensee relationships, disclosure, and conflict of interest – three contact hours;
- (B) forms of ownership - two contact hours;
- (C) property law, public and private rights and limitations - two contact hours;
- (D) forms of conveyances and recording of documents - two contact hours;
- (E) contracts and transaction documents - two contact hours;
- (F) financing instruments and accounting principles - two contact hours;
- (G) Alaska real estate license law and Alaska landlord tenant law – six (6) contact hours; and
- (H) federal fair housing and Real Estate Settlement Procedures Act (RESPA) laws - two contact hours.

(c) To meet the real estate education requirements for licensure under AS 08.88.171(c), an applicant for an initial real estate license shall document completion of the following topics and hours: initial real estate license shall document completion of the following topics and hours: **except that the real estate education courses the applicant used to qualify for initial licensure by endorsement must submit education documentation that is comparable to Alaska education requirements including topics and hours listed in 12 ACC 64.063(c)(1-8) to obtain a license in another jurisdiction:**

- (1) licensee relationships, disclosure, and conflict of interest - six contact hours;
- (2) forms of ownership - four contact hours;
- (3) property law, public and private rights and limitations - four contact hours;
- (4) forms of conveyances and recording of documents - four contact hours;
- (5) contracts and transaction documents - eight contact hours;
- (6) financing instruments and accounting principles - six contact hours;
- (7) Alaska real estate license law and Alaska landlord tenant law - six contact hours; and
- (8) federal fair housing and RESPA laws - two contact hours.

(e) An associate broker who has met the education requirements in (b) of this section does not need to repeat those requirements when upgrading to a broker license.

Authority: AS 08.88.081 AS 08.88.091 AS 08.88.171

Current Regulation:

12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE. (a) All real estate education courses used to qualify for initial licensure must

- (1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 and this section; and
- (2) have been completed within the 18 months immediately preceding the date of application, except that the real estate education courses used to qualify for initial licensure by endorsement must have been completed within the 24 months immediately preceding the date of application.

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics:

- (1) broker supervision requirements and record keeping - four contact hours;
- (2) trust accounting procedures - three contact hours;
- (3) organizing and managing a real estate office - three contact hours;
- (4) property management – two contact hours; and
- (5) broker-level education to understand the applicability of the following areas covered previously in the applicant's initial education course to receive a real estate salesperson license:

(c) To meet the real estate education requirements for licensure under AS 08.88.171(c), an applicant for an initial real estate license shall document completion of the following topics and hours:

- (1) licensee relationships, disclosure, and conflict of interest - six contact hours;
- (2) forms of ownership - four contact hours;
- (3) property law, public and private rights and limitations - four contact hours;
- (4) forms of conveyances and recording of documents - four contact hours;
- (5) contracts and transaction documents - eight contact hours;
- (6) financing instruments and accounting principles - six contact hours;
- (7) Alaska real estate license law and Alaska landlord tenant law - six contact hours; and
- (8) federal fair housing and RESPA laws - two contact hours.

(e) An associate broker who has met the education requirements in (b) of this section does not need to repeat those requirements when upgrading to a broker license.

Broker Lapsed Due to PLE

Proposal: Broker/Associate Broker Lapsed Due to Non-Compliance with Post-Licensing Education (PLE) – Downgrade to Salesperson (12 AAC 64.064(g))

Purpose:

To establish clear options for Brokers and Associate Brokers who lapse due to non-compliance with Post-Licensing Education (PLE). This proposal provides pathways for licensees to either remain in lapsed status, downgrade to a Salesperson license, or reinstate their Broker/Associate Broker license, ensuring compliance with Alaska Real Estate Commission (REC) regulations.

Proposed Changes:

(a) Remain in Lapsed Status

- If the licensee is an Associate Broker in Charge (ABIC) or Broker, the office must close, and all licensee relationships will be terminated, reverting affected licensees to License Return status. A licensee in lapsed status may not perform any real estate activities.

Branch Office Exception:

- If the lapsed licensee was an Associate Broker in Charge (ABIC), the Broker may designate a new Associate Broker in Charge under 12 AAC 64.075 – Employment and Transfer.
- A newly appointed Broker or Associate Broker in Charge may operate for up to 10 days while awaiting the completion of office changes and issuance of an amended certificate. This provision applies to licensees with active or license return status.

(b) Downgrade to Salesperson License

A lapsed Broker or Associate Broker may downgrade to a Salesperson license by:

1. Submitting a complete Application for License Transfer (Downgrade to Salesperson).
2. Paying a \$120 fee.

(c) Reinstatement from Lapsed Status Due to Non-Compliance with PLE

- An Associate Broker in Charge (ABIC) or Broker must register a new office upon reinstatement.

This proposal ensures a structured approach to handling license lapses due to PLE non-compliance, allowing for regulatory adherence while providing flexibility for licensees to continue their professional practice through reinstatement or downgrade options.

Additional Requirements:

Salesperson Licensees Seeking to Upgrade to Broker or Associate Broker:

- Must apply through the Initial Application by Examination, which includes:
 - Completion of Pre-Licensing Education.
 - Successful completion of the Broker/Associate Broker Exam.

Current Regulation:

12 AAC 64.064. EDUCATION REQUIREMENTS AFTER INITIAL LICENSE. (a) In addition to the education requirements of 12 AAC 64.063 for an initial license and the continuing education requirements under 12 AAC 64.500 for license renewal, within one year after the date that the commission issues an initial license to a real estate licensee under this chapter, the licensee shall complete 30 hours of education that meets the applicable requirements of (b) or (c) of this section.

(g) A licensed salesperson issued an initial license as a broker or associate broker who fails to meet the educational requirements under (a) of this section, shall upon application and payment of the required fees, be reissued a salesperson's license provided that the licensee continues to be eligible for a salesperson's license.

Authority: AS 08.88.071 AS 08.88.091 AS 08.88.095

Current Statute:

Sec. 08.88.095. Educational requirements after initial license. (a) In addition to the continuing educational requirements of AS 08.88.091(d), within one year after the date that the commission issues an initial license under this chapter, the licensee shall complete 30 hours of education approved by the commission under AS 08.88.091.

(c) Within 30 days after the end of the one-year period, the licensee shall submit, on a form provided by the commission, a certification that the licensee has completed the educational requirements.

(e) If a licensee fails to complete the educational requirements within the one-year period or to provide the certification required by (c) of this section, the license automatically lapses 30 days after the end of the one-year period. However, the commission may reinstate the license under AS 08.88.241.

Requirement of Employing Broker Form, Alaska Education/6hr Law, and E&O

Proposal: Amendment to 12 AAC 64.066 – Temporary Military Courtesy License

Purpose:

To enhance the Temporary Military Courtesy License process by requiring an Employing Broker Form, Alaska equivalent education, and verification of current Errors & Omissions (E&O) insurance, ensuring compliance with existing licensing standards. These requirements were not originally included when the regulation was created and are necessary for regulatory oversight and consumer protection.

Proposed Changes:

Current Regulation:

12 AAC 64.066 provides a Temporary Military Courtesy License for qualified military members and spouses but does not require:

- A completed Employing Broker Form to verify supervision.
- Proof of current Errors & Omissions (E&O) insurance coverage as required for all actively licensed real estate professionals.

Amended Language:

12 AAC 64.066 – Temporary Military Courtesy License shall be revised to include the following additional requirements:

(1) Employing Broker Form Requirement:

- Applicants must submit a completed Employing Broker Form, signed by the supervising broker, verifying sponsorship and compliance with state real estate supervision requirements.

(2) Proof of License Type Education and 6hr Alaska Law:

- Require all applicants by Temporary Military Courtesy License to submit proof of completion/certification for the Alaska 6hr Law course, and equivalent pre-licensing education based on their license type:
 - Broker/Associate Broker: Equivalent 30-hour Broker Pre-Licensing (BPL).
 - Salesperson: Equivalent 40-hour Salesperson Pre-Licensing (SPL).

(2) Errors & Omissions (E&O) Insurance Verification:

- Applicants must provide proof of current E&O insurance coverage, meeting the minimum coverage requirements established by the commission.

Justification:

- Ensures all licensees, including those under a military courtesy license, meet the same professional standards as other real estate professionals in the state.
- Provides proper regulatory oversight by confirming that temporary license holders are under appropriate broker supervision.
- Aligns the Temporary Military Courtesy License with existing licensing E&O insurance requirements, ensuring consumer protection.

This revision strengthens the integrity of the military courtesy licensing process, provides clear compliance expectations, and ensures licensed professionals meet all necessary regulatory requirements. **This information was not added when this regulation was created.

Current Regulation:

12 AAC 64.066. TEMPORARY MILITARY COURTESY LICENSE.

(a) The commission will issue a temporary military courtesy license to an active duty military member or spouse of an active duty military member of the armed forces of the United States to practice as a real estate broker, associate broker, or salesperson who meets the requirements of AS 08.01.063 and this section not later than 30 days after the commission receives a completed application.

- (b) An applicant for a temporary military courtesy license under this section
- (1) must submit a completed application on a form provided by the department;
 - (2) must pay the temporary license application fee and fee for a temporary license set out under 12 AAC 02.105;
 - (3) must submit a copy of
 - (A) the applicant's current active duty military orders showing assignment to a duty station in this state; or
 - (B) if the applicant is the spouse of an active duty military member, the applicant's spouse's current active duty military orders showing assignment to a duty station in this state;
 - (4) must submit documentation showing the applicant is actively licensed in another licensing jurisdiction and the applicant's license in the other jurisdiction is not suspended, revoked, or otherwise restricted except for failure to apply for renewal or failure to obtain the required continuing education requirements; and
 - (5) may not have been convicted of a crime that affects the applicant's ability to practice real estate competently and safely, as determined by the commission.
- (c) A temporary military courtesy license issued under this section is valid for 180 days and may be extended for one additional 180-day period upon request by the applicant, at the discretion of the commission.
- (d) While practicing under a temporary military courtesy license issued under this section, the holder of the temporary military courtesy license shall comply with the standards of practice set out in AS 08.88 and this chapter and is subject to discipline under AS 08.88.071.
- (e) The commission may refuse to issue a temporary military courtesy license for the same reasons that it may deny, suspend, or revoke a license under AS 08.88.171 and 12 AAC 64.130.

Authority: AS 08.01.062 AS 08.01.063 AS 08.88.071 AS 08.88.081

Change of New Broker/Associate Broker

Proposal: Amendment to Office Change Procedure for Brokers and Associate Brokers in Charge - 12 AAC 64.075. Employment and Transfer

Purpose:

To clarify and formalize the temporary authority granted to brokers and associate brokers in charge when applying for an office change, ensuring a smooth transition while awaiting approval of the amended certificate.

Proposed Changes: Amended Language:

(f) After submitting a completed application for an office change due to a change of broker or associate broker in charge, the newly designated broker or associate broker in charge may assume supervisory duties at that office for up to 10 calendar days while awaiting approval and issuance of an amended certificate.

- This provision applies only to brokers and associate brokers who hold an active or license return status at the time of application.
- The broker or associate broker must maintain full compliance with all regulatory requirements, including trust account oversight and licensee supervision, during the transition period.
- If the office change application is denied or delayed beyond 10 days, the office must cease operations under the new broker or associate broker until the amended certificate is issued.

Justification: This amendment protects consumers, maintains industry integrity, and ensures smooth transitions in brokerage leadership.

- Provides clear guidelines on the broker's authority during the transition period.
- Ensures regulatory compliance while minimizing business disruption.
- Establishes a definitive process for handling office changes efficiently and transparently.

Current Regulation:

12 AAC 64.075. EMPLOYMENT AND TRANSFER.

(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 regular United States mail, a notice of employment of the individual and the individual's completed broker notice to real estate commission of licensee termination form is delivered to the broker by the licensee or the commission.

(b) When a licensee requests a license transfer from one broker to another, the terminating broker must complete the broker notice to real estate commission of licensee termination form, provide a copy

of the completed form to the licensee, and submit the completed form to the commission, either by electronic mail or regular United States mail, not later than 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 completed broker notice to real estate commission of licensee termination form 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.

(c) After applying for a license transfer, the licensee may work in the office of the new employing broker for not more than 30 days while waiting for an amended license certificate. The new employing broker shall keep a copy of the licensee's signed application for license transfer and a copy of the completed broker notice to real estate commission of licensee termination form described in (b) of this section until the amended license certificate is received.

(d) The commission's designee shall review and approve a license transfer if the transfer.

(1) allows a licensee to resume licensed practice under AS 08.88.171(a)(1), (a)(2), (b)(1), or (b)(2), or after being re-employed as a licensed real estate salesperson for purposes of AS 08.88.171(c); and

(2) does not require further review by the commission.

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after the commission's receipt, either by electronic mail or regular United States mail, of notice from the licensee's terminating broker interrupts the licensee's period of active and continuous experience.

(f) After applying for an office change for a change of broker or associate broker in charge, the broker or associate broker may work in that office as the new broker or associate broker in charge for not more than 10 days while waiting for completed office changes and amended certificate. This applies to licensed brokers and associate brokers in an active or license return license status.

Authority: AS 08.88.081

AS 08.88.171

AS 08.88.251

Clarify Physical Principal Office in State

Proposal: Amendment to 12 AAC 64.110 – Requirement for a Physical Principal Office in the State

Purpose:

To clarify the requirement that a brokerage's principal office must be a physical location within the state, ensuring compliance with regulatory oversight and maintaining accessibility for consumers and licensees. 12 AAC 64.110(a) and (b) require that a broker establish a principal office in the state but do not explicitly define the nature of the office.

Proposed Changes:

Amended Language:

12 AAC 64.110(a) and (b) – The term "principal office" shall be revised to "physical principal office" to clarify that the brokerage must maintain a tangible, in-state location.

Proposed Revision:

- (a) A broker shall maintain a physical principal office in this state that complies with the requirements set forth in this chapter.
- (b) The physical principal office must be a fixed, identifiable location within the state where the broker conducts business, maintains records, and ensures regulatory compliance.

Justification:

- Ensures that a brokerage's principal office is a real, in-state location rather than a virtual or out-of-state entity.
- Enhances consumer protection by ensuring accessibility to brokers and records.
- Aligns with regulatory intent for maintaining oversight of real estate operations within the state.

This revision clarifies compliance expectations, strengthens regulatory enforcement, and ensures that real estate business operations remain physically present within the state.

Current Regulation:

12 AAC 64.110. REQUIREMENTS FOR ESTABLISHING AND MAINTAINING AN OFFICE.

(a) A real estate broker holding an active license shall establish and maintain a **physical** principal office in this state. The office in which the broker works and maintains the broker's license is the **physical** principal office of the broker.

(b) A broker who maintains offices or branch offices other than the **physical** principal office or **physical** branch shall have an associate broker in charge of each branch office. If a broker has an associate broker in charge of an office, the broker is responsible for supervision of the associate broker. The operation of a branch office without licensed personnel or without an associate broker in charge is grounds for suspension or revocation of the broker's license.

Size of Text of Office Name vs Team Name

Proposal: Amendment to Advertising Regulations – Inclusion of Broker’s Business Name and Text Size Standardization - 12 ACC 64.130. Grounds For Revocation or Suspension.

Purpose:

To ensure clarity and transparency in real estate advertising by requiring that a broker’s registered business name is clearly visible in all advertisements. This topic was brought up at the January 2025 Commission meeting.

Proposed Change:

Consider text size requirements to prevent confusion between a broker’s business name and team branding. The broker’s business name must be prominent and legible in all advertisements. If a team name is included in the advertisement, the broker’s business name must be equal to or larger than the team name in font size and prominence.

Justification:

- Ensures consumers clearly identify the responsible brokerage behind the advertisement.
- Prevents misleading advertisements where team names appear larger than the broker’s business name, creating confusion about the supervising entity.
- Ensures advertising transparency.

This change enhances consumer protection, ensures broker accountability, and promotes clear advertising standards within the real estate industry.

Current Regulation:

12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION. The following acts, in addition to those specified elsewhere in this chapter, are grounds for revocation or suspension of a license:

- (1) acting or failing to act as specified in AS 08.88.071(a)(3);
- (2) representing more than one party in a real estate transaction;
- (3) failing to account for, remit, or surrender any money, documents, or other property of value coming into the possession or control of the licensee in the course of a real estate transaction or unreasonably delaying the accounting for or disbursement of money, documents, or other property held by or which is the responsibility of the broker for parties in a real estate transaction;
- (4) failing to disclose information as required in 12 AAC 64.940;
 - (A) the listing contract;
 - (B) repealed 1/9/2014;
 - (C) the settlement statement;
- (5) being found guilty of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other similar offenses committed while licensed under this chapter; for the purpose of this paragraph, "being found guilty" means a guilty verdict by a judge or jury or pleading nolo

Proposal: Amendment to Advertising Regulations – Inclusion of Broker’s Business Name and Text Size Standardization - 12 ACC 64.130.

contendere or guilty to any of these acts or having a hearing officer find that the licensee participated in these at a hearing held in accordance with AS 44.62 (Administrative Procedure Act);

(6) advertising a property for sale, lease, or rent without first obtaining the written authority of the owner or the owner's authorized agent to sell, lease, or rent the property;

(7) paying referral fees, sharing commissions, or otherwise compensating a person who is prohibited from receiving compensation under AS 08.88.401(b);

(8) advertising to buy, sell, rent, lease or exchange any real estate without including in the advertisement the broker's business name registered with the department; this paragraph applies to all real estate advertised to the public including that owned by the licensee;

(9) failing to disclose to all parties in a real estate transaction the fact that the licensee is licensed or failing to disclose the name of the broker or company under whom the licensee is licensed;

(10) employing or using a third-party purchaser, purchasing through corporations, partnerships, or other entities or working through friends, relatives, or business associates in a way that profits the licensee with the effect, in whole or in part, of concealing the profit and the name of the interested licensee;

(11) acting in violation of the provisions of AS 08.88;

(12) accepting as earnest money anything other than cash unless the offered non-cash substitute is communicated to the owner before accepting the offer to purchase, and the acceptance of the non-cash substitute is identified as a non-cash substitute on the earnest money receipt;

(13) failing to submit to the seller or the seller's licensee all written bona fide offers received before the seller accepts another offer in writing and the broker has knowledge of the acceptance;

(14) failing to disclose to a prospective buyer a known material defect regarding the condition of, or a known legal defect pertaining to, the offered real estate or interest in real estate;

(15) engaging in or committing any act which is grounds for denying a license;

(16) for a broker, permitting another person to use the broker's license, whether for compensation or not, to enable someone other than the broker to establish or carry on a business for which a real estate license is required;

(17) for a broker, allowing a salesperson to operate a real estate business without retaining control as the employing broker for the business;

(18) establishing or carrying on a real estate business without a broker's supervision as required by 12 AAC 64.125;

(19) being found guilty of violating local, state, or federal fair housing laws.

Authority: AS 08.88.071 AS 08.88.081 AS 08.88.401

Clarification of Corporation to Entity

Proposal: Amendment To Expand "Corporation" To "Entity" In Broker Authorization Regulations -12 AAC 64.065. License Required For Employees, Directors, Agents, And Officers.

Purpose:

To update regulatory language by replacing "corporation" with "entity", ensuring inclusivity of all business structures that may operate under a licensed broker. This amendment allows for a broader application to LLCs, partnerships, sole proprietorships, and other legally recognized entities in the real estate industry.

Proposed Changes to Current Regulation (b) & (c):

The term "corporation" is currently used to define the business structure under which a broker may operate, limiting its applicability.

Justification:

- Expands regulatory language to include all legally recognized business structures beyond corporations.
- Ensures consistency with modern business practices, as many real estate firms operate as LLCs, partnerships, or sole proprietorships.
- Maintains regulatory oversight while allowing greater flexibility in business operations.

This update ensures all real estate business entities can legally comply with broker authorization requirements under Alaska law.

Current Regulation:

12 AAC 64.065. LICENSE REQUIRED FOR EMPLOYEES, DIRECTORS, AGENTS, AND OFFICERS.

(a) Repealed 2/11/95.

(b) A broker acting on behalf of a business, **corporation**, or organization shall be authorized to act by a resolution of the policy making body of that business, **corporation**, or organization. The resolution must be a permanent part of the records of that business, **corporation**, or organization and must show that the broker has exclusive authority over and responsibility for

- (1) employing and terminating the employment of licensees;
- (2) maintaining and examining all trust accounts for real estate transactions;
- (3) authorizing payment of all commissions, salaries, finder's fees, or other compensation for activities for which a license is required and indicating on the payment record the specific reason for the payment;
- (4) maintaining the records of all real estate transactions and assuring their accessibility to the department; and
- (5) directing and supervising all real estate business activities for which a license is required and all activities necessary for full compliance with AS 08.88 and this chapter.

(c) When a broker who is authorized to act on behalf of a business, **corporation**, or organization loses an active broker license for any reason, the business, **corporation**, or organization shall stop engaging in real estate transactions until the broker's license is renewed or reinstated, or until a new broker is employed.

Authority: AS 08.88.071

AS 08.88.161

AS 08.88.900

AS 08.88.081

Broker Supervision During Absence

Proposal: Amendment to Broker Supervision During Absence – 12 AAC 64.078

Purpose:

To provide flexibility and clarity regarding broker supervision when an associate broker is unavailable, allowing the substitute Broker to remain employed at their currently registered office during the broker of record's absence, allowing the substitute Broker to be in two offices simultaneously.

Proposed Amendment:

- (2) in offices where an associate broker is not available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence; the broker temporarily substituting for the broker of record shall remain employed at that the **substitute broker's currently registered office.**

Current Regulation:

12 AAC 64.078. TEMPORARY ABSENCE OF BROKER OF RECORD. (a) When a broker of record is temporarily absent from an office, the broker of record may supervise transactions, trust accounts, or licensees by computer, modem, facsimile, or telephone communications.

(b) When a broker of record is temporarily absent from an office and is unable to supervise transactions, trust accounts, or licensees.

(1) in offices where an associate broker is available, the broker of record may designate an associate broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence.

(2) in offices where an associate broker is not available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence; the broker temporarily substituting for the broker of record shall remain employed at that the person's

(c) Under (b)(1) or (2) of this section, the broker of record shall notify the commission on a form approved by the commission, of the name of the associate broker or broker designated to supervise transactions, trust accounts, or licensees during the broker of record's absence. Both the broker of record and the designated associate broker or broker must sign this form.

Authority: AS 08.88.081 AS 08.88.331 AS 08.88.341