

Real Estate  
Commission  
Work Meeting

Meeting Reference  
Documents

November 14, 2024

## **Office Location Requirements**

### **Sec. 08.88.291. Location; contact information.**

(a) A person licensed as a real estate broker shall, by registering with the commission, inform the commission of the person's principal office and of any branch offices of the person's real estate business and include in the information the names of the real estate licensees who are employed at each office. A real estate licensee may do real estate business only through a principal office or from a branch office registered by the broker by whom the licensee is employed. Failure of a real estate broker **to maintain a place of business in the state** or to inform the commission of its location and the names and addresses of all real estate licensees employed at each location by the broker is grounds for the suspension or revocation of the broker's license.

(b) Each licensee under this chapter is responsible for ensuring that the commission has current contact information for the licensee for two years after the lapse, expiration, surrender, suspension, or revocation of the license.

(c) In addition to the information provided under (a) of this section, a licensee shall provide the commission with a current mailing address and, if active, the address of the broker employing the licensee.

(d) The commission shall mail all notices pertaining to a license or recovery fund action taken under this chapter or a regulation adopted under this chapter to the current address or addresses of a licensee obtained under this section. Proof of notice provided under this subsection satisfies due process notice requirements.

## **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 principal office in this state**. The office in which the broker works and maintains the broker's license is the principal office of the broker.

(b) A broker who maintains offices or branch offices other than the principal office or 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.

(c) Repealed 12/6/81.

(d) When a broker establishes a real estate office in a location not normally considered a business location, the commission may require the broker to submit evidence that the office is where the broker and the broker's employees transact business and receive business calls.

(e) A broker shall, before operating any office or branch office, register the office or branch office with the commission on a form provided by and approved by the commission. The information provided by the broker must include the

- (1) broker's name and license number;
- (2) business name under which the broker will operate and advertise as required by 12 AAC 64.112;
- (3) mailing address of the business and all branch offices;
- (4) physical location of the office and all branch offices;
- (5) bank account numbers of all real estate trust accounts maintained by the broker;
- (6) name and license number of all licensees employed by the broker at that office;
- (7) name of the associate broker in charge of each branch office;
- (8) telephone and facsimile number and, if available, an e-mail address of the office;
- (9) type of business organization, such as a sole proprietorship, corporation, partnership, limited partnership, or limited liability company;
- (10) all types of business activity practiced, such as sales, property management, community association management, and commercial sales.

(f) More than one licensed broker may operate an office at the same address; each broker shall maintain a clearly separate office identity.

(g) A real estate broker holding an active license shall

(1) maintain within this state one or more trust accounts and records of all real estate transactions conducted in this state as required by AS 08.88.351 and 12 AAC 64.220; and

(2) provide for acceptance of legal service at the business address registered with the commission.

**Authority:** AS 08.88.081 AS 08.88.311 AS  
AS 08.88.291 AS 08.88.321 08.88.351

## **Sign requirements**

### **Sec. 08.88.381. Signs.**

A real estate broker shall **maintain a sign at each of the broker's** registered **real estate offices prominently showing the name of the real estate business as registered with the commission**. The required size, content, and location of signs under this section may be determined by the commission under regulations. The regulations must allow signs in offices located on premises with more restrictive sign requirements than would otherwise be applicable under the commission's regulations to be considered to be in compliance with the regulations if the signs meet the requirements of the premises and the licensee submits a copy of the sign requirements of the premises to the commission.

### **12 AAC 64.127. OFFICE SIGNS.**

- (a) **The physical address of the office** of a licensed real estate broker **must be clearly identifiable to the public from outside the office.**
- (b) A real estate broker shall **prominently display a sign** showing the name of the real estate business **at the entrance to the real estate office.**

**Authority:** AS 08.88.081 AS 08.88.381

## ADVERTISING

**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 disbursal 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 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.

## **SUPERVISION**

### **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 principal office in this state. The office in which the broker works and maintains the broker's license is the principal office of the broker.

(b) A broker who maintains offices or branch offices other than the principal office or 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.

(c) Repealed 12/6/81.

(d) When a broker establishes a real estate office in a location not normally considered a business location, the commission may require the broker to submit evidence that the office is where the broker and the broker's employees transact business and receive business calls.

(e) A broker shall, before operating any office or branch office, register the office or branch office with the commission on a form provided by and approved by the commission. The information provided by the broker must include the

- (1) broker's name and license number;
- (2) business name under which the broker will operate and advertise as required by 12 AAC 64.112;
- (3) mailing address of the business and all branch offices;
- (4) physical location of the office and all branch offices;
- (5) bank account numbers of all real estate trust accounts maintained by the broker;
- (6) name and license number of all licensees employed by the broker at that office;
- (7) name of the associate broker in charge of each branch office;
- (8) telephone and facsimile number and, if available, an e-mail address of the office;
- (9) type of business organization, such as a sole proprietorship, corporation, partnership, limited partnership, or limited liability company;
- (10) all types of business activity practiced, such as sales, property management, community association management, and commercial sales.

(f) More than one licensed broker may operate an office at the same address; each broker shall maintain a clearly separate office identity.

(g) A real estate broker holding an active license shall

- (1) maintain within this state one or more trust accounts and records of all real estate transactions conducted in this state as required by AS 08.88.351 and 12 AAC 64.220; and
- (2) provide for acceptance of legal service at the business address registered with the commission.

**12 AAC 64.117. BROKER'S WRITTEN POLICY.** A broker shall adopt a written policy manual that addresses guidelines and procedures

- (1) to determine the designated licensee;
- (2) that establish a policy for when the broker becomes a designated licensee;
- (3) for neutral licensees;
- (4) for a single real estate licensee representing one party in a transaction while providing specific assistance to an unrepresented party in the same transaction;
- (5) for maintaining confidentiality within the office for all transactions; and
- (6) for the **supervision** of teams, if applicable, to include a policy covering
  - (A) the usage of the consumer disclosure required under 12 AAC 64.118; and
  - (B) how consumers are represented within a team.

**12 AAC 64.125. SUPERVISION.** (a) Failure of a broker and associate broker in charge to adequately provide for the supervision of the activities of licensees for whom they are responsible is grounds for disciplinary action against the

- (1) employing broker;
- (2) associate broker designated by the broker to manage a branch office; and
- (3) broker and associate broker in charge designated by the broker of record to supervise transactions or licensees during the broker of record's absence.

(b) Adequate supervision of a licensee by a broker and an associate broker in charge includes

(1) providing for the review of files for completeness and accuracy and ensuring all required real estate related documents are on file, including all applicable local, state, and federal forms before the recording of the transaction;

(2) communicating office policies to affiliated licensees; and

(3) supervision for compliance of brokerage policies, guidelines, and requirements that are specifically listed under AS 08.88.685(a)(1) - (5).

(c) Repealed 7/16/94.

(d) Repealed 7/16/94.

(e) Computer, modem, electronic mail, telephone, or facsimile communications may be used to supervise licensees and to review and approve documents of licensees. All transaction records must be maintained in the real estate office where the supervised licensee is registered with the commission.

**12 AAC 64.128. HOME OFFICES.** (a) A broker in charge of a principal office who permits an associate broker or a salesperson under the **supervision** of the broker to work out of a home office that is not a principal office or a branch office, must comply with supervision requirements of 12 AAC 64.125.

(b) An associate broker in charge of a branch office who permits another associate broker or a salesperson under the supervision of the associate broker to work out of a home office that is not a principal office or a branch office, must comply with supervision requirements of 12 AAC 64.125.

(c) An associate broker or salesperson working out of a home office that is not a principal office or a branch office may not

(1) give the appearance or impression that the home office is a principal office or a branch office;

(2) display a sign at the home office showing the name of the real estate business; or

(3) use the address of the home office in any form of advertising, business letterhead, or business cards for the real estate business; the address of the principal office or branch office from which the associate broker or salesperson conducts real estate business must be used in the advertising, business letterhead, or business cards for the real estate business.

## **12 AAC 64.064. EDUCATION REQUIREMENTS AFTER INITIAL LICENSE**

**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.

(b) After initial licensure as a salesperson, to meet the real estate education requirements of AS 08.88.095 and this section, the salesperson must complete the following course modules:

- (1) contracts and agreements: 10 contact hours covering
  - (A) purchase and sale agreements;
  - (B) addendum and amendments;
  - (C) counteroffers;
  - (D) contingencies;
  - (E) multiple offers;
  - (F) back up offers;
  - (G) differences between residential, land, and commercial transactions;
  - (H) personal service agreements;
  - (I) negotiation and counseling; and
  - (J) lease purchase options;
- (2) property management: four contact hours covering
  - (A) landlord tenant act;
  - (B) rental, lease, and occupancy of residential and commercial properties;
  - (C) associations;
  - (D) cooperatives;
  - (E) personal service agreements, management agreements, and lease listing agreements;
  - (F) security deposit statements;
  - (G) trust accounting and statute requirements; and
  - (H) notices and evictions;
- (3) licensee law: six contact hours covering
  - (A) consumer pamphlet and waiver;
  - (B) ethics;
  - (C) recovery fund;
  - (D) confidentiality;
  - (E) conflict of interest; and
  - (F) statutes and regulations;
- (4) paperwork and risk management: six contact hours covering
  - (A) mandatory and area specific property disclosure;
  - (B) environmental issues;
  - (C) zoning;
  - (D) covenants, conditions, and restrictions;
  - (E) title reports;
  - (F) resale certificates and public offering statements;
  - (G) home inspections and repair negotiations;
  - (H) surveys and easements;
  - (I) record keeping and documentation; and
  - (J) client and personal safety;
- (5) evaluation and pricing: two contact hours covering
  - (A) competitive market analysis and appraisals;
  - (B) showing property;
  - (C) marketing to buyers and sellers; and
  - (D) property research;
- (6) financing to closing: two contact hours covering
  - (A) the importance and differences of pre-approval letters and pre-qualifications, good faith estimates, and loan types, including Internet lending programs;
  - (B) review of settlement statements, security deposit transfers, rent prorations, seller net



proceeds, and variations in loan costs;

- (C) the closing process;
- (D) good funds law; and
- (E) predatory lending practices.

(c) Except for a person issued an initial license as a real estate broker as described in AS 08.88.095(£) after initial licensure as a broker or associate broker, to meet the real estate education requirements of AS 08.88.095 and this section, the broker or associate broker must complete the following course modules:

- (1) recovery fund, trust account, and general accounts: seven contact hours covering
  - (A) recovery fund issues, including case studies on misrepresentation, conversion of trust fund, fraud, and deceit;
  - (B) trust accounts, different types of accounts, and how to set up and manage trust accounts;
  - (C) general accounts; and
  - (D) the importance of good record keeping;
  - (2) practical office management: eight contact hours covering
  - (A) setting up an office, including types of ownership, office procedures, checklists, general office policy, file review and management, compliance with state law requirements, and licensee relationships manual; and
  - (B) the importance of regulation and statute changes, fair housing and diversity issues, employment contracts with licensees, how to handle complaints, risk management and legal liability, and errors and omissions insurance;
  - (3) practical supervision: eight contact hours covering
  - (A) broker responsibilities;
  - (B) state requirements;
  - (C) office policy and procedures manual (state required and practical application);
  - (D) communication;
  - (E) transaction management;
  - (F) final file review;
  - (G) licensee safety;
  - (H) checklists;
  - (I) disclosures, including property, licensee relationship, consumer pamphlet and waiver, and buying or selling the licensee's own property; and
  - (J) strategic alliance and business relationships in compliance with the law;
  - (4) risk management: seven contact hours covering
  - (A) basic office procedures for risk management; and
  - (B) supervision failure, complaints, licensee relationships, confidentiality issues, and conflict of interest.
- (d) Within 30 days after the end of the one-year period specified in (a) of this section, a real estate licensee must submit
- (1) certification on a form provided by the department, that the licensee has completed the applicable educational requirements of (b) or (c) of this section; and
  - (2) the post-license education certification and new license document fee established in 12 AAC 02.360.
- (e) A licensee who uses a course to meet the education requirements of this section may not use the same course hours to meet the continuing education requirements of 12 AAC 64.500. However, an applicant for renewal of a real estate license who is not subject to the requirements of this section may receive continuing education credit for completion of a course listed under this section.
- (f) For the purposes of AS 08.88.095 and this section,
- (1) one contact hour equals a minimum of 50 minutes of instruction;
  - (2) one academic semester credit hour equals 15 contact hours;
  - (3) one academic quarter credit hour equals 10 contact hours.
- (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.**

**12 AAC 64.064 (g) -Proposed revision:**

**A licensee may only submit for a license status change to Broker or Associate Broker in Charge once the education requirements as outlined in 12 AAC 64.064 (c) have been completed.**

**Reinstatement**

**Sec. 08.88.241. Reinstatement of lapsed license.** (a) A person whose real estate license has lapsed less than 24 months is eligible for reinstatement of the license if the person provides the required application, license fees, proof of continuing education as required by AS 08.88.091 for licensing periods during which the license was inactive or lapsed, proof of completion of the educational requirements under AS 08.88.095(a), if applicable, and any fee required under AS 08.88.221(12).

(b) A real estate licensee whose license has been lapsed for more than 24 months is not eligible for reinstatement of the license and is eligible for the license only by meeting the qualifications applicable to initial licensure under AS 08.88.171.

**Best practices:**

1. non-real estate (ie. trailers not on land, business opportunities, cabins not on land, alcohol permits etc)

Regulation interpretation:

1. allowing the title companies to cut the checks to the real estate licensees (with both checks - brokerage and licensee being returned to the real estate broker to ensure it is correct and has passed compliance). Broker or approved designee to sign the Commission Letter Request to the Escrow Officer for payment