

State of Alaska

**Real Estate Commission
Meeting**

March 20, 2025

9:00 am

Call to Order

Roll Call

Traci Heaton

Elizabeth Schok

Devon Doran

Cheryl Markwood

Jimi Cash

Susan Wilcox

Approval of Agenda

Statements of Conflicts of Interest

State of Alaska
DEPARTMENT OF LAW

ETHICS INFORMATION FOR MEMBERS OF BOARDS & COMMISSIONS (AS 39.52)

Introduction

This is an introduction to AS 39.52, the *Alaska Executive Branch Ethics Act*. This guide is not a substitute for reading the law and its regulations. State board and commission members who have further questions should contact their board chair or staff.

The Ethics Act applies to all current and former executive branch public employees and *members of statutorily created boards and commissions*.

Scope of Ethics Act (AS 39.52.110)

Service on a state board or commission is a public trust. The Ethics Act prohibits substantial and material conflicts of interest. Further, board or commission members, and their immediate family, may not improperly benefit, financially or personally, from their actions as board or commission members. The Act does not, however, discourage independent pursuits, and it recognizes that minor and inconsequential conflicts of interest are unavoidable.

Misuse of Official Position (AS 39.52.120)

Members of boards or commissions may not use their positions for personal gain or to give an unwarranted benefit or treatment to any person. For example, board members may not:

- use their official positions to secure employment or contracts;
 - accept compensation from anyone other than the State for performing official duties;
 - use State time, equipment, property or facilities for their own personal or financial benefit or for partisan political purposes;
 - take or withhold official action on a matter in which they have a personal or financial interest; or
 - coerce subordinates for their personal or financial benefit.
- attempt to influence outcome of an administrative hearing by privately contacting the hearing officer.



Terry knew that a proposal that was before the board would harm Terry's business competitor. Instead of publicly disclosing the matter and requesting recusal, Terry voted on the proposal.



Board member Mick has board staff employee Bob type an article for him that Mick hopes to sell to an Alaskan magazine. Bob types the article on State time.

Improper Gifts (AS 39.52.130)

A board member may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. "Gifts" include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper, unless the giver is immediate family of the person receiving the gift.

A gift worth more than \$150 to a board member or the board member's immediate family must be reported within 30 days if:

- the board member can take official action that can affect the giver, or
- the gift is given to the board member because he or she is on a state board.

The receipt of a gift worth less than \$150 may be prohibited if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. Receipt of such a gift should be disclosed.

Any gift received from another government, regardless of value, must be reported; the board member will be advised as to the disposition of this gift.

A form for reporting gifts is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.

This restriction on gifts does not apply to lawful campaign contributions.



The commission is reviewing Roy's proposal for an expansion of his business. Roy invites all the board members out to dinner at an expensive restaurant. He says it will be okay, since he isn't excluding any of the members.



Jody receives a holiday gift every year from Sam. Jody was recently appointed to a state board, but Sam has no business that is before the board. Jody may accept the gift.

Improper Use or Disclosure of Information (AS 39.52.140)

No former or current member of a board may use or disclose any information acquired from participation on the board if that use or disclosure could result in a financial or personal benefit to the board member (or immediate family), unless that information has already been disseminated to the public. Board members are also prohibited from disclosing confidential information, unless authorized to do so.



Sheila has been on the board for several years. She feels she has learned a great deal of general information about how to have a successful business venture. So she sets up her own business and does well.



Delores has always advised and assisted the other doctors in her clinic on their continuing education requirements. After Delores is appointed to the medical board, she discloses this role to the board and continues to advise the doctors in her clinic.



Jim reviews a confidential investigation report in a licensing matter. He discusses the practitioner's violation with a colleague who is not a board member.

Improper Influence in State Grants, Contracts, Leases or Loans (AS 39.52.150)

A board member, or immediate family, may not apply for, or have an interest in a State grant, contract, lease, or loan, if the board awards or takes action to administer the State grant, contract, lease, or loan.

A board member (or immediate family) may apply for or be a party to a *competitively solicited* State grant, contract or lease, if the board as a body does not award or administer the grant, contract, or lease and so long as the board member does not take official action regarding the grant, contract, or lease.

A board member (or immediate family) may apply for and receive a State loan that is generally available to the public and has fixed eligibility standards, so long as the board member does not take (or withhold) official action affecting the loan's award or administration.

Board members must report to the board chair any personal or financial interest (or that of immediate family) in a State grant, contract, lease or loan that is awarded or administered by the agency the board member serves. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.*



 John sits on a board that awards state grants. John hasn't seen his daughter for nearly ten years so he figures that it doesn't matter when her grant application comes up before the board.

 The board wants to contract out for an analysis of the board's decisions over the last ten years. Board member Kim would like the contract since she has been on the board for ten years and feels she could do a good job.

Improper Representation (AS 39.52.160)

A board or commission member may not represent, advise, or assist a person in matters pending before the board or commission for compensation. A nonsalaried board or commission member may represent, advise, or assist in matters in which the member has an interest that is regulated by the member's own board or commission, if the member acts in accordance with AS 39.52.220 by disclosing the involvement in writing and on the public record, and refraining from all participation and voting on the matter. This section does not allow a board member to engage in any conduct that would violate a different section of the Ethics Act.

 Susan sits on the licensing board for her own profession. She will represent herself and her business partner in a licensing matter. She discloses this situation to the board and refrains from participation in the board's discussions and determinations regarding the matter.

Restriction on Employment After Leaving State Service (AS 39.52.180)

For two years after leaving a board, a former board member may not provide advice or work for compensation on any matter in which the former member personally and substantially participated while serving on the board. This prohibition applies to cases, proceedings, applications, contracts, legislative bills, regulations, and similar matters. This section does not prohibit a State agency from contracting directly with a former board member.

With the approval of the Attorney General, the board chair may waive the above prohibition if a determination is made that the public interest is not jeopardized.

Former members of the governing boards of public corporations and former members of boards and commissions that have regulation-adoption authority, except those covered by the centralized licensing provisions of AS 08.01, may not lobby for pay for one year.

 The board has arranged for an extensive study of the effects of the Department's programs. Andy, a board member, did most of the liaison work with the contractor selected by the board, including some negotiations about the scope of the study. Andy quits the board and goes to work for the contractor, working on the study of the effects of the Department's programs.



Andy takes the job, but specifies that he will have to work on another project.

Aiding a Violation Prohibited (AS 39.52.190)

Aiding another public officer to violate the Ethics Act is prohibited.

Agency Policies (AS 39.52.920)

Subject to the Attorney General's review, a board may adopt additional written policies further limiting personal or financial interests of board members.

Disclosure Procedures

DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS OR COMMISSIONS (AS 39.52.220)

A board member whose interests or activities could result in a violation of the Ethics Act if the member participates in board action must disclose the matter on the public record and in writing to the board chair who determines whether a violation exists. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.* If another board member objects to the chair's ruling or if the chair discloses a potential conflict, the board members at the meeting (excluding the involved member) vote on the matter. If the chair or the board determines a violation will occur, the member must refrain from deliberating, voting, or participating in the matter. For more information, see *Ethics Act Procedures for Boards and Commissions* available at the above noted web site.

When determining whether a board member's involvement in a matter may violate the Ethics Act, either the chair or the board or commission itself may request guidance from the Attorney General.

ATTORNEY GENERAL'S ADVICE (AS 39.52.240-250)

A board chair or a board itself may request a written advisory opinion from the Attorney General interpreting the Ethics Act. A former board member may also request a written advice from the Attorney General. These opinions are confidential. Versions of opinions without identifying information may be made available to the public.

REPORTS BY THIRD PARTIES (AS 39.52.230)

A third party may report a suspected violation of the Ethics Act by a board member in writing and under oath to the chair of a board or commission. The chair will give a copy to the board member and to the Attorney General and review the report to determine whether a violation may or does

exist. If the chair determines a violation exists, the board member will be asked to refrain from deliberating, voting, or participating in the matter.

Complaints, Hearings, and Enforcement

COMPLAINTS (AS 39.52.310-330)

Any person may file a complaint with the Attorney General about the conduct of a current or former board member. Complaints must be written and signed under oath. The Attorney General may also initiate complaints based on information provided by a board. A copy of the complaint will be sent to the board member who is the subject of the complaint and to the Personnel Board.

All complaints are reviewed by the Attorney General. If the Attorney General determines that the complaint does not warrant investigation, the complainant and the board member will be notified of the dismissal. The Attorney General may refer a complaint to the board member's chair for resolution.

After investigation, the Attorney General may dismiss a complaint for lack of probable cause to believe a violation occurred or recommend corrective action. The complainant and board member will be promptly notified of this decision.

Alternatively, if probable cause exists, the Attorney General may initiate a formal proceeding by serving the board or commission member with an accusation alleging a violation of the Ethics Act. Complaints or accusations may also be resolved by settlement with the subject.

CONFIDENTIALITY (AS 39.52.340)

Complaints and investigations prior to formal proceedings are confidential. If the Attorney General finds evidence of probable criminal activity, the appropriate law enforcement agency shall be notified.

HEARINGS (AS 39.52.350-360)

An accusation by the Attorney General of an alleged violation may result in a hearing. An administrative law judge from the state's Office of Administrative Hearings serves as hearing officer and determines the time, place and other matters. The parties to the proceeding are the Attorney General, acting as prosecutor, and the accused public officer, who may be represented by an attorney. Within 30 days after the hearing, the hearing officer files a report with the Personnel Board and provides a copy to the parties.

PERSONNEL BOARD ACTION (AS 39.52.370)

The Personnel Board reviews the hearing officer's report and is responsible for determining whether a violation occurred and for imposing penalties. An appeal may be filed by the board member in the Superior Court.

PENALTIES (AS 39.52.410-460)

When the Personnel Board determines a board member has violated the Ethics Act, it will order the member to refrain from voting, deliberating, or participating in the matter. The Personnel Board may also order restitution and may recommend that the board member be removed from the board or commission. If a recommendation of removal is made, the appointing authority will immediately remove the member.

If the Personnel Board finds that a former board member violated the Ethics Act, it will issue a public statement about the case and will ask the Attorney General to pursue appropriate additional legal remedies.

State grants, contracts, and leases awarded in violation of the Ethics Act are voidable. Loans given in violation of the Ethics Act may be made immediately payable.

Fees, gifts, or compensation received in violation of the Ethics Act may be recovered by the Attorney General.

The Personnel Board may impose a fine of up to \$5,000 for each violation of the Ethics Act. In addition, a board member may be required to pay up to twice the financial benefit received in violation of the Ethics Act.

Criminal penalties are in addition to the civil penalties listed above.

DEFINITIONS (AS 39.52.960)

Please keep the following definitions in mind:

Benefit - anything that is to a person's advantage regardless financial interest or from which a person hopes to gain in any way.

Board or Commission - a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad Corporation.

Designated Ethics Supervisor - the chair or acting chair of the board or commission for all board or commission members and for executive directors; for staff members, the executive director is the designated ethics supervisor.

Financial Interest - any property, ownership, management, professional, or private interest from which a board or commission member or the board or commission member's immediate family

receives or expects to receive a financial benefit. Holding a position in a business, such as officer, director, partner, or employee, also creates a financial interest in a business.

Immediate Family - spouse; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.

Official Action - advice, participation, or assistance, including, for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction, by a public officer.

Personal Interest - the interest or involvement of a board or commission member (or immediate family) in any organization or political party from which a person or organization receives a benefit.

For further information and disclosure forms, visit our Executive Branch Ethics web site or please contact:

State Ethics Attorney
Alaska Department of Law
1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501-5903
(907) 269-5100
attorney.general@alaska.gov

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The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

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State of Alaska
DEPARTMENT OF LAW

ETHICS ACT PROCEDURES FOR BOARDS & COMMISSIONS

All board and commission members and staff should be familiar with the Executive Branch Ethics Act procedures outlined below.

Who Is My Designated Ethics Supervisor (DES)?

Every board or commission subject to the Ethics Act¹ has several ethics supervisors designated by statute.

- The chair serves as DES for board or commission members.
- The chair serves as DES for the executive director.
- The executive director serves as DES for the staff.
- The governor is the DES for a chair.²

What Do I Have To Disclose?

The Ethics Act requires members of boards and commissions to disclose:

- Any matter that is a potential conflict of interest with actions that the member may take when serving on the board or commission.
- Any circumstance that may result in a violation of the Ethics Act.
- Any personal or financial interest (or that of an immediate family member) in a state grant, contract, lease or loan that is awarded or administered by the member's board or commission.
- The receipt of certain gifts.

The executive director of the board or commission and its staff, as state employees, must also disclose:

- Compensated outside employment or services.
- Volunteer service, if any compensation, including travel and meals, is paid or there is a potential conflict with state duties.

- For more information regarding the types of matters that may result in violations of the Ethics Act, board or commission members should refer to the guide, *"Ethics Information for Members of Boards and Commissions."* The executive director and staff should refer to the guide, *Ethics Information for Public Employees.* Both guides and disclosure forms may be found on the Department of Law's ethics website.

How Do I Avoid Violations of the Ethics Act?

- Make timely disclosures!
- Follow required procedures!
- Provide all information necessary to a correct evaluation of the matter!³
- When in doubt, disclose and seek advice!
- Follow the advice of your DES!

What Are The Disclosure Procedures for Board and Commission Members?

The procedural requirements for disclosures by members are set out in AS 39.52.220 and 9 AAC 52.120. One goal of these provisions is to help members avoid violations of the Ethics Act. The procedures provide the opportunity for members to seek review of matters in advance of taking action to ensure that actions taken will be consistent with the Act.

Procedure for declaring actual or potential conflicts.

Members must declare potential conflicts and other matters that may violate the Ethics Act on the public record and in writing to the chair.

Disclosure on the public record. Members must identify actual and potential conflicts orally at the board or commission's public meeting in advance of participating in deliberations or taking any official action on the matter.

- A member must always declare a conflict and may choose to refrain from voting, deliberations or other participation regarding a matter.⁴
- If a member is uncertain whether participation would result in a violation of the Act, the member should disclose the circumstances and seek a determination from the chair.

Disclosure in writing at a public meeting. In addition to an oral disclosure at a board or commission meeting, members' disclosures must be made in writing.

- If the meeting is recorded, a tape or transcript of the meeting is preserved and there is a method for identifying the declaration in the record, an oral disclosure may serve as the written disclosure.
- Alternatively, the member must note the disclosure on the Notice of Potential Violation disclosure form and the chair must record the determination.

Confidential disclosure in advance of public meeting. Potential conflicts may be partially addressed in advance of a board or commission's public meeting based on the published meeting agenda or other board or commission activity.

- A member identifying a conflict or potential conflict submits a Notice of Potential Violation to the chair, as DES, in advance of the public meeting.
- This written disclosure is considered confidential.
- The chair may seek advice from the Attorney General.
- The chair makes a written determination, also confidential, whether the disclosed matter represents a conflict that will result in a violation of the Ethics Act if the member participates in official action addressing the matter.⁵
- If so, the chair directs the member to refrain from participating in the matter that is the subject of the disclosure.
- An oral report of the notice of potential violation and the determination that the member must refrain from participating is put on the record at a public meeting.⁶

Determinations at the public meeting. When a potential conflict is declared by a member for the public record, the following procedure must be followed:

- The chair states his or her determination regarding whether the member may participate.
- Any member may then object to the chair's determination.
- If an objection is made, the members present, excluding the member who made the disclosure, vote on the matter.
- *Exception:* A chair's determination that is made consistent with advice provided by the Attorney General may not be overruled.
- If the chair, or the members by majority vote, determines that a violation will exist if the disclosing member continues to participate, the member must refrain from voting, deliberating or participating in the matter.⁷

If the chair identifies a potential conflict, the same procedures are followed. If possible, the chair should forward a confidential written notice of potential violation to the Office of the Governor for a determination in advance of the board or commission meeting. If the declaration is first

made at the public meeting during which the matter will be addressed, the members present, except for the chair, vote on the matter. If a majority determines that a violation of the Ethics Act will occur if the chair continues to participate, the chair shall refrain from voting, deliberating or participating in the matter. A written disclosure or copy of the public record regarding the oral disclosure should be forwarded to the Office of the Governor for review by the chair's DES.

Procedures for Other Member Disclosures

A member's interest in a state grant, contract, lease or loan and receipt of gifts are disclosed by filling out the appropriate disclosure form and submitting the form to the chair for approval. The disclosure forms are found on the Department of Law's ethics website.

What Are The Disclosure Procedures for Executive Directors and Staff?

Ethics disclosures of the executive director or staff are made in writing to the appropriate DES (chair for the executive director and the executive director for staff).

- Disclosure forms are found on the ethics website, noted above.

Notices of Potential Violations. Following receipt of a written notice of potential violation, the DES investigates, if necessary, and makes a written determination whether a violation of the Ethics Act could exist or will occur. A DES may seek advice from the Attorney General. If feasible, the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

- These disclosures are not required to be made part of the public record.
- A copy of a determination is provided to the employee.
- Both the notice and determination are confidential.

Other Disclosures. The DES also reviews other ethics disclosures and either approves them or determines what action must be taken to avoid a violation of the Act. In addition to the disclosures of certain gifts and interests in the listed state matters, state employees must disclose all outside employment or services for compensation.

- The DES must provide a copy of an approved disclosure or other determination the employee.

How Are Third Party Reports of Potential Violations or Complaints Handled?

Any person may report a potential violation of the Ethics Act by a board or commission member or its staff to the appropriate DES or file a complaint alleging actual violations with the Attorney General.

- Notices of potential violations and complaints must be submitted **in writing and under oath**.
- Notices of potential violations are investigated by the appropriate DES who makes a written determination whether a violation may exist.⁸
- Complaints are addressed by the Attorney General under separate procedures outlined in the Ethics Act.
- **These matters are confidential**, unless the subject waives confidentiality or the matter results in a public accusation.

What Are The Procedures for Quarterly Reports?

Designated ethics supervisors must submit copies of notices of potential violations received and the corresponding determinations to the Attorney General for review by the state ethics attorney as part of the quarterly report required by the Ethics Act.

- Reports are due in April, July, October and January for the preceding quarter.
- A sample report may be found on the Department of Law's ethics website.
- An executive director may file a quarterly report on behalf of the chair and combine it with his or her own report.
- If a board or commission does not meet during a quarter and there is no other reportable activity, the DES advises the Department of Law Ethics Attorney by e-mail at ethicsreporting@alaska.gov and no other report is required.

If the state ethics attorney disagrees with a reported determination, the attorney will advise the DES of that finding. If the ethics attorney finds that there was a violation, the member who committed the violation is not liable if he or she fully disclosed all relevant facts reasonably necessary to the ethics supervisor's or commission's determination and acted consistent with the determination.

How Does A DES or Board or Commission Get Ethics Advice?

A DES or board or commission may make a **written request** to the Attorney General for an opinion regarding the application of the Ethics Act. In practice, the Attorney General, through the state ethics attorney, also provides **advice by phone or e-mail** to designated ethics supervisors, especially when time constraints prevent the preparation of timely written opinions.

- A request for advice and the advisory opinion are confidential.
- The ethics attorney endeavors to provide prompt assistance, although that may not always be possible.
- The DES must make his or her determination addressing the potential violation based on the opinion provided.

It is the obligation of each board or commission member, as well as the staff, to ensure that the public's business is conducted in a manner that is consistent with the standards set out in the Ethics Act. We hope this summary assists you in ensuring that your obligations are met.

¹ The Act covers a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch of state government.

² The governor has delegated the DES responsibility to Guy Bell, Administrative Director of the Office of the Governor.

³ You may supplement the disclosure form with other written explanation as necessary. Your signature on a disclosure certifies that, to the best of your knowledge, the statements made are true, correct and complete. False statements are punishable.

⁴ In most, but not all, situations, refraining from participation ensures that a violation of the Ethics Act does not occur. Abstention does not cure a conflict with respect to a significant direct personal or financial interest in a state grant, contract, lease or loan because the Ethics Act prohibition applies whether or not the public officer actually takes official action.

⁵ The chair must give a copy of the written determination to the disclosing member. There is a determination form available on the Department of Law's ethics web page. The ethics supervisor may also write a separate memorandum.

⁶ In this manner, a member's detailed personal and financial information may be protected from public disclosure.

⁷ When a matter of particular sensitivity is raised and the ramifications of continuing without an advisory opinion from the Attorney General may affect the validity of the board or commission's action, the members should consider tabling the matter so that an opinion may be obtained.

⁸ The DES provides a copy of the notice to the employee who is the subject of the notice and may seek input from the employee, his or her supervisor and others. The DES may seek advice from the Attorney General. A copy of the DES' written determination is provided to the subject employee and the complaining party. The DES submits a copy of both the notice and the determination to the Attorney General for review as part of the DES' quarterly report. If feasible,

the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

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The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

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Public Comment

Review of Meeting Minutes

December 18, 2024

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

**REAL ESTATE COMMISSION
MEETING MINUTES**

December 18, 2024

“These draft minutes were prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Commission. By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held December 18, 2024, at 550 W 7th Avenue, Ste 1550, Anchorage, AK, via Zoom.

Wednesday, December 18, 2024

Agenda Item 1 - Call to Order

Chairperson Cheryl Markwood called the meeting to order at 9:07 a.m., at which time a quorum was established.

Agenda Item 1(a) – Roll Call

Members Present via Zoom

Cheryl Markwood, Broker, Broker at Large, Chairperson
Traci Heaton, Associate Broker, 1st Judicial District
Elizabeth Schok, Associate Broker, 4th Judicial District
Devon Doran, Broker, 3rd Judicial District
Jimi Cash, Public Member

Members Absent (excused):

Chad Stigen, Associate Broker, Broker at Large

Staff Present:

Nancy Harris, Executive Administrator, REC, Anchorage
Kery Givens, Project Assistant, REC, Anchorage
Dennis Hines, Investigator, REC/APR, Anchorage

Guests Present via Zoom:

Francisca Tracy, Compliance Analyst, The CE Shop, CO
Savannah Melendez, Real Estate Educator
Deborah (Brollini) Lopez, public person
Cassandra Raun, Salesperson and Educator, Coldwell Banker Endeavor, Anchorage
Mike Mulneaux, Operations Director, AK Multiple Lising Service, Anchorage
Lonnie Logan, Broker and Educator, Realty One Group Aurora, Anchorage
Gabe Stephen, Broker, Jack White Real Estate, Anchorage
Margie Hudok, Broker, Coldwell Banker Endeavor, Anchorage
Season Baker, Broker, Alaska Real Estate 49, LLC., Wasilla

Ms. Markwood stated that Ms. Doran would join the meeting shortly.

Agenda Item 1(b) - Approval of Agenda

Commission members reviewed the agenda as presented. Ms. Markwood asked if there were any additions to the agenda.

Ms. Harris asked to add Best Practices to agenda item 7(a) and the RISC claims report to the Executive Administrator report, agenda item 8(c).

On a motion made by Heaton, seconded by Cash, it was,

Resolved to approve the December 18, 2024, meeting agenda as amended.

There were no opposition. Motion passed.

Statements of Conflicts of Interest/Ethics Violations– 1(c)

There were no conflicts of interest statements or ethics violations to report.

Devon Doran joined the meeting at approximately 9:10 am

Agenda Item 2 – Public Comments

Debora Brollini, testified on her behalf. She provided an update to the Commission on her case that she has had with her previous property manager. Debora Brollini testified about her eight-year struggle with a property manager and condo association, highlighting misconduct and advocating for reform. She shared her experience, including a \$1.6 million fraud judgment against a property manager, and urged the Real Estate Commission (REC) to act against mismanagement. Brollini emphasized the impact on first-time homebuyers and the need for fair housing oversight.

Ms. Markwood thanked Ms. Brollini for attending the meeting and for her comments. She said she is glad that she has received a judgement and that her issues were extremely concerning. She said she appreciated hearing this information and her due diligence to collect the information available and bring to the Commission.

There were no other public comments. Ms. Markwood closed public comment at 9:11 am.

Agenda Item 3 – Review of Meeting Minutes

September 17, 2024, – 3(a)

On a motion made by Doran, seconded by Schok, it was,

Resolved to approve the September 17, 2024, meeting minutes as presented.

There were no opposition. Motion passed.

November 14, 2024, Work Meeting – 3(b)

On a motion made by Heaton, seconded by Cash, it was,

Resolved to approve the November 14, 2024, work meeting minutes as presented.

There were no opposition. Motion passed.

Agenda Item 4 – Investigations

Statistical Report – 4(a)

Investigator Hines joined the meeting and presented the investigative report for the period of September 5, 2024, through November 19, 2024. Mr. Hines stated there were: 29 cases in intake, 33 in the complaint phase, 4 under investigation, 2 cases in litigation, 1 case being monitored, and 2 cases were closed.

Ms. Heaton asked if there was a delay and the status of distribution of cases for the Commission members to review?

Mr. Hines stated that he is new and that his cases are required to be signed off by supervisor. His reports had some errors and once they are signed off, he will distribute 2 cases per Commission member.

Ms. Heaton asked that it was mentioned in investigative report that some cases are under review and litigation. Is that something that the Commission members could get an update to know if one of the cases they reviewed is still opened?

Senior Investigator Homestead stated that after a Commission member has given their recommendation on a case, and there is no resolution but a possibility for negotiation, the case would go back to the reviewing member for consideration. He said when a case goes into litigation or a hearing, there is no more contact with Commission members. That is considered ex parte communication. He said if a Commission member is looking for feedback, the investigator should provide feedback if there is a concern.

Ms. Markwood stated for her clarification that there are currently 69 open cases that have not been reviewed by Commission members and will eventually at some point need to be reviewed. She said that Ms. Heaton was just trying to point out that the Commission members have not reviewed cases in several months and that there is some concern that those are open cases that licensees and consumers are waiting to be resolved. The Commission members want to be a supportive team to investigations and are eager to assist and ensure they are doing their part to serve the public as quickly as possible.

Mr. Homestead said he is monitoring the case load and appreciates the Commission's support to get these matters closed as quickly as possible.

Ms. Dumas was not available at an earlier time to present the division update. The Commission moved forward on the agenda to item 6(a) - New Business, and 7(b) – Strategic Plan.

Agenda Item 6 – New Business

DCE Topics for 2026-2028 Discussion/Committee – 6(a)

Ms. Harris stated that the DCE topics for the 2026-2028 licensing period is required to be established and available to the course sponsors and instructors no later than October 15, 2025.

The Chair asked Ms. Doran if she would work on this issue as education liaison and bring her recommendation back to the Commission at the June meeting. Ms. Doran said she would be willing to do that.

Ms. Markwood thanked Ms. Doran for volunteering to take this project on as the education liaison.

Agenda Item 7 – Old Business

FY2024 Strategic Plan- update – 7(a)

Ms. Harris gave an update of the current items on the 2024 REC strategic plan. There were no changes from the last meeting.

Ms. Heaton and Ms. Schok spoke to #1 with regards to team advertising on the strategic plan. They stated that they would like more time to review this issue and come back to the Commission,

Ms. Heaton asked for direction from the Commission if they would prefer a very short and concise way to address team advertising by adding in under 112 AAC 64.130(8), Grounds for Revocation and Suspension, regarding advertising a team name and size. However, they could also add a whole subsection under 12 AAC 64.128, Home offices, that would include registering of team name, team leader be a broker and have their upgrade, and a possible logo, etc. Their question to the Commission was should they keep simple or go a bit wider?

Commission continued to discuss the size of the team's name in advertisements in comparison to the brokerage name and what the Commission would like to see.

Ms. Heaton stated that the consensus sounds like it is to keep it simple. She said they will work on adding on to #8 or add a numbered item under # 8 with the brokerage name to be more prominent. Taking in consideration the brokerage name should be at least the same size, or larger than the team's name.

Ms. Markwood stated that it might be valuable to have another work session regarding this topic.

Agenda Item 5 – Division Update

Revenue/Expenditure Report, FY24/4th Qtr – 5(a)

Melissa Dumas, Administrative Operations Manager for the Division of Corporations, Business, and Professional Licensing, presented to the Commission the Revenue and Expenditures report the FY2024 year-end report. She reported \$639,645 in licensing revenue and \$4,859 in general funds received with a total revenue of \$644,504. Expenditures were reported with total direct expenditures (this includes non-investigative and investigative costs) at \$391,392 and the indirect expenditures (this includes internal administration, department, and statewide costs) at \$191,680 to bring the total expenditures at \$583,072. The ending cumulative surplus at \$1,021,502. Ms. Dumas pointed out the statistical information at the bottom of report that indicates the total number of licensees at the end of FY24 at 4,165.

Fee Analysis, 2026-2028, Renewals – 5(a)

Ms. Dumas stated that she completed a fee analysis for the REC. However, she indicated that the climate for fee changes was not favorable at this time. She recommended to wait another cycle with no changes. She said that the REC has enough revenue to get through the next 2 years with more licensing revenue coming in. Ms. Dumas spoke to the recovery fund balance. She said the recovery fund has a required balance between \$250,000 and \$500,000 and that the recovery fund looked to be on track to maintain a balance within the required threshold. She recommended no changes.

Ms. Markwood thanked Ms. Dumas for her report.

The Commission moved to agenda item 7, Executive Administrative report while they wait to speak to agenda item 7(a) at 11:00 am.

Agenda Item 8 - Executive Administrator's Report

Licensing /Education Report –8(a)

Mr. Givens presented the licensing report to the Commission for dates between, September 1, 2024, through December 2, 2024. Mr. Given stated there were 45 new licenses issued: 2873 active licensees with an expiration date of 1/31/2026. 2969 total number of licensees with an 1/31/2026 expiration date; 22 inactive licensees; 15 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 89 transfers; 11 licensees completed their PLE requirements, 5 upgrades, 2 licenses by endorsement, 55 licensees in a license returned status, 62 inactive licenses with an 1/31/2024 expiration date and 322 lapsed licenses with a 1/31/2024 expiration date.

Mr. Givens presented the education report for December 18, 2024. He reported that as of 12/2/2024, there were 16 pre-licensing courses; 4 broker upgrade courses; 325 elective (ECE) and 87 designated (DCE) courses and 55 Post Licensing courses with a total of 487 approved courses. There were 19 initial courses approved between 9/4/24 and 12/2/2024.

There are a total of 123 instructors. There were 4 new instructors from the last report, and no temporary instructors.

Recovery Fund Report – 8(b)

Ms. Harris presented the Recovery Fund Report for FY25, 1st quarter, ending September 30, 2024. Ms. Harris pointed out the general fund contributions shown under the fiscal year ending 6/30/23 of \$82,225. The Commission received \$9,490 in revenue for license fees processed for the fiscal year ending 9/30/24 with a total revenue of \$13,989. The expenditures for personal

services and the total expenditures were \$24,948. There was a deficit of revenue over expenditures of \$10,960. The beginning year fund balance was \$380,564 and with the deficit of \$10,960 there was an end of year fund balance of \$369,604. This end balance is within the required limits for the recovery fund.

Ms. Harris stated that the understanding was that once E & O Insurance was in place and established that the recovery fund would eventually be dissolved. Questions for the REC would be where the recovery fund fees would go and how would this effect licensing fees.

RISC Claim Report – 8(c)

Ms. Harris presented the RISC claim report to the Commission for their review. Ms. Harris asked if the Commission would like to see these reports at future meetings.

Ms. Harris stated that she would invite a representative from RISC to speak at the next Commission meeting to go over the report.

Ms. Osborne was unavailable to discuss the proposed regulations, Commission members discussed agenda item #7, Old Business.

Agenda Item 7 – Old Business

Proposed Regulations — 7(a)

Ms. Harris presented the proposed regulations to the Commission. The Commission reviewed and discussed the proposed regulations.

12 AAC 02.530(2), Standards for Equivalent Coverage, division regulations.

- Recommendation to revise 12 AAC 02.530(2)

12 AAC 02.530(1), Standards for Equivalent Coverage, division regulations

- Recommendation to revise (1) by adding the verbiage, “transfer, reinstate or reactivate”

12 AAC 02.540, Notification Required for Cancellation, division regulations

- Recommendation to revise to add that the Commission is required to be notified when an equivalent insurance coverage is change as well as cancelled.

12 AAC 64.071, License Renewal, REC regulations

- add (b)(5) – that the license must certify that they have satisfied the E & O Insurance requirement.

12 AAC 64.600, Insurance required, REC regulations

- that all license types must comply with E & O Insurance requirements as a condition or renewal

12 AAC 64.610, Time for Filing Certification of Equivalent Coverage, REC regulations

- add when the licensee must show equivalent coverage with renewal, transfer, reactivation or reinstatement.

12 AAC 64.065, License Required for Employees, Directors, Agents and Officers, REC regs

- clean up of regulations to change “corporation” to “entity”.

12 AAC 64.075, Employment and Transfer, REC regulations.

- add a section to speak to allowing for those brokerages that submit an office change to have 10 days to work while the application is being processed. Like transfers.

12 AAC 64.078, Temporary Absence of Broker of Record, REC regulations

- clean up to clarify. Change “person’s” to “Substitute broker’s currently registered office”.

12 AAC 64.110, Requirements for Establishing and Maintaining an office, REC regulations

- add verbiage “physical” before principal office in this state in section (a) and (b).

12 AAC 64.064, Education Requirements after Initial License, REC regulation.

- to add a (1) under section (g) that indicates that a broker or associate broker that downgrades their license due to non-compliance of PLE, would not be able to reinstate their license but would be required to submit for initial licensure.

Ms. Harris stated that the Commission could initiate a regulation project today, however, if the regulations are not essential those regulations would be on the back burner and go through the process slower due to DOL is short staffed and legislative session is about to begin.

Commission agreed to have another work meeting to review and discuss the regulations proposed and bring back to next meeting and set the as February 26, 2025, to begin at 1:30 p.m.

Agenda Item 9 – Commission Member Comments & Questions

Ms. Doran said it has been a great year, and she is excited about new public member, Jimi Cash, on the Commission. She thanked Jimi for joining them today and being so engaged. She thanked everyone for all their hard work.

Ms. Heaton echoed Ms. Doran’s comments on the new public member, Jimi Cash. She said is it nice to have him on the Commission and appreciates him stepping in and participating in the meeting. She said it is nice to see the addition of another work session that she believes are very productive and helps make the most of the time at the Commission meetings. She has enjoyed working on the Commission and looks forward to serving in 2025.

Ms. Schok welcomed the new public member, Jimi Cash, on the Commission. She said it is nice to be part of a working board that is really doing things and making a difference. She looks forward to working with the Commission in 2025.

Ms. Cash said he enjoyed the ARELLO conference and that it was eye opening experience. He said he attended the Commissioner College 101 on how a Commission is run, Robert Rules of Order, evidence, antitrust laws, and a little bit of real estate law, etc. He said ARELLO was a great experience. He hopes to have more to offer and contribute to the Commission this coming year. He wished everyone a Merry Christmas.

Ms. Markwood said it was an honor to serve on the Commission and thanked everyone for their hard work. She said that is a vital part of our industry to serve on the Commission and the ability

to have provide licensing and service to the public. She said she appreciates the public comments. They bring information, while we may have no control over the issue, that may be a vital concern to the industry. Since Jimi Cash has attended ARELLO, she said it would be beneficial for all Commission members to attend ARELLO and Commission College 101 at some point. She thanked everyone for their hard work on the Commission and wished them all a Merry Christmas and Happy New Year.

Ms. Harris thanked the Commission members for all their hard work and their participation at the work meetings.

Adjournment

On a motion made by Devon, seconded by Schok, it was,

Resolved to adjourn the meeting.

There were no opposition. Motion passed.

Meeting adjourned at 10:54 a.m.

Next meeting: February 26, 2025, Work Meeting

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

February 26, 2025, Work Meeting
Meeting Minutes

1
2
3 STATE OF ALASKA
4 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
5 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
6

7 REAL ESTATE COMMISSION
8 WORK MEETING
9 MEETING MINUTES

10
11 February 26, 2025
12

13 “These draft minutes were prepared by the staff of the Division of Corporations, Business
14 and Professional Licensing. They have not been reviewed or approved by the
15 Commission. By the authority of AS 08.01.070(2), and in compliance with the provisions of
16 AS 44.62, Article 6, a scheduled work meeting of the Real Estate Commission was held
17 February 26, 2025, Anchorage AK, via Zoom.
18

19 **Wednesday, February 26, 2025**
20 **Agenda Item 1 - Call to Order**
21

22 Chairperson Cheryl Markwood called the meeting to order at 1:31 pm.
23 No quorum needed for a work meeting.
24

25 Ms. Markwood stated that this is a meeting where we will be working on general tasks,
26 collaboration of ideas and subject matters that have become important to the Real Estate
27 Commission. This work group does not have decision-making authority.
28

29 **Present via Zoom**

30 Cheryl Markwood, Commission member, Broker, Broker at Large, Chairperson, Fairbanks
31 Elizabeth Schok, Commission member, Associate Broker, 4th Judicial District, Fairbanks
32 Traci Heaton, Broker, Commission member 1st Judicial District, Juneau
33 Devon Doran, Broker, Commission member 3rd Judicial District, Wasilla
34 Jimi Cash, Commission member, public seat
35 Susan Wilcox, Commission member, public seat
36 Angie Tallant, Broker, Somers, Sotheby’s International, Fairbanks
37 Francisca Tracy, Compliance Analyst, The CE Shop, PA
38 Gene DuVal, Associate Broker, Broker Associates of Fairbanks
39 Jerry Royse, Broker and RE Educator, Royse & Associates, Anchorage
40 Julie Marshall, Broker, FSBO Systems Alaska, Anchorage
41 Michael Barnhill, Compliance Auditor, Legislative Audit Division, Juneau
42 Nichole Rodriguez, Auditor, Legislative Audit Division, Juneau
43 Renee Foster, Broker, Foster Realty, Fairbanks
44 Tracy Schachle, Broker, The Real Estate Group AK, LLC, Fairbanks
45 Jarrett Chambers, Salesperson, Chambers Real Estate Services, Anchorage
46 Melissa Ford, Broker, Nome Sweet Homes, Nome
47 Cassandra Raun, Salesperson, Coldwell Banker Endeavor Realty, Anchorage
48 Paddy Coan, Associate Broker, Keller Williams Alaska Group, Anchorage
49 Heather Ferguson (Lambert), Salesperson, Century 21 Gold Rush, Fairbanks
50 Jason Olds, Division Director, Air Quality, Department of Environmental Conservation,
51 Juneau
52 Nick Czarnnecki, Environmental Program Manager 2, Department of Environmental
53 Conservation Anchorage
54

55 Staff Present:

56 Nancy Harris, Executive Administrator, Real Estate Commission (REC)
57 Kery Givens, Licensing Examiner 2, Real Estate Commission (REC)
58 Lorina Rogers, Licensing Examiner 3, Board of Real Estate Appraisers (APR)
59 Stephanie Davis, Regulation Specialist, CBPL

60

61 Approval of Agenda

62 Ms. Markwood asked to add 2 items to the agenda. Add agenda item 4(h)- Teams
63 Advertising and item 4(i)- Administrative Code (18 AAC 50.081) conflict with REC
64 regulations (12 AAC 64.600 – 695).

65

66 Ms. Harris stated that the team's information was added to 4(f)-Advertising.

67

68 Ms. Markwood asked if there was any opposition to the agenda as amended. There was
69 no opposition, agenda was approved.

70

71 Agenda Item 2 – Introductions

72 Ms. Markwood introduced all Commission members that were in attendance via ZOOM.

73

74 Ms. Harris introduced staff and all other individuals in attendance via ZOOM.

75

76 Agenda Item 3 – Public Comment

77 Michael Barnhill, auditor with Legislative Audit office introduced himself and Nicole
78 Rodriguez. He stated they are from legislative audit and are conducting the sunset audit
79 with the REC for next couple of months He thanked everyone that they have spoken to for
80 their cooperation.

81

82 Julie Marshall, broker in Anchorage. She stated she is just dropped in to listen to the
83 meeting.

84

85 Agenda Item 4– topics for review and discussion.

86 4(a) -12 AAC 64.063(a)(2) - Minimum Education Requirements for Licensure

87 Mr. Givens presented the proposed regulation for review and discussion. The key changes
88 to this regulation included the requirement of a 6-hour Alaska Law course taken within 18
89 months and modifying the 30-hour Broker Pre-Licensing course to increase Alaska Law
90 instruction from 3 hours to 6 hours. This included the adjustment of the hours in 12 AAC
91 64.063(b) to decrease hours in other topics.

92

- 93 • Recommendation by Mr. Royse was to decrease hours in 12 AAC 64.063(b)(1),
94 broker supervision requirements and record keeping to 2 hours and 12 AAC
95 64.063(b)(2) trust accounting procedures decrease to 2 hours.

96

97 4(b)- 12 AAC 64.064(g) - Education Requirements after Initial License

98 Mr. Givens presented the proposed regulation for review and discussion. This proposal
99 provides a pathway for licensees to either remain in lapse status, downgrade to a
100 Salesperson license, or reinstate Broker/Associate Broker license, due to non-compliance
101 of Post Licensing Education.

102

- 103 • There were no recommendations.

104

105

106 4(c) - 12 AAC 64.066 - Temporary Military Courtesy License

107 Ms. Harris presented the proposed regulation for review and discussion. When this
108 regulation was created several requirements for licensing were not included. This change
109 would require an applicant to submit an employing broker form, a completed 6 hour AK
110 Law course and verification of E & O Insurance. Ms. Harris stated that there is a new
111 application process for active military personnel and spouses of active duty military
112 personnel for a license that may replace the current temporary license application. Ms.
113 Markwood had some concerns regarding possible contradiction of applications.

114

- 115 • Recommendation to bring back to the March meeting with more information
116 regarding both military applications to ensure there is no contradictions or
117 duplication of licensing.

118

119 4(d) - 12 AAC 64.075(f) - Employment and Transfer

120 Mr. Givens presented the proposed regulation for review and discussion. This proposal
121 will give the brokerage 10 days after they submit office change application to continue
122 business with requested changes while waiting REC staff to complete change and amend
123 update/license.

124

- 125 • Recommendation to add the time as 10 business days unless extended by the
126 Real Estate Commission.

127

128

129 4(e) - 12 AAC 64.110(a) and (b). Requirements for Establishing and Maintaining an Office

130 Ms. Harris presented the proposed regulation for review and discussion. This would clarify
131 the requirement that a brokerage's principal office must be a physical location within the
132 state. This recommendation was recommended at a prior work meeting. This change
133 would add the word "physical" to the regulation to revise regulation to "physical principal
134 office".

135

- 136 • Recommendation for staff to bring back information to the March meeting
137 regarding what other jurisdictions are doing with virtual and physical offices. What
138 is the definition of brokerage?

139

140

141 4(f) - 12 AAC 64.130(8) - Advertising –size of text of office name vs team name

142 Ms. Heaton and Ms. Schok presented their list of requirements of teams from other
143 jurisdictions for discussion and recommendations.

144

145 Points discussed:

- 146 • Brokerage name and logo be more prominent and/or at least larger than team
147 name or 50% larger than brokerage name
- 148 • Define team, 3 or more
- 149 • Define brokerage
- 150 • Prohibition of using realty, real estate, realtors, company, associate, firm, or group
- 151 • Team leader required to be Associate Broker or at least completed broker training
- 152 • Include alternative names into regulations; have alternative name to go with
153 licensee when transferring to other brokerages
- 154 • Replace current Teams best practice with a do's and don'ts of teams similar to
155 Maryland REC's Do's and Don'ts

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- Recommendation- Ms. Heaton and Ms. Schok continue to research on teams and bring back recommendations to the Commission.

4(g)(1)- 12 AAC 64.065(5)(c)- License Required for Employees, Directors, Agents and Officers

Ms. Harris presented the proposed regulation for review and discussion. This proposal is to update the regulation by replacing the word “corporation” with “entity” to include all business structures.

- There were no recommendations.

4(g)(2) -12 AAC 64.078(b)(2) -Temporary Absence of Broker of Record

Mr. Givens presented the proposed regulation for review and discussion. This revision is to clarify the word “person’s”. This change would replace the word “person’s” with the verbiage “substitute broker’s currently” registered office.

- There were no recommendations.

4(h) – DEC 18 AAC 50.081 vs REC regulations 12 AAC 64.600 – 695.

Jason Olds, Director of Division of Air Quality with the Department of Environmental Conservation (DEC) and Nick Czarnecki, Environmental Program Manager also with DEC, Air Quality, started the discussion regarding the DEC regulation 18 AAC 50.081 that was implemented due to the state plan requirement that initiated this regulation. He said he is here to answer any questions to assist with implementation of regulation 18 AAC 50.081. He is seeking collaboration and anything they can do to make these requirements less burdensome and easier on real estate licensees.

Ms. Tallant gave an overview on the regulation 18 AAC 50.081 that was adopted in April 2024.

- The DEC regulation went through the hearing process and public comment period in September 2024 and is linked to the SIP (State Implementation Plan) plan with the EPA on the air quality issues that the Fairbanks and North Pole area has been facing since 2011.
- This regulation is specific to the non-attainment area which is Fairbanks and the North Pole areas. This could be statewide but is currently only in the Fairbanks and North Pole areas.
- The EPA opened their SIP comment period when licenses were noticed on January 21, 2025, regarding to the regulation change that mandated that they would be back to ensure compliance of woodstoves regulations,
- Currently in the Fairbanks area real estate licensees use a DEC form for disclosure on every real estate transaction so that the sellers and buyers are made of aware of the DEC requirement.
- This would also require compliance of a home energy ratings that are to be done prior to listing the house. The one issue is that there are only a few energy raters in the Fairbanks and that is not enough for 2,000 transactions that are done annually. This would bottle neck the process for consumers, and it is cost prohibitive with an energy rating currently \$600 to \$1200.
- The way the regulation was written it states that energy rating would need to be done prior to listing, and the real estate licensee would forward that information on

- 207 to DEC, and it must be disclosed at the time the house is put on the market. There
208 are many ways this will affect the Fairbanks real estate market:
- 209 ○ There is the disclosure of energy rating
 - 210 ○ Buyer wanting to negotiate energy upgrades from a report that is just only
211 required for DEC and not for the transaction
 - 212 ○ Real estate licensees regulated through the AREC now will have additional
213 requirements/licensee duties to adhere to under a different entity.
214

215 Discussion continued regarding the current process of the SIP and regulation 18 AAC
216 50.081 and how and why these were implemented by DEC.
217

218 Concerns and questions from the real estate industry.

- 219 ● How would these regulations be implemented?
- 220 ● Is the DEC regulation 18 AAC 50.081 in conflict with the RE statutes and
221 regulations?
- 222 ● How do we ensure that real estate licensees are following the current real estate
223 statutes and regulations and the DEC regulation 18 AAC 50.081.
- 224 ● Is this similar to the lead paint disclosure? Will there be a form to be completed by
225 the buyer and seller?
- 226 ● How is the real estate licensee protected?
- 227 ● How does a real estate license ensure a buyer or seller have completed the
228 requirement and if they do not, is the licensee's license in jeopardy?
- 229 ● What is the penalty for the licensee if they do not comply with the regulation?
- 230 ● Can this DEC regulation be revised?
- 231 ● Verbiage could be added to the property disclosure transfer statement regarding
232 the energy rating and inform the seller or buyer of DEC requirements.
233

234 DEC information and response.
235

- 236 ● In their 2019 and 2020 submittals, DEC dismissed these regulations and this
237 potential control measure because it was technically unfeasible. They said it was
238 unfeasible because they did not have the authority to mandate real estate
239 licensees. EPA's response was DEC did have the authority and must use that
240 authority. They were told that they could not use that as the reason to dismiss
241 these regulations.
242
- 243 ● The compliance that DCE is looking for is informing the buyer or seller of their
244 obligations. That is the limit of the agent's responsibility as DEC looks to implement
245 these requirements. The existing forms that are used in the non-attainment area
246 currently, DEC is not receiving copies of those. That is something they would ask
247 for. DEC is not trying to hold up any real estate transactions.
248
- 249 ● 18 AAC 50.081. The intent behind the way this regulation was worded, it reads that
250 the agent shall ensure compliance, and then it continues to define what ensure
251 compliance means. The agent must inform the seller, or buyer, as applicable. It is
252 based on doing exactly that, inform. Section (c) says that if an agent has complied
253 with (b), which is just to inform the seller, then the agent may not be liable for
254 failure to disclose. This was the intent to ensure that this was an information-based
255 piece. It wasn't to put the entire burden of compliance with air quality regulations

256 onto the real estate community. It was to ensure that this information was
257 conveyed to the buyers and sellers.

258

259 • This regulation was modeled after the lead paint disclosure with regards to
260 authority, but they need something mailed to them regarding the status and
261 registration requirements that go with the home. The registration requirement has
262 been in existence in their regulations for some time, with a debate of enforceability
263 as well, that is where these revisions come from. The only new piece of 18 AAC
264 50.081 is the energy rating.

265

266 • The wording is set in regulation at this point. Any revisions would be though the
267 110L, the preferred pathway. That is another process that addresses the regulation
268 and could be revised but it would have to be accepted and meet the requirements
269 of 110L.

270

271 • A 110L is a reference from the Clean Air Act, it is called Anti-backsliding. There is
272 planning to clean the air and actual cleaning of the air. With regards to the State
273 Implementation Plan, everything is just a plan. Cleaning the air comes later and it
274 is covered by the plan, and essentially the 110L. Provisions out of the Clean Air act
275 are where DEC will have to demonstrate that a change to their plan or regulations
276 that are adopted in that plan don't backslide or don't cause them to delay reaching
277 attainment. Because of that public health emergency, they are required to
278 implement requirements that are to reach "expeditious attainment" as fast as
279 possible in the earliest year possible. They are supposed to have the air cleaned.
280 They have been delayed in doing that, because of moderate plans and everything
281 that they have done previously didn't go far enough. Then the regulations become
282 more onerous than their current plan. In 2027, they will be back here doing this
283 again. if not, it's the EPA and a Federal implementation plan where they will have
284 to adopt their plan, or else they will not be relieved from sanctions. Therefore, they
285 must ensure that the changes they make don't backslide.

286

287 The recommendations from the work meeting will be brought forward to the March 20,
288 2025, REC meeting for the Commission's consideration.

289

290 Ms. Heaton thanked everyone for taking the time to attend this meeting. She said these
291 work meetings are very helpful with great input and assist the Commission make the most
292 of their time and move forward with changes.

293

294 Ms. Markwood thanked everyone for their attendance and discussion at this work meeting.

295

296 Meeting adjourned at 4:15 pm.

297

298

Prepared and submitted by:
Real Estate Commission Staff

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Approved:

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Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

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306

Investigations



MEMORANDUM

DATE: March 05, 2025
 TO: Real Estate Commission
 THRU: Erika Prieksat, Chief Investigator *BH*
 FROM: Chace Evans, Investigator *CE*
 RE: Investigative Report for the March 20, 2025 Meeting

The following information was compiled as an investigative report to the Board for the period of November 20, 2024 thru March 05, 2025; 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 - 66

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
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BROKER-DEALER

2024-001074	Violation of Profession Statute or Regulation	Complaint	02/04/2025
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**REAL ESTATE ASSOCIATE
BROKER**

2024-000560	Violation of License Regulation	Intake	09/04/2024
2024-001118	Violation of License Regulation	Intake	11/20/2024
2024-001155	Violation of License Regulation	Intake	12/06/2024
2023-001006	Violation of licensing regulation	Complaint	10/10/2023
2024-000129	Violation of licensing regulation	Complaint	02/19/2024
2024-000151	Violation of licensing regulation	Complaint	02/14/2024
2024-000199	Unlicensed practice or activity	Complaint	02/28/2024

2024-001120	Violation of License Regulation	Complaint	12/12/2024
2024-001161	Violating professional ethics	Complaint	
2022-001045	Violation of licensing regulation	Investigation	03/21/2024
2021-000231	Advertising	Litigation Initiated	

REAL ESTATE BROKER

2024-000684	Violation of License Regulation	Intake	07/25/2024
2024-000733	Violation of License Regulation	Intake	08/16/2024
2024-001075	Violation of Profession Statute or Regulation	Intake	10/17/2024
2025-000059	Violation of License Regulation	Intake	01/24/2025
2025-000093	Violation of License Regulation	Intake	02/04/2025
2025-000104	Unprofessional conduct	Intake	02/11/2025
2023-000278	Violation of licensing regulation	Complaint	04/11/2023
2023-001146	Violation of licensing regulation	Complaint	11/27/2023
2024-000250	Violation of licensing regulation	Complaint	03/19/2024
2024-000691	Violation of License Regulation	Complaint	12/12/2024
2024-000978	Violation of agreement	Complaint	02/27/2025
2025-000158	Violating professional ethics	Complaint	02/28/2025
2022-000468	Violation of licensing regulation	Investigation	02/01/2024
2021-000185	Violation of licensing regulation	Litigation Initiated	

REAL ESTATE SALESPERSON

2024-000789	Violation of licensing regulation	Intake	08/29/2024
2024-000817	Violation of License Regulation	Intake	08/29/2024
2024-000861	Unlicensed practice or activity	Intake	09/11/2024
2024-000893	Violation of agreement	Intake	09/23/2024
2024-000919	Violation of License Regulation	Intake	09/26/2024
2024-001065	Violation of agreement	Intake	10/03/2024
2024-001073	Violation of License Regulation	Intake	10/04/2024
2024-001081	Violation of Profession Statute or Regulation	Intake	10/25/2024
2024-001082	Violation of License Regulation	Intake	11/07/2024
2025-000056	Violation of License Regulation	Intake	01/22/2025

2023-000274	Violation of licensing regulation	Complaint	04/21/2023
2023-000699	Violation of licensing regulation	Complaint	07/24/2023
2023-000722	Violation of licensing regulation	Complaint	07/26/2023
2023-000757	Violation of licensing regulation	Complaint	08/08/2023
2023-000836	Violation of licensing regulation	Complaint	08/10/2023
2023-001058	Violation of licensing regulation	Complaint	11/07/2023
2023-001059	Violation of licensing regulation	Complaint	10/18/2023
2023-001066	Violation of licensing regulation	Complaint	10/20/2023
2024-000195	Unlicensed practice or activity	Complaint	02/28/2024
2024-000198	Unlicensed practice or activity	Complaint	02/28/2024
2024-000224	License Application Review/Referral	Complaint	03/12/2024
2024-000337	Violation of License Regulation	Complaint	02/24/2025
2024-000712	Continuing education	Complaint	08/12/2024
2024-000713	Continuing education	Complaint	08/12/2024
2024-000762	Continuing education	Complaint	08/28/2024
2024-000797	Continuing education	Complaint	09/09/2024
2024-000798	Continuing education	Complaint	09/09/2024
2024-000825	Violation of License Regulation	Complaint	02/04/2025
2024-000847	Continuing education	Complaint	09/16/2024
2024-000888	Continuing education	Complaint	10/02/2024
2024-000941	Violation of License Regulation	Complaint	03/03/2025
2024-000981	Continuing education	Complaint	10/25/2024
2024-000988	Continuing education	Complaint	11/18/2024
2024-000989	Continuing education	Complaint	10/25/2024
2024-000993	Continuing education	Complaint	11/05/2024
2024-001079	Violation of License Regulation	Complaint	02/20/2025
2025-000034	Violation of License Regulation	Complaint	01/29/2025
2023-000309	Contested license denial	Monitor	01/04/2024
2022-000921	Violation of licensing regulation	Investigation	02/04/2024
2024-000846	Continuing education	Investigation	02/20/2025

Closed - 14

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
2024-001076	Violation of Profession Statute or Regulation	Closed-Intake	02/26/2025	No Action - Lack of Jurisdiction
BROKER, MORTGAGE				
2024-000555	Violation of License Regulation	Closed-Complaint	02/20/2025	No Action - Insufficient Evidence
2024-000556	Violation of License Regulation	Closed-Complaint	01/28/2025	No Action - Lack of Jurisdiction
REAL ESTATE BROKER				
2024-000613	Violation of Profession Statute or Regulation	Closed-Intake	01/15/2025	Incomplete Complaint
2024-000897	Financial Scam	Closed-Intake	02/11/2025	Other (See Abstract)
2024-001152	Violation of agreement	Closed-Intake	02/05/2025	Incomplete Complaint
REAL ESTATE SALESPERSON				
2024-000405	Violation of licensing regulation	Closed-Intake	02/10/2025	Incomplete Complaint
2024-000579	Violation of licensing regulation	Closed-Intake	02/25/2025	Incomplete Complaint
2024-000685	Fraud or misrepresentation	Closed-Intake	02/05/2025	Incomplete Complaint
2024-000894	Violation of Profession Statute or Regulation	Closed-Intake	02/05/2025	Incomplete Complaint
2024-001080	Violation of License Regulation	Closed-Intake	02/05/2025	Incomplete Complaint
2024-000796	Continuing education	Closed-Complaint	02/20/2025	No Action - No Violation
2022-001076	Violation of licensing regulation	Closed-Investigation	12/12/2024	No Action - No Violation
2022-001077	Violation of licensing regulation	Closed-Investigation	02/11/2025	Advisement Letter

END OF REPORT

License Actions

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 18	FY 19	Biennium	FY 20	FY 21	Biennium	FY 22	FY 23	Biennium	FY 25	
										FY 24	1st & 2nd QTR
Revenue											
Revenue from License Fees	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 820,700	\$ 228,875	\$ 1,049,575	\$ 639,645	\$ 71,695
General Fund Received					\$ -	-	\$ 17,842	\$ 4,654	22,496	\$ 4,859	\$ -
Allowable Third Party Reimbursements	-	-	-	\$ -	\$ -	-	\$ -	\$ 2,500	2,500	\$ -	\$ -
TOTAL REVENUE	\$ 766,875	\$ 282,453	\$ 1,049,328	\$ 618,451	\$ 325,590	\$ 944,041	\$ 838,542	\$ 236,029	\$ 1,074,571	\$ 644,504	\$ 71,695
Expenditures											
Non Investigation Expenditures											
1000 - Personal Services	115,076	120,856	235,932	65,350	113,092	178,442	129,521	171,009	300,530	175,061	91,341
2000 - Travel	15,632	5,036	20,668	3,046	-	3,046	-	1,569	1,569	7,416	2,271
3000 - Services	13,683	9,813	23,496	19,306	4,687	23,993	12,219	5,254	17,473	13,612	2,063
4000 - Commodities	649	-	649	-	-	-	16	-	16	-	-
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	145,040	135,705	280,745	87,702	117,779	205,481	141,756	177,832	319,588	196,089	95,675
Investigation Expenditures											
1000-Personal Services	51,422	83,598	135,020	93,884	97,209	191,093	98,726	110,246	208,972	93,972	59,037
2000 - Travel	-	-	-	2,078	-	2,078	-	9,100	9,100	2,538	-
3023 - Expert Witness	-	-	-	-	450	450	-	-	-	2,975	2,125
3088 - Inter-Agency Legal	646	530	1,176	1,692	43,125	44,817	23,415	70,918	94,333	60,164	5,888
3094 - Inter-Agency Hearing/Mediation	-	3,689	3,689	-	2,799	2,799	6,467	23,142	29,609	34,889	1,884
3000 - Services other	-	958	958	1,010	390	1,400	517	1,967	2,484	717	8
4000 - Commodities	-	-	-	-	-	-	106	58	164	48	12
Total Investigation Expenditures	52,068	88,775	140,843	98,664	143,973	242,637	129,231	215,431	344,662	195,303	68,954
Total Direct Expenditures	197,108	224,480	421,588	186,366	261,752	448,118	270,987	393,263	664,250	391,392	164,629
Indirect Expenditures											
Internal Administrative Costs	108,746	110,362	219,108	108,667	101,425	210,092	112,583	124,346	236,929	115,793	57,897
Departmental Costs	53,154	57,353	110,507	37,533	39,972	77,505	46,517	48,168	94,685	49,850	24,925
Statewide Costs	18,608	20,811	39,419	20,978	28,864	49,842	28,689	30,587	59,276	26,037	13,019
Total Indirect Expenditures	180,508	188,526	369,034	167,178	170,261	337,439	187,789	203,101	390,890	191,680	95,841
TOTAL EXPENDITURES	\$ 377,616	\$ 413,006	\$ 790,622	\$ 353,544	\$ 432,013	\$ 785,557	\$ 458,776	\$ 596,364	\$ 1,055,140	\$ 583,072	\$ 260,470
Cumulative Surplus (Deficit)											
Beginning Cumulative Surplus (Deficit)	\$ 523,449	\$ 912,708		\$ 782,155	\$ 1,047,062		\$ 940,639	\$ 1,320,405		\$ 960,070	\$ 1,021,502
Annual Increase/(Decrease)	389,259	(130,553)		264,907	(106,423)		379,766	(360,335)		61,432	(188,775)
Ending Cumulative Surplus (Deficit)	\$ 912,708	782,155		\$ 1,047,062	\$ 940,639		\$ 1,320,405	\$ 960,070		\$ 1,021,502	\$ 832,727
Statistical Information											
Number of Licenses for Indirect calculation	4,129	4,041		3,771	3,680		4,062	4,317		4,165	
Additional information:	<ul style="list-style-type: none"> • General fund dollars were received in FY21-FY24 to offset increases in personal services and help prevent programs from going into deficit or increase fees. • Most recent fee change: Fee reduction FY23 • 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

Summary of All Professional Licensing

Appropriation Name (Ex)	(Multiple Items)	and Expenditures
Sub Unit	(All)	
PL Task Code	REC1	

Sum of Budgetary Expenditures	Object Type Name (Ex)				Grand Total
Object Name (Ex)	1000 - Personal Services	2000 - Travel	3000 - Services	4000 - Commodities	
1011 - Regular Compensation	83,674.01				83,674.01
1014 - Overtime	16.39				16.39
1021 - Allowances to Employees	171.43				171.43
1023 - Leave Taken	7,874.02				7,874.02
1028 - Alaska Supplemental Benefit	5,618.41				5,618.41
1029 - Public Employee's Retirement System Defined Benefits	12,046.87				12,046.87
1030 - Public Employee's Retirement System Defined Contribution	2,439.77				2,439.77
1034 - Public Employee's Retirement System Defined Cont Health Reim	1,629.37				1,629.37
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	386.45				386.45
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	8,005.77				8,005.77
1040 - Group Health Insurance	22,777.16				22,777.16
1041 - Basic Life and Travel	11.73				11.73
1042 - Worker's Compensation Insurance	502.62				502.62
1047 - Leave Cash In Employer Charge	2,114.69				2,114.69
1048 - Terminal Leave Employer Charge	1,464.14				1,464.14
1053 - Medicare Tax	1,274.28				1,274.28
1062 - GGU Business Leave Bank Contributions	283.59				283.59
1077 - ASEA Legal Trust	65.08				65.08
1079 - ASEA Injury Leave Usage	10.70				10.70
1080 - SU Legal Trst	11.25				11.25
2017 - Out-State Non-Employee Airfare			597.50		597.50
2019 - Out-State Non-Employee Lodging			1,292.59		1,292.59
2020 - Out-State Non-Employee Meals and Incidentals			271.50		271.50
2022 - Out-State Non-Employee Non-Taxable Reimbursement			109.58		109.58
3000 - Training/Conferences				883.00	883.00
3002 - Memberships				897.00	897.00
3023 - Expert Witness				2,125.00	2,125.00
3035 - Long Distance				9.61	9.61
3045 - Postage				117.20	117.20
3057 - Structure, Infrastructure and Land - Rentals/Leases				117.84	117.84
3085 - Inter-Agency Mail				46.43	46.43
3088 - Inter-Agency Legal				5,888.25	5,888.25
3094 - Inter-Agency Hearing/Mediation				1,883.70	1,883.70
4005 - Subscriptions					12.00
Grand Total	150,377.73	2,271.17	11,968.03	12.00	164,628.93

New Business

18 Alaska Admin. Code § 50.081

Section 18 AAC 50.081 - Real estate transaction requirements; weatherization and energy efficiency

- (a) In an area identified in 18 AAC 50.015(b)(3), the following requirements apply:
- (1) after December 31, 2025, a residential building owner must have an energy rating completed by an energy rater before listing the building or property for sale; the residential building owner shall pay for the costs of the energy rating; the energy rater shall provide information about weatherization resources as part of the energy rating report; the residential building owner must give the energy rating report to the buyer simultaneously with the seller's *Residential Real Property Transfer Disclosure Statement* from the Real Estate Commission; the residential building owner must submit the energy rating report to the department in a format provided by or approved by the department;
 - (2) the owner of any building being sold in which a wood-fired heating device is located must register the device, using a form or method provided by the department unless the wood-fired device previously has been registered under 18 AAC 50.077(h);
 - (3) the buyer of any building in which a wood-fired heating device is located must submit a change of ownership notification to the department for any device previously registered under 18 AAC 50.077(h) or (2) of this subsection and must register any previously undisclosed wood-fired heating devices, using a form or method provided by the department;
 - (4) the owner, seller, and buyer of any building being sold in which a wood- or coal-fired heating device is located must comply with all applicable requirements under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h).
- (b) An agent shall ensure compliance with all requirements of this section. To ensure compliance, the agent must
- (1) inform the seller or buyer, as applicable, of the seller's or buyer's obligations under this section, 18 AAC 50.077, and 18 AAC 50.079; and
 - (2) ensure during a real estate transaction that the seller or buyer, as applicable, has performed all activities required under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h) or must personally ensure compliance with those requirements.
- (c) If the agent has complied with (b)(1) of this section, the agent may not be liable for the failure to disclose to a buyer the presence of a noncompliant wood-fired heating device known by a seller but not disclosed to the agent.
- (d) In this section,
- (1) "agent" means any party who enters into a contract with an owner, seller, or buyer, including any party who enters into a contract with a representative of the seller or buyer, for the purpose of selling or buying any building;

(2) "energy rater" means a person authorized to perform energy ratings by the Alaska Housing Finance Corporation under 15 AAC 155.530, revised as of June 14, 2010, and adopted by reference;

(3) "energy rating" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference;

(4) "residential building" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference.

18 AAC 50.081

Eff. 12/8/2024, Register 252, January 2025

Authority: AS 46.03.020

AS 46.14.010

AS 46.14.020

AS 46.14.030

Sec. 30, ch. 74, SLA 1993

**ARTICLE 5.
LICENSE RELATIONSHIPS AND DUTIES**

Section

- 600. Licensee relationships
- 605. Additional licensee relationship provisions
- 610. Authorization of neutral licensee relationship
- 615. Duties owed by licensee in all licensee relationships
- 620. Duties owed by licensee representing a person
- 625. Waiver of duties
- 630. Duties not owed by licensee
- 635. Acts not amounting to adverse or detrimental acts or conflicts of interest
- 640. Designated licensee relationship
- 645. Duties of neutral licensee
- 650. No imputation of knowledge resulting from neutral licensee relationship
- 655. Compensation
- 660. Duration of relationship
- 665. Vicarious liability
- 670. Imputed knowledge and notice
- 675. Common law abrogated
- 680. Causes of action
- 685. Policies, guidelines, and requirements
- 690. Exemptions
- 695. Definitions for AS 08.88.600 – 08.88.695

Sec. 08.88.600. Licensee relationships. (a) A real estate licensee who provides real estate services to one party in a real estate transaction represents only that party unless the parties to the transaction agree otherwise in writing.

(b) A real estate licensee may not provide real estate services to more than one party in the same real estate transaction, except that

(1) a licensee may represent one party to the transaction while providing specific assistance to an unrepresented party to the transaction;

(2) a licensee may act as a neutral licensee under (c) of this section;

(3) a licensee may also, with the written consent of the parties, be a party to the transaction; or

(4) the parties to the transaction may agree otherwise in writing, except as provided by AS 08.88.625.

(c) A real estate licensee may provide specific assistance to both the seller and buyer, or both the lessor and lessee, in the same real estate transaction as a neutral licensee if the licensee complies with AS 08.88.610.

(d) A real estate licensee who works for a real estate broker may represent or provide specific assistance to a person in a real estate transaction even if the broker or another licensee who is working for the broker represents or provides specific assistance to another person in the same transaction. The broker shall designate which licensee, including the broker, is the designated licensee for the seller or lessor and which licensee, including the broker, is the designated licensee for the buyer or lessee.

Sec. 08.88.605. Additional licensee relationship provisions. (a) A real estate licensee may provide real estate services to a party in separate real estate transactions under different licensee relationships if the licensee complies with AS 08.88.600 – 08.88.695 when establishing the relationship for each transaction.

(b) The authorization under (a) of this section includes acting as a real estate licensee for a party in one real estate transaction and at the same time not representing that party in a different real estate transaction involving that party.

Sec. 08.88.610. Authorization of neutral licensee relationship. (a) Before a real estate licensee begins acting as a neutral licensee, the real estate licensee may obtain preauthorization from a person to act as a neutral licensee in the person's real estate transaction by obtaining the written consent of the person.

(b) If preauthorization is not obtained under (a) of this section, when a buyer or lessee expresses an interest to the licensee in acquiring or leasing real estate and the licensee is representing the seller or lessor of the property, the licensee shall obtain written consent to act as a neutral licensee before the licensee shows the real estate.

(c) A written consent under this section must be provided on a separate form, may not be contained in another writing, and must be entitled "Waiver of Right To Be Represented."

Sec. 08.88.615. Duties owed by licensee in all licensee relationships. (a) Unless additional duties are agreed to in a written document signed by the person, and regardless of the type of licensee relationship in which the real estate licensee is acting, a real estate licensee owes the following duties to each person to whom the licensee provides specific assistance:

- (1) the exercise of reasonable skill and care;
- (2) honest and good faith dealing;

(3) the presentation of all written offers, written notices, and other written communications to and from the person in a timely manner regardless of whether the real estate is subject to an existing contract for sale or lease or the person is already a party to an existing contract to buy or lease real estate;

(4) except as provided in (b) of this section, the disclosure of all material information known by the licensee regarding the physical condition of real estate if the information substantially adversely affects the real estate or a person's ability to perform the person's obligations in the real estate transaction or if the information would materially impair or defeat the purpose of the real estate transaction;

(5) accounting in a timely manner for all money and other property received from or on behalf of the person;

(6) before the licensee provides specific assistance to the person, or when entering into a contract with the person to provide specific assistance, providing a copy of the pamphlet established under AS 08.88.685(b)(2) and produced under AS 08.88.685(c) that outlines the duties of the types of licensee relationships identified under AS 08.88.600;

(7) before the licensee provides specific assistance to the person, obtaining from the person a document signed by the person that discloses the licensee's relationship with the person;

(8) in addition to the document provided under (7) of this subsection, providing to the person when the person signs an offer in a real estate transaction handled by the licensee a written statement that states whether the licensee represents the buyer, represents the seller, represents the lessee, represents the lessor, or provides specific assistance to both the buyer and the seller or both the lessee and the lessor as a neutral licensee; the statement must be contained in a separate paragraph entitled "Licensee Relationships" in the contract between the buyer and seller or the lessee and lessor, or in a separate document entitled "Licensee Relationships."

(b) The disclosure requirements of (a)(4) of this section may not be construed to imply a duty to

(1) investigate a matter that

(A) the licensee has not agreed to investigate; or

(B) is not known by the seller, prospective buyer, lessor, prospective lessee, or licensee; or

(2) disclose, unless otherwise provided by law, events that have occurred on the real estate that might affect whether a person wants to buy or lease the real estate.

(c) Notwithstanding (b)(2) of this section, before a buyer makes or accepts an offer in a real estate transaction, a real estate licensee shall disclose to the buyer that a murder or suicide occurred on the real property that is the subject of the real estate transaction if

(1) the murder or suicide occurred within one year before the date that the licensee first showed the real estate to the buyer; and

(2) the licensee is aware that the murder or suicide occurred on the real estate.

Sec. 08.88.620. Duties owed by licensee representing a person. Unless additional duties are agreed to in a written document signed by the person represented by the licensee, a real estate licensee who represents the person owes the person the following duties in addition to the other duties imposed by AS 08.88.615:

(1) not taking action that the licensee knows is adverse or detrimental to the interest of the represented person in a real estate transaction;

(2) disclosure of a conflict of interest to the represented person in a timely manner;

(3) advising the represented person to obtain expert advice on a matter that relates to the real estate transaction that is beyond the licensee's expertise;

(4) not disclosing confidential information from or about the represented person without written consent, except under a subpoena or another court order, even after termination of the licensee's relationship with the represented person;

(5) if the represented person is a seller or a lessor, unless otherwise agreed to in writing, making a good faith and continuous effort to find a buyer or lessee for the real estate of the seller or lessor, except that a licensee is not required to seek additional offers to buy or lease the real estate while the real estate is subject to an existing contract for sale or lease; and

(6) if the represented party is a buyer or a lessee, unless otherwise agreed to in writing, making a good faith and continuous effort to find real estate for the buyer or lessee, except that a licensee is not obligated to

(A) seek additional real estate to buy or lease for the buyer or lessee while the buyer or lessee is a party to an existing contract to buy or lease real estate; or

(B) show to the buyer or lessee real estate for which there is not a written agreement to pay compensation to the licensee.

Sec. 08.88.625. Waiver of duties. A real estate licensee or a person to whom a licensee provides specific assistance may not waive the duties identified under AS 08.88.615 and 08.88.620, except as otherwise allowed under AS 08.88.620(5) and (6).

Sec. 08.88.630. Duties not owed by licensee. Unless agreed otherwise, a real estate licensee does not owe a duty to a person with whom the licensee has established a licensee relationship to

(1) conduct an independent inspection of the real estate that is the subject of the licensee relationship;

(2) conduct an independent investigation of a person's financial condition; or

(3) independently verify the accuracy or completeness of a statement made by a party to a real estate

transaction or by a person reasonably believed by the licensee to be reliable.

Sec. 08.88.635. Acts not amounting to adverse to detrimental acts or conflicts of interest. (a) If a licensee shows real estate not owned or leased by the seller or lessor to prospective buyers or lessees or lists competing properties for sale or lease, this activity does not by itself constitute action that is adverse or detrimental to the seller or lessor or create a conflict of interest under AS 08.88.391.

(b) The representation of more than one seller or lessor by the same licensee or by different licensees working for the same real estate broker in competing transactions involving the same buyer or lessee does not by itself constitute action that is adverse or detrimental to the sellers or lessors or create a conflict of interest under AS 08.88.391.

(c) If a licensee shows real estate in which the buyer or lessee is interested to other prospective buyers or lessees, this activity does not by itself constitute action that is adverse or detrimental to the buyer or lessee or create a conflict of interest under AS 08.88.391.

(d) The representation of more than one buyer or lessee by the same licensee or by different licensees working for the same real estate broker in competing transactions involving the same seller or lessor does not by itself constitute action that is adverse or detrimental to the sellers or lessors or create a conflict of interest under AS 08.88.391.

(e) Acting as a neutral licensee in compliance with AS 08.88.600 – 08.88.695 does not by itself constitute action that is adverse or detrimental to a seller, lessor, buyer, or lessee or create a conflict of interest under AS 08.88.391.

(f) A real estate licensee who discloses confidential information to the licensee's broker for the purpose of seeking advice or assistance for the benefit of the person to whom the licensee is providing specific assistance does not breach the licensee's duty of confidentiality to the person, but the licensee's broker has a duty to maintain the confidentiality of the information.

Sec. 08.88.640. Designated licensee relationship. (a) Unless the broker is the designated licensee, the relationship, including the duties, obligations, and responsibilities of the relationship, established between a person and a designated real estate licensee does not extend to the real estate broker for whom the designated licensee is working, to another real estate licensee who works for the same real estate broker, or to an owner of the business that employs the real estate broker. The extent or limitations of the relationship between the broker with the designated licensee shall be disclosed to the parties to a real estate transaction.

(b) A real estate broker may have a different designated licensee working for a seller or lessor and for the buyer or lessee in the same real estate transaction. Having a different designated licensee working for a seller or lessor and for the buyer or lessee in the same real estate transaction does not create dual agency or a conflict of interest for the real estate broker or for a licensee employed by the same real estate broker.

(c) A designated real estate licensee may represent or provide specific assistance to a person who is a seller or lessor in one real estate transaction while representing or providing specific assistance to the person as a buyer or lessee in another real estate transaction.

(d) Unless the broker is the designated licensee, when a designated licensee represents or provides specific assistance as a designated licensee to a person in a real estate transaction, the knowledge received by the designated licensee while representing or providing specific assistance to the person is not imputed to the real estate broker for whom the designated licensee works, to another real estate licensee employed by or under contract to the broker, or to an owner of the business that employs the real estate broker.

(e) This section may not be construed to limit the responsibility of a real estate broker, or of an owner of a business that employs the real estate broker, to supervise designated licensees who work for the broker or who work for the business that employs the broker, or to shield the broker or business from vicarious liability for the acts of the designated licensees.

Sec. 08.88.645. Duties of neutral licensee. (a) Unless additional duties are agreed to in a written document signed by the neutral licensee and the seller, buyer, lessor, or lessee, the duties of a neutral licensee are limited to the duties established for real estate licensees under AS 08.88.615 and the following duties:

(1) not to take action that the neutral licensee knows is adverse or detrimental to the interest of the persons to whom the neutral licensee provides services in the real estate transaction;

(2) to disclose a conflict of interest in a timely manner to all parties to whom the licensee provides specific assistance;

(3) to advise all parties to whom the licensee provides specific assistance for the transaction to obtain expert advice on a matter relating to the transaction that is beyond the expertise of the neutral licensee;

(4) not to disclose without written consent confidential information from or about any of the parties to whom the licensee is providing specific assistance to another party to whom the licensee is providing specific assistance in the transaction, except under a subpoena or another court order, even after the relationship with the party terminates;

(5) not to disclose without the consent of the person to whom the information relates

(A) that the buyer or lessee is willing to pay more than the price offered for the real estate;

(B) that the seller or lessor is willing to accept less than the asking price for the real estate; or

(C) that the seller, buyer, lessor, or lessee will agree to financing terms other than those terms offered.

(b) A neutral licensee does not violate the duties of a neutral licensee if, with written consent, the neutral

licensee engages in the following conduct in a good faith effort to assist in reaching final agreement in a real estate transaction:

- (1) analyzing, providing information on, or reporting on the merits of the transaction to each party;
- (2) discussing the price, terms, or conditions that each party would or should offer or accept; or
- (3) suggesting compromises in the parties' respective bargaining positions.

Sec. 08.88.650. No imputation of knowledge resulting from neutral licensee relationship. In a neutral licensee relationship, the knowledge or information of the licensee about one client is not imputed to other clients or to other licensees who work for the same real estate broker.

Sec. 08.88.655. Compensation. (a) A real estate broker may be compensated by any party to a real estate transaction, by a third party, or by one or more of the parties to the transaction splitting or sharing the compensation.

(b) The payment of compensation to a real estate broker may not be construed to establish a relationship between the broker and the party who pays the compensation.

(c) If a real estate licensee provides specific assistance or enters into a personal services contract to act as a real estate licensee for a person, or if a seller and buyer, or a lessor and lessee, enter into a contract to sell, buy, or lease real estate, the real estate licensee shall disclose which party the licensee anticipates will be paying compensation to the real estate brokers in the real estate transaction.

(d) A real estate licensee shall include in a contract to sell, buy, or lease real estate a statement indicating which party is paying compensation to the real estate brokers in the real estate transaction.

Sec. 08.88.660. Duration of relationship. (a) A licensee relationship with a buyer, lessee, seller, or lessor begins when the licensee represents or provides specific assistance to the buyer, lessee, seller, or lessor and continues until the earliest of the following events occurs:

- (1) the licensee completes the representation or specific assistance;
- (2) the relationship term agreed on by the buyer, lessee, seller, or lessor terminates;
- (3) the licensee and the parties to the relationship terminate the relationship by mutual agreement; or
- (4) a party to the relationship terminates the relationship by giving notice to the other party.

(b) The termination of a relationship under (a)(3) or (4) of this section only terminates the licensee relationship and does not affect other contractual rights of the parties to the licensee relationship.

(c) Except as otherwise agreed to in writing, a licensee does not owe a further duty to a buyer, lessee, seller, or lessor after termination of the licensee relationship, except for the duties of accounting for all money and other property received during the relationship and not disclosing confidential information.

Sec. 08.88.665. Vicarious liability. A seller, buyer, lessor, or lessee is not liable for an act, error, or omission of a real estate licensee that arises out of the licensee relationship,

(1) unless the seller, buyer, lessor, or lessee participated in or authorized the act, error, or omission and then only to the extent of the participation or authorization; or

(2) except to the extent that the seller, buyer, lessor, or lessee benefited from the act, error, or omission, and a court determines that it is highly probable that the person claiming damages for the act, error, or omission would be unable to enforce a judgement against the licensee.

Sec. 08.88.670. Imputed knowledge and notice. (a) Unless otherwise agreed to in writing, a seller, buyer, lessor, or lessee is not considered to have knowledge or notice of a fact known by a real estate licensee of the seller, buyer, lessor, or lessee unless the fact is actually known by the seller, buyer, lessor, or lessee.

(b) Unless otherwise agreed to in writing, a real estate licensee does not have knowledge or notice of a fact that is not actually known by the licensee.

Sec. 08.88.675. Common law abrogated. The common law of agency related to real estate licensee relationships in real estate transactions is expressly abrogated to the extent inconsistent with AS 08.88.600 – 08.88.695.

Sec. 08.88.680. Causes of action. (a) A person may not bring an action against a neutral licensee for making a disclosure that is required or permitted under this chapter.

(b) In a civil action for the failure of a licensee to comply with the provisions of AS 08.88.600 – 08.88.695, the plaintiff's remedy is limited to the recovery of actual damages. This subsection does not limit a person's ability to take any other action or pursue any other remedy to which the person may be entitled under other law.

Sec. 08.88.685. Policies, guidelines, and requirements. (a) A broker shall adopt written policies and procedures available to the commission and to members of the public on request that

(1) require real estate licensees to comply with all real estate laws;

(2) require real estate licensees to act fairly and honestly in all dealings;

(3) require real estate licensees to notify the broker or a broker designee of any legal dispute or allegation of wrongdoing from a seller, buyer, lessor, or lessee;

- (4) require real estate licensees to maintain regular communication with the broker or a broker designee; and
- (5) identify and describe the relationships in which the broker and the real estate licensees who work for the broker may engage with a seller, buyer, lessor, or lessee.

(b) The commission shall adopt regulations that establish

- (1) guidelines to assist a broker to adopt the written policy required by (a) of this section;
- (2) the contents and format of the pamphlet to be provided by a licensee under AS 08.88.615(a)(6); and
- (3) requirements for a broker's supervision of the real estate licensees who work for the broker.

(c) Based on the content and format for the pamphlets established under (b)(2) of this section, a real estate broker shall produce and pay the costs to produce the actual pamphlets to be provided by licensees in the broker's business under AS 08.88.615(a)(6).

Sec. 08.88.690. Exemptions. A real estate licensee is exempt from the signature requirements of AS 08.88.600 – 08.88.695 when the licensee provides specific assistance to

- (1) a corporation that issues publicly traded securities;
- (2) a business that has a net worth in the previous calendar year of \$2,000,000 or more, if the business requests the exemption from the licensee; or
- (3) a governmental agency; in this paragraph, "governmental agency" means a department, division, public agency, political subdivision, or other public instrumentality of the state or federal government, including the University of Alaska, the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, and other public corporations.

Sec. 08.88.695. Definitions for AS 08.88.600 – 08.88.695. In AS 08.88.600 – 08.88.695,

- (1) "compensation" includes a commission;
- (2) "confidential information" means information from or concerning a person that
 - (A) the licensee acquired during the course of the licensee's relationship as a licensee with the person;
 - (B) the person reasonably expects to be kept confidential;
 - (C) the person has not disclosed or authorized to be disclosed to a third party;
 - (D) would, if disclosed, operate to the detriment of the person; and
 - (E) the person is not obligated to disclose to the other party in a real estate transaction;
- (3) "designated licensee" means
 - (A) a real estate licensee who works for a real estate broker and represents or provides specific assistance to a person in a real estate transaction when another licensee who is working for the same broker represents or provides specific assistance to an unrepresented person in the same transaction; or
 - (B) a real estate broker who represents or provides specific assistance to a person in a real estate transaction when another licensee who is working for the broker represents or provides specific assistance to another person in the same transaction;
- (4) "neutral licensee" means a real estate licensee who
 - (A) provides specific assistance to both the buyer and the seller, or both the lessor and the lessee, in a real estate transaction; and
 - (B) does not represent either party;
- (5) "personal services contract" includes a listing, a fee agreement between brokers and sellers, buyers, lessors, or lessees, a management contract with property owners, or any other agreement by which a broker agrees to perform a duty with respect to real estate for an agreed upon fee or commission;
- (6) "real estate services" means services related to a real estate transaction;
- (7) "represent" means to provide real estate services to a person if the services are not limited to specific assistance;
- (8) "specific assistance"
 - (A) means
 - (i) asking questions regarding confidential information for a real estate transaction;
 - (ii) showing pieces of real estate selected for a buyer's or lessee's specific needs or desires;
 - (iii) preparing a written offer for a real estate transaction; or
 - (iv) entering into a personal services contract;
 - (B) does not include
 - (i) hosting an open house;
 - (ii) casual conversation regarding real estate;
 - (iii) receiving calls or electronic inquires from the licensees' signs, advertisements, or Internet site;
 - (iv) providing information regarding a piece of real estate;
 - (v) setting an initial appointment to show a piece of real estate
 - (vi) receiving unsolicited information from a buyer or lessee before or after disclosure of a real estate relationship.



Division of Air Quality
AIR NON-POINT AND MOBILE SOURCES

FAQ: Fairbanks Wood Stove Regulations & Real Estate Sales

Summary

A new regulation (18 AAC 50.081) clarifies the requirements for registering wood-fired heating devices with the Alaska Department of Environmental Conservation (DEC) before a property sale. Sellers must either register their devices or submit a change of ownership notification if they are already registered. Noncompliant woodstoves must be removed before closing. Real estate professionals are responsible for informing buyers and sellers about these requirements.

Starting December 31, 2025, properties must have an energy rating completed by a certified energy rater before being listed for sale. This rating must include weatherization resources and be provided to buyers and DEC. Complete regulatory details can be found on [18 AAC 50 Full Text \(PDF\)](#)

Select question below to show answer.

Hide All

Understanding the New Rules

Q: Why are these new wood stove regulations in place?

A: This regulation helps reduce harmful fine particulate matter (PM_{2.5}) in the Fairbanks North Star Borough, contributing to heart and lung disease. Woodstoves and solid fuel-fired heating devices produce about 80% of PM_{2.5} pollution. The regulation requires the removal of non-EPA-certified devices, outdoor hydronic heaters, and older EPA-certified stoves to improve air quality. Alaska must submit an air quality plan for EPA approval. If rejected, the EPA can impose its plan and withhold highway funding. The new real estate, energy rating, and weatherization requirements address previous EPA concerns and are expected to help secure approval. EPA's comment period on Alaska's plan is open through February 7, 2025. More details can be found on [EPA Proposed Air Quality Plan Approval](#) website

Q: When did these regulations pass?

A: The new regulations were publicly announced on March 11, 2024. Hearings took place on April 10, 2024, and the public comment period closed on May 10, 2024. The regulations were adopted on November 4, 2024, signed on November 8, 2024, and went into effect on December 8, 2024.

Q: Have there always been rules about wood stoves in property sales? What's changing?

A: Yes, some regulations have been in place for years, but new requirements take effect in December 2024 and December 2025 to further reduce air pollution. Existing rules:

- Since 2017, noncompliant wood-fired heating devices must be removed or replaced before property sales
- Since 2018, non-EPA-certified coal-fired heating devices must be removed or replaced.
- Since 2020, all hydronic heaters and most coal-fired devices must be removed, and wood-fired heating devices must be registered before closing.

What's New

- As of December 2024, buyers and sellers must submit a change of ownership notification if the stove is registered.
- As of December 2024, real estate agents have a defined role ensuring compliance with air quality regulations.
- Beginning in December 2025, energy ratings will be required before listing a property.

Impact on Real Estate Transactions

Q: What is a real estate professional's responsibility?

A: Real estate professionals must inform buyers and sellers of their obligations under air quality regulations. While agents are not responsible for enforcement, they must ensure their clients understand and comply with these rules.

Key Responsibilities:

- **Registration:** Sellers must register wood-fired heating devices with DEC before selling, leasing, or transferring a property.
- **Removal of noncompliant stoves:** Non-EPA-certified stoves, older high-emission EPA-certified stoves, and non-pellet outdoor hydronic heaters must be removed before December 31, 2024, or before the property is sold, whichever comes first.
- **Coal-fired devices:** Coal-fired heating devices cannot be installed, sold, leased, or reinstalled in the nonattainment area. They must be removed before December 31, 2024, or before a property sale unless exempt.

Q: Is a real estate professional liable if a homeowner ignores the regulations?

A: Real estate professionals are not liable if they inform buyers and sellers of their obligations under these regulations. Agents are not responsible if a seller fails to disclose a noncompliant wood-fired heating device that the agent was unaware of.

Q: Will DEC increase these requirements in the future?

A: DEC does not plan to increase these requirements. Current air quality modeling projects that the nonattainment area will meet standards by 2027. However, if this timeline is not met, the EPA may require stricter regulations.

Q: Why are energy audits required?

A: EPA required DEC to include building codes or weatherization as a control requirement from



EPA's partial disapproval of DEC's earlier plan. The energy audits were added as a compromise that satisfied what would have otherwise been more burdensome requirements, such as adopting stringent building codes.

Q: How will this program be implemented?

A: DEC will monitor the available energy market closely to determine if there is any necessary administrative relief that can be offered. In the example of a home having a recent energy audit on file, DEC would absolutely offer a waiver from needing a second audit. DEC intends to use the time before the energy audit becomes mandatory to engage stakeholders and work through implementation issues.

Resources

Q: Where can I find the list of home energy auditors?

A: Alaska Housing Finance Corporation (AHFC) maintains an updated list authorized Energy raters. Please review the [list](#) 

Q: What training is available to become an energy rater?

A: AHFC provides training and certification for individuals interested in becoming energy raters. DEC is working with AHFC to ensure there are enough certified professionals to meet demand. Learn more on the [AHFC Energy Rater](#)  website

Q: Are financial assistance programs available?

A: AHFC offers programs to help with energy ratings and weatherization costs. Please visit the [AHFC](#)  website to check available rebates and apply.

Materials to Help Realtors Navigate New Heating Regulations (PDF)

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Notice of Proposed Changes on Air Quality Control Regulations

NOTICE OF PROPOSED CHANGES ON AIR QUALITY CONTROL IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation proposes to revise regulations on air quality for the Fairbanks North Star Borough (FNSB) nonattainment area. The proposed technical amendments and new regulations are needed to meet federal requirements in the Clean Air Act.

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt regulation changes in Title 18, Chapter 50 of the Alaska Administrative Code, dealing with revising and adding new air quality regulations for the Fairbanks North Star Borough (FNSB), including the following:

- (1) 18 AAC 50.030 is proposed to be amended to adopt revisions to the State Air Quality Control Plan. Those revisions include amending Volume III Appendix to Volume II Section II to incorporate the proposed regulations after public review and comment. This appendix within the State Air Quality Control Plan contains the state's air quality regulations.
 - (2) 18 AAC 50.055 is proposed to be amended to create an emission limit for coffee roasters in the nonattainment area.
 - (3) 18 AAC 50.076 is proposed to be amended to revise requirements for dry wood labeling, frequency of wood moisture content measurement, and confirmation, as well as documentation timing of dry status.
 - (4) 18 AAC 50.077 is proposed to be amended to clarify the intent of the regulation.
 - (5) 18 AAC 50.078 is proposed to be repealed and readopted to create control device installation requirements; an emission factor and opacity limit; maintenance and observation requirements; and registration, recordkeeping, and reporting requirements for commercial coffee roasters in the nonattainment area.
 - (6) 18 AAC 50.079 is proposed to be amended to clarify that a testing protocol required under this section must be approved by the department prior to conducting a test.
 - (7) 18 AAC 50.079 is proposed to be amended to specify an allowable emission rate for particulate matter.
 - (8) 18 AAC 50.079 is proposed to be amended to establish a specific duration for waivers issued under the subsection.
 - (9) 18 AAC 50.079 is proposed to be amended to clarify deadlines for coal-fired heating devices.
 - (10) 18 AAC 50.079 is proposed to be amended by adding a new subsection adding requirements for devices that may not be reinstalled in the nonattainment area.
 - (11) 18 AAC 50. is proposed to be amended by adding a new section, 18 AAC 50.081, to establish real estate transaction and energy rating requirements for buildings in the nonattainment area.
- If adopted, ADEC will submit the applicable regulation and State Air Quality Control Plan revisions to the U.S. Environmental Protection Agency (EPA) for inclusion in or removal from the approved State Implementation Plan (SIP).

Posting

The above list of proposed changes to the regulations only provides a summary of their subject matter. Copies of the proposed regulation changes are available at the 2024 Fairbanks North Star Borough Fine Particulate Matter (PM_{2.5}) Amendments link on: <https://dec.alaska.gov/air/anpms/sip/revisions/>. Materials not feasible to post, such as those that are copyrighted, may be viewed at the ADEC offices at the following locations: ADEC Anchorage Building, 555 Cordova St., Anchorage; ADEC Fairbanks Office Building, 610 University Avenue, Fairbanks; and ADEC Juneau Office Building, 333 Willoughby Ave., Eighth Floor, Suite 800. To arrange to view the materials, contact Rebecca Smith at 907-465-5121 or rebecca.smith@alaska.gov

Comments

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting comments electronically via our public notice site at <https://dec.alaska.gov/comment/> If you are unable to submit comments via this site, you may submit written comments to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800; by facsimile at (907) 465-5129; or by e-mail to dec.air.comment@alaska.gov. **The comments must be received not later than 11:59 p.m. on Friday, May 10, 2024.** Comments received after this date will not be considered in final action on these rules and the air quality plan.

Hearings

DEC has scheduled two public hearings for these proposed regulations, to be held on Wednesday, April 10, 2024, from 12:00 p.m. to 2:00 p.m. in the Yukon Room at the Westmark Fairbanks Hotel and Conference Center, 813 Nobel Street, Fairbanks, Alaska, and from 5:00 p.m. to 8:00 p.m. in the Yukon Room at the Westmark Fairbanks Hotel and Conference Center, 813 Nobel Street, Fairbanks, Alaska. Formal oral or written comments

may be submitted at the hearings. Prior to the start of the hearing, DEC may limit the time allotted for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided. The hearing may be extended for a reasonable amount of time to accommodate those present before 2:00 p.m. or 8:00 p.m., respectively, who did not have an opportunity to comment prior to that time.

Questions

You may submit written questions relevant to the proposed action to DEC by submitting questions electronically via our public notice site at <https://dec.alaska.gov/comment/>, by electronic mail to dec.air.comment@alaska.gov; or by mail to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800. Questions may also be submitted verbally in testimony at the public hearing. The Department will aggregate its response to substantially similar questions and make the questions and responses available on <https://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-qa-table-2024/>. The questions must be received at least 10 days before the end of the public comment period, Tuesday, April 30, 2024. The Department may, but is not required to, answer written questions received after Tuesday, April 30, 2024, the cut-off date.

If you are a person with a disability who may need a special accommodation in order to participate in this public process, please contact Megan Kohler at (907) 269-4198 or megan.kohler@alaska.gov not later than Wednesday, April 3, 2024, to ensure that any necessary accommodations can be provided.

After the public comment period ends, the ADEC 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 received are public records and are subject to public inspection.

Statutory authority: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140, Sec. 30, ch. 74, SLA 1993

Statutes being implemented, interpreted, or made specific: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

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

ADEC, Division of Air Quality keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Division of Air Quality notices of proposed regulation changes. To be added to or removed from the list, you may sign up on the Air Online Services (AOS) page at: <http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/Index/>. A myAlaska account is required to use the AOS system.

Date: March 5, 2024

_____/s/
Emma K. Pokon, Commissioner Designee

Attachments, History, Details

Attachments

[2023200549 Fairbanks SIP Public notice Addl Info 3-5-24.pdf](#)

[2024-fbx-2024-regs-18aac50-amendments-03-05-24_8318.pdf](#)

[2024-fbx-2024-regs-explanation-of-changes-03-05-24.pdf](#)

Revision History

Created 3/8/2024 2:07:15 PM by gamendivil
Modified 3/12/2024 2:57:38 PM by jrschlosser
Modified 4/4/2024 11:28:06 AM by gamendivil

Details

Department: Environmental Conservation
Category: Regulations
Sub-Category: Notice of Proposed Regulations
Location(s): Statewide
Project/Regulation #: Regulation # 2023200549

Publish Date: 3/11/2024
Archive Date: 5/10/2024

Events/Deadlines:

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Department of Environmental Conservation
2. General subject of regulation: 18 AAC 50 is being amended to adopt regulations regarding the Fairbanks North Star Borough Fine Particulate Matter (PM_{2.5}) Nonattainment Area.
3. Citation of regulation (may be grouped): 18 AAC 50.030; 18 AAC 50.055; 18 AAC 50.076; 18 AAC 50.077; 18 AAC 50.078; 18 AAC 50.079; 18 AAC 50.081
4. Department of Law file number, if any: 2023200549
5. Reason for the proposed action:
 - (X) Compliance with federal law or action (identify): The proposed regulations are intended to meet the requirements of Section 110 (Title 42 U.S.C. Chapter 85 §7410), Sections 171-179 (Title 42, U.S.C. Chapter 85 §7501-7509), and Section 189 (Title 42 U.S.C. Chapter 85 §7513) of the Clean Air Act and, once adopted, the applicable regulations will be submitted to the U.S. Environmental Protection Agency for approval.
 - () Compliance with new or changed state statute
 - () Compliance with federal or state court decision (identify): _____
 - () Development of program standards
 - () Other (identify): _____
6. Appropriation/Allocation: Air Quality/Non-Point and Mobile Sources
7. Estimated annual cost to comply with the proposed action to:
 - A private person: Under the proposed real estate transaction requirements, the owner of a residential building will incur costs as a result of having to have an energy rating completed before listing the property for sale. It is estimated that the cost of an energy rating will average \$700.
 - Another state agency: No identified additional compliance costs to other state agencies.
 - A municipality: No identified additional compliance costs to local governments.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY25	Subsequent Years
Operating Cost	\$0	\$0
Capital Cost	\$0	\$0
1002 Federal receipts	\$0	\$0
1003 General fund match	\$0	\$0
1004 General fund	\$0	\$0
1005 General fund/ program	\$0	\$0
Other (identify)	\$0	\$0

9. The name of the contact person for the regulation:

Name: Nick Czarnecki
 Title: ANPMS Program Manager
 Address: 555 Cordova
 Anchorage, AK 99501
 Telephone: 907-451-2007
 E-mail address: nick.czarnecki@alaska.gov

10. The origin of the proposed action:

- Staff of state agency
- Federal government
- General public
- Petition for regulation change
- Other (identify): _____

11. Date: March 5, 2024

Prepared by: 

Name: Rebecca Tyson Smith
 Title: Environmental Program Specialist
 Telephone: 907-465-5121

DEPARTMENT OF ENVIRONMENTAL CONSERVATION



18 AAC 50

Air Quality Control

Public Comment Draft

Comment Period Ends
May 10, 2024, 11:59 P.M.

Mike Dunleavy
Governor

Emma K. Pokon
Commissioner Designee

The introductory language of 18 AAC 50.030(a) is amended to read:

(a) Volumes II and III of the *State Air Quality Control Plan* for implementing and enforcing the provisions of AS 46.14 and this chapter, revised as of {*adoption date of the regulations*} [JULY 29, 2022], are adopted by reference. The plan includes the following documents that are also adopted by reference:

• • •

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 9/4/98, Register 147; am 1/1/2000, Register 152; am 12/30/2000, Register 156; am 9/21/2001, Register 159; am 1/27/2002, Register 161; am 3/27/2002, Register 161; am 5/3/2002, Register 162; am 2/20/2004, Register 169; am 6/24/2004, Register 170; am 10/1/2004, Register 171; am 12/14/2006, Register 180; am 12/30/2007, Register 184; am 5/17/2008, Register 186; am 7/25/2008, Register 187; am 11/9/2008, Register 188; am 5/6/2009, Register 190; am 11/4/2009, Register 192; am 4/1/2010, Register 193; am 10/29/2010, Register 196; am 4/13/2011, Register 198; am 9/17/2011, Register 199; am 8/1/2012, Register 203; am 5/8/2013, Register 206; am 2/5/2015, Register 213; am 4/17/2015, Register 214; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 12/29/2016, Register 220; am 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am 11/7/2020, Register 236; add'l am 11/7/2020, Register 236; am 12/25/2020, Register 236; am 4/16/2022, Register 242; am 8/21/2022, Register 243; am 9/7/2022, Register 243; add'l am 9/7/2022, Register 243; am ____/____/____, Register ____)

Authority: AS 46.03.020 AS 46.14.030 Sec. 30, ch. 74, SLA 1993
AS 46.14.020 AS 46.14.140

18 AAC 50.055(a) is amended by adding a new paragraph to read:

(10) 10 percent or greater averaged over any six consecutive minutes for a commercial coffee roaster within an area identified in 18 AAC 50.015(b)(3) and that emits 24 pounds or more of particulate matter in a 12-month period.

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 11/4/99, Register 152; am 5/3/2002, Register 162; am 10/1/2004, Register 171; am 7/25/2008, Register 187; am 12/9/2010, Register 196; am 8/20/2016, Register 219; am 9/15/2018, Register 227; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

((Publisher: At the end of 18 AAC 50.015(a)(9)(D), please change the period to a semicolon.)))

The introductory language of 18 AAC 50.076(k)(1) is amended to read:

(1) may only sell **clearly labeled** dry wood that is

...

18 AAC 50.076(k)(1)(C) is amended to read:

(C) harvested from an inspected fire-killed source that has been split, stacked, stored covered, and confirmed dry **before** [PRIOR TO] freezing;

18 AAC 50.076(k)(3) is amended to read:

(3) shall [PERIODICALLY] measure **monthly**, using a [TYPE OF] commercially available moisture test meter that is approved by the department for accuracy, the moisture

content of a representative sample of the wood to ensure the stock is dry **before sale** [PRIOR TO SELLING];

18 AAC 50.076(k)(4) is amended to read:

(4) shall document the measured moisture content, keep a record of the measurements over the seasoning period, and sign an affidavit in a form that the department provides attesting the wood is dry **before** [PRIOR TO] sale;

(Eff. 2/28/**2015** [15], Register 213; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 1/8/2020, Register 233; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

The introductory language of 18 AAC 50.077(a) is amended to read:

(a) Except as provided in this section, a person may not install, reinstall, sell, lease, distribute, or convey the following devices [FOR USE] in an area identified in 18 AAC 50.015(b)(3):

• • •

The introductory language of 18 AAC 50.077(b) is amended to read:

(b) Notwithstanding (a) of this section, the department will approve models of pellet fueled wood-fired hydronic heaters for **operation** [USE] in an area identified in 18 AAC 50.015(b)(3) that

• • •

(Eff. 2/28/2015 [15], Register 213; am 11/26/2016, Register 220; am 1/12/2018, Register 225; am 1/8/2020, Register 233; am 11/7/2020, Register 236; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50.078(d) is repealed and readopted to read:

(d) Within an area identified in 18 AAC 50.015(b)(3),

(1) a commercial coffee roaster that emits 24 pounds or more of particulate matter in a 12-month period

(A) shall, before commencing operations or, for an existing unit, not later than six months after *{effective date of regulations}*, install a catalytic oxidizer, thermal oxidizer, or other pollution control device or combination of devices that control PM and VOC emissions that is appropriate to the unit and approved by the department; and

(B) shall comply at all times with

(i) an emission limit of 0.12 pounds per ton of coffee roasted; and

(ii) opacity limits less than or equal to those set out in

18 AAC 50.055(a)(10);

(2) the owner and operator shall maintain the control device or devices in good working condition consistent with the manufacturer's instructions; and

(3) at least once per year the owner, operator, or certified observer conducting compliance observations shall observe visible emissions while the coffee roaster is operating,

excluding startup, shutdown, and maintenance, for at least 12 consecutive minutes, using 40 C.F.R. Part 60, Appendix A, Method 22, adopted by reference in 18 AAC 50.035, and keep records of date, time, and results of field observations; and

(4) if the owner or operator observes any visible emissions during the annual survey required under (3) of this subsection, the owner or operator must investigate the cause of the emissions, repair any malfunctions in the control equipment, and keep records of such investigation and documentation; and

(5) the owner or operator of a commercial coffee roaster subject to this section shall

(A) register the device, using a form or method provided by the department; and

(B) provide annual records demonstrating compliance with the requirements of this section including maintenance records and records of visible emissions surveys under 18 AAC 50.078(d)(3), using a form or method provided by the department. (Eff. 1/8/2020, Register 233; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50.079(d)(2) is amended to read:

(2) that uses **a testing protocol approved for accuracy by the department not less than 30 days before conducting a test** [40 C.F.R. PART 60, APPENDIX A-3, METHOD 5, REVISED AS OF JULY 1, 2017, AND ADOPTED BY REFERENCE]; and

18 AAC 50.079(d)(3) is amended to read:

(3) for which the maximum emission rate for any individual test run does not exceed **0.10 pounds** [18.0 GRAMS PER HOUR] of total particulate matter **per million Btu.**

The introductory language of 18 AAC 50.079(e) is amended to read:

(e) Subsections (c) and (f) of this section do not apply to the conveyance of a coal-fired heating device in an area identified in 18 AAC 50.015(b)(3) if the owner requests and receives a [TEMPORARY] waiver from the department or a local air quality program. The department or local air quality program may grant a [TEMPORARY] waiver **not to exceed one calendar year in duration** after considering

...

18 AAC 50.079(f) is amended to read:

(f) Except as provided under (d) or (e) of this section, the owner of an existing coal-fired heating device shall render the device inoperable by the **earliest** [EARLIER] of

(1) December 31, 2024;

(2) [OR] before the device is sold, leased, or conveyed as part of an existing building; **or**

(3) upon expiration of any waiver granted under (e) of this section.

18 AAC 50.079 is amended by adding a new subsection to read:

(h) In an area identified in 18 AAC 50.015(b)(3), a person who owns a device that under this section may not be reinstalled within the area shall

(1) ensure that the device is rendered inoperable when it is removed; or

(2) submit to the department a certified affidavit, in a form the department provides, stating that the device has been removed and will not be reinstalled in an area identified in 18 AAC 50.015(b)(3); the affidavit must be certified by including the following statement: "Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete." and, upon sale of the existing building or other property, inform the buyer in writing that a device that under this section may not be reinstalled within the area and may not be installed in the existing building or on the property. (Eff. 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50 is amended by adding a new section to read:

18 AAC 50.081. Real estate transaction requirements; weatherization and energy efficiency. (a) In an area identified in 18 AAC 50.015(b)(3), the following requirements apply:

(1) after December 31, 2025, a residential building owner must have an energy rating completed by an energy rater before listing the building or property for sale; the residential building owner shall pay for the costs of the energy rating; the energy rater shall provide information about weatherization resources as part of the energy rating report; the residential building owner must give the energy rating report to the buyer simultaneously with the seller's *Residential Real Property Transfer Disclosure Statement* from the Real Estate Commission; the

residential building owner must submit the energy rating report to the department in a format provided by or approved by the department;

(2) the owner of any building being sold in which a wood-fired heating device is located must register the device, using a form or method provided by the department unless the wood-fired device previously has been registered under 18 AAC 50.077(h);

(3) the buyer of any building in which a wood-fired heating device is located must submit a change of ownership notification to the department for any device previously registered under 18 AAC 50.077(h) or (2) of this subsection and must register any previously undisclosed wood-fired heating devices, using a form or method provided by the department;

(4) the owner, seller, and buyer of any building being sold in which a wood- or coal-fired heating device is located must comply with all applicable requirements under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h).

(b) An agent shall ensure compliance with all requirements of this section. To ensure compliance, the agent must

(1) inform the seller or buyer, as applicable, of the seller's or buyer's obligations under this section, 18 AAC 50.077, and 18 AAC 50.079; and

(2) ensure during a real estate transaction that the seller or buyer, as applicable, has performed all activities required under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h) or must personally ensure compliance with those requirements.

(c) If the agent has complied with (b)(1) of this section, the agent may not be liable for the failure to disclose to a buyer the presence of a noncompliant wood-fired heating device known by a seller but not disclosed to the agent.

(d) In this section,

(1) "agent" means any party who enters into a contract with an owner, seller, or buyer, including any party who enters into a contract with a representative of the seller or buyer, for the purpose of selling or buying any building;

(2) "energy rater" means a person authorized to perform energy ratings by the Alaska Housing Finance Corporation under 15 AAC 155.530, revised as of June 14, 2010, and adopted by reference;

(3) "energy rating" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference;

(4) "residential building" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference. (Eff. ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993

AS 46.14.010 AS 46.14.030

**Description of the Proposed Changes to 18 AAC 50
Fairbanks SIP Fixes
March 2024**

Section	Discussion	Reason for Change
18 AAC 50.030(a)	18 AAC 50.030(a)—Update Volume III, Appendix to Volume II, Section II.A to adopt the revised regulations into the SIP.	DEC is amending the adoption date of the section to reflect the adoption of updated regulations.
18 AAC 50.076(k)	18 AAC 50.076(k)(1)—Add clarifying language for dry wood requirements. 18 AAC 50.076(k)(3)—Amend the language to require monthly measurement of wood moisture content.	DEC is amending the language to clarify that dry wood must be clearly labeled and to require monthly measurement of wood moisture content, rather than periodic measurement. Both changes are being proposed to ensure that wood is burned in the nonattainment area is dry.
18 AAC 50.077(a)	<i>18 AAC 50.077(a)—Amend the language to clarify restrictions on listed devices within an area identified in 18 AAC 50.013(b)(3).</i>	<i>DEC is amending the regulations to specify that the listed devices may not be installed, reinstalled, sold, leased, distributed, or conveyed within the nonattainment area.</i>
18 AAC 50.078(d)	18 AAC 50.078(d)—Amend the section to require coffee roasters in an area defined in 18 AAC 50.015(b)(3) to obtain a preapproved emission limit for any unit that emits 24 pounds or more of particulate matter in a 12-month period.	DEC is adding a requirement for coffee roasters that emit 24 pounds or more of particulate matter in a 12-month period to obtain a preapproved emission limit to meet EPA requirements.
18 AAC 50.079(d)(2)	18 AAC 50.079(d)(2)—Amend to clarify required testing protocol.	DEC is amending the regulations to specify that a testing protocol must be approved by the Department, rather than specifying the use of a specific test method.

18 AAC 50.079(d)(3)	18 AAC 50.079(d)(3)—Amend to change the allowable emission rate for particulate matter.	DEC is amending the regulation to specify the allowable emission rate for particulate matter.
18 AAC 50.079(e)	18 AAC 50.079(e)—Amend to change duration of waiver.	DEC is amending the language to establish a one year duration for waivers.
18 AAC 50.079(f)	18 AAC 50.079(f)—Amend to clarify deadline for rendering a coal-fired heating device inoperable.	DEC is adding an additional deadline requirement for rendering a coal-fired heating device inoperable.
18 AAC 50.079(h)	18 AAC 50.079(h)—Add a new subsection with requirements for devices that may not be reinstalled in an area identified in 18 AAC 50.015(b)(3).	DEC is establishing requirements to require that a person in an area identified in 18 AAC 50.015(b)(3) who owns a device that may not be reinstalled in the area shall either render the device inoperable upon removal or certify that the device has been removed and will not be reinstalled in the area and also include a seller's disclosure statement upon sale of the property that a device under the subsection may not be reinstalled within the area.
18 AAC 50.081	18 AAC 50.081—Add a new section to establish requirements for real estate transactions, weatherization, and energy efficiency.	DEC is establishing real estate transaction requirements for residential buildings. The new section requires: the owner of a building to get an energy rating completed before listing the property for sale, reporting of energy rating results to the department,

		and registration of wood-fired heating devices or transfer of ownership notification of previously registered devices. The section also establishes responsibilities of agents conducting property sales and includes definitions specific to the section.
18 AAC 50.230(b)	18 AAC 50.230(b)—Amend to include coffee roasters as described in 18 AAC 50.230(g) in the list of stationary sources that may request a preapproved emission limit (PAEL).	DEC is establishing a new PAEL for coffee roasters and is listing them under 18 AAC 50.230(b) as a stationary source eligible to request one.
18 AAC 50.230(g)	18 AAC 50.230(g)—Add a new section for a preapproved emission limit (PAEL) for coffee roasters.	DEC is creating a PAEL for coffee roasters and establishing requirements for the PAEL.
18 AAC 50.400(f)(2)	18 AAC 50.400(f)(2)—Amend to include fees for the preapproved emission limit (PAEL) for a coffee roaster under 18 AAC 50.230(g).	DEC is amending the fee regulations to include fees that coffee roasters must pay for getting a new PAEL under 18 AAC 50.230(g).
State Implementation Plan Sections and Appendices	SIP Volume II, Sections III.D.7.05 – III.D.7.12 and III.D.7.14; Volume III Appendix to Volume II, Sections III.D.05 – III.D.12 and III.D.14	DEC is amending the SIP Sections and Appendices in order to...

**ALASKA DEPARTMENT OF
ENVIRONMENTAL CONSERVATION**



18 AAC 50 AIR QUALITY CONTROL

Response to Comments on March 5, 2024, 2024 Fairbanks SIP Regulations
Proposed Regulations

November 1, 2024

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Introduction

This document provides the Alaska Department of Environmental Conservation's (DEC) response to public comments received regarding the March 5, 2024, draft regulations pertaining to regulation changes to adopt new and revised regulations relating to the disapproved portions of the Fairbanks Serious State Implementation Plan (SIP) to meet federal requirements.

Opportunities for Public Comment

The public notice dated March 5, 2024, and published on March 11, 2024, described the proposed regulation changes and provided information on the opportunities for the public to submit comments. Options for submitting written comments included submitting comments using the DEC's online SmartComment comment form, via mail, via email, or via facsimile.

The Division provided an opportunity for individuals to submit oral comments at two public hearings held in Fairbanks, Alaska, on April 10, 2024. No public comments were received during the public hearings.

The deadline to submit comments was May 10, 2024, at 11:59 p.m. This provided a 60 day period for the public to review the proposal and submit comments.

ADEC received emailed or electronically submitted comments from the following:

- Fairbanks North Star Borough, Air Quality Division (FNSB)
- Environmental Protection Agency (EPA)
 - Email correspondence between DEC (Nick Czarnecki) and EPA (Matt Jentgen) clarifying EPA's comments

This document responds to individual comments from EPA and individual or summarized comments from the public. The document includes the comments received, DEC's response, and any revisions made to the regulations and/or SIP based on the comments and DEC's response.

Environmental Protection Agency Comments

EPA Comment 1: As a reminder, please do not submit 18 AAC 50.030(a) for approval and incorporation into Alaska's federally-approved SIP to the EPA in the final rulemaking package.

Response: DEC will not submit 18 AAC 50.030(a) for approval and incorporation into Alaska's federally-approved SIP to the EPA in the final rulemaking package.

Revisions based on response: No revision required.

EPA Comment 2: For 18 AAC 50.055 (a)(10), for coffee roasters, the proposed language states "that emits 24 pounds or more of particulate matter in a 12-month period." EPA recommends ADEC confirm that "in a 12-month period" means a rolling 12-month period. If "in a 12-month period" means calendar year, the EPA recommends ADEC revise to specify a rolling 12-month period.

Response: DEC agrees to revise the language to reflect that the 12-month period means a rolling 12-month period.

Revisions based on response: The regulation language in 18 AAC 50.055(a)(10) will be revised to read:

(10) 10 percent or greater averaged over any six consecutive minutes for a commercial coffee roaster within an area identified in 18 AAC 50.015(b)(3) and that emits 24 pounds or more of particulate matter in a **rolling** 12-month period.

EPA Comment 3: The EPA also notes this regulation does not specify an opacity monitoring method. The EPA recommends ADEC incorporate a standard, repeatable method for measuring opacity into this rule or otherwise explain why incorporating an opacity method is unnecessary.

Response: 18 AAC 50.055(a) is a list of industrial processes and fuel-burning equipment that may not reduce visibility through exhaust effluent; it is not a subsection that contains opacity monitoring requirements. DEC added an opacity monitoring method requirement for coffee roasters in 18 AAC 50.078(d)(3).

Revisions based on response: No revision required.

EPA Comment 4: For 18 AAC 50.015(b), the EPA recommends ADEC explain the rationale for this change and how the revised regulation is at least as stringent as the prior regulation.

Response: DEC did not propose to revise 18 AAC 50.015(b) as EPA commented.

In a clarifying email exchange (Appendix B) between Nick Czarnecki (DEC) and Matt Jentgen (EPA), EPA confirmed that they intended the comment to be on the proposed changes to 18 AAC 50.077(a) and (b) which remove the phrase “for use” in 18 AAC 50.077(a) and the change of “use” to “operation” in 18 AAC 50.077(b) as they relate to devices or heaters in an area identified in 18 AAC 50.015(b)(3).

Removing “for use” from 18 AAC 50.077(a) is intended to improve the enforceability of that regulation. When “for use” was part of the regulation, it created a loophole where devices not in compliance with that regulation could be sold in the nonattainment area. Under the prior language, it was acceptable for devices to be sold in the nonattainment area and then installed outside of it, but the Department had no reasonable way of verifying if a device was truly going to be installed outside of the nonattainment area. This change closes that loophole to make this regulation more enforceable and therefore more stringent.

The Department is changing “use” to “operation” in 18 AAC 50.077(b) to make the verb consistent with 18 AAC 50.077(c), (d), and (e), which all use the verb “operation.” The change is for internal consistency and does not change the meaning or stringency of 18 AAC 50.077(b).

Revisions based on response: No revision required.

EPA Comment 5: For 18 AAC 50.077(g), the EPA recommends Alaska DEC does not re-submit paragraph (g) of section 077 with this change.

Response: DEC did not propose any changes to 18 AAC 50.077(g) in this regulations revision and would not submit any 18 AAC 50.077(g) revisions for approval and incorporation into the federally-approved SIP if there were changes.

Revisions based on response: No revision required.

EPA Comment 6: For 18 AAC 50.078(d)(1), the proposed language states that a coffee roaster 11 emits 24 pounds or more of particulate matter in a 12-month period." The EPA recommends that ADEC confirm that "in a 12-month period" means a rolling 12-month period. If "in a 12-month period" means calendar year, the EPA recommends ADEC revise to specify a rolling 12-month period.

Response: DEC agrees to revise the language to reflect that the 12-month period means a rolling 12-month period.

Revisions based on response: The regulation language in 18 AAC 50.078(d)(1) will be revised to read:

(1) a commercial coffee roaster that emits 24 pounds or more of particulate matter in a **rolling** 12-month period

EPA Comment 7: For 18 AAC 50.079(d)(2), the EPA recommends that ADEC not submit the revised regulation for approval and incorporation into the federally-approved SIP. This provision may be an impermissible director's discretion provision and also weakens the stringency of 18 AAC 50.079(c) such that it may not meet control strategy requirements under Clean Air Act section 189 and 40 CFR 51.1010.

Response: DEC will not submit the 18 AAC 50.079(d)(2) revisions for approval and incorporation into the federally-approved SIP.

Revisions based on response: No revision required.

EPA Comment 8: For 18 AAC 50.079(d)(3), the EPA recommends that ADEC not submit the revised regulation for approval and incorporation into the federally-approved SIP. Inclusion of this provision weakens the stringency of 18 AAC 50.079(c) such that it may not meet control strategy requirements under CAA Section 189 and 40 CFR 51.1010.

Response: DEC will not submit the 18 AAC 50.079(d)(3) revisions for approval and incorporation into the federally-approved SIP.

Revisions based on response: No revision required.

EPA Comment 9: For 18 AAC 50.079(e), the EPA recommends that ADEC not submit the revised regulation for approval and incorporation into the federally-approved SIP. This provision is not currently part of Alaska's approved SIP. ADEC has not submitted similar provisions for approval (e.g., 18 AAC 50.077(g)).

Response: DEC will not submit the 18 AAC 50.079(e) revisions for approval and incorporation into the federally-approved SIP.

Revisions based on response: No revision required.

EPA Comment 10: For 18 AAC 50.081, the EPA requests that ADEC confirm its intention to submit the rules in Title 15 of the Alaska Administrative Code that are cited in 18 AAC 50.081 as part of this SIP submission (15 AAC 155.530; 15 AAC 155.990).

Response: DEC will include the Title 15 rules cited in 18 AAC 50.081 (15 AAC 155.530; 15 AAC 155.990) as part of the SIP submission.

Revisions based on response: No revision required.

The EPA notes that ADEC's proposed regulation package does not include proposed regulations to address the following Fairbanks PM2.5 nonattainment plan disapprovals included in the EPA's Fairbanks PM2.5 rulemaking (88 FR 84626, December 5, 2023):

EPA Comment 11: Anti-idling measures for motor vehicles (see 88 FR 84626, 84649). EPA recommends that ADEC address this portion of EPA's disapproval as part of this SIP submission or a subsequent SIP submission.

Response: DEC will be addressing the issue in this comment as part of the second phase of SIP revisions to address the Fairbanks PM2.5 nonattainment plan disapproval. The second phase of the SIP revisions is currently in progress.

Revisions based on response: No revision required.

EPA Comment 12: PM2.5 emission limits for stationary sources subject to nonattainment Best Available Control Technology requirements (see 88 FR 84626, section III.B.5). EPA recommends that ADEC submit, as either part of this SIP submission or a subsequent SIP submission, conditions from existing source-specific permits containing PM2.5 emission limits and associated monitoring, recordkeeping and reporting requirements.

Response: DEC will be addressing the issues in this comment as part of the second phase of SIP revisions to address the Fairbanks PM2.5 nonattainment plan disapproval. The second phase of the SIP revisions is currently in progress.

Revisions based on response: No revision required.

Fairbanks North Star Borough, Air Quality Division Comments

FNSB Comment: The FNSB views and supports the proposed amendments to 18 AAC 50 as necessary clarifications & strengthening of the regulations in order to achieve an approvable SIP ending the current threat of future sanctions. The FNSB appreciates the collaboration and efforts of ADEC in working toward an approvable SIP and cleaner air.

Response: DEC acknowledges and appreciates the FNSB's support of the proposed revisions to 18 AAC 50 and the FNSB's continued collaboration with the department on improving air quality in the non-attainment area and developing an approvable SIP.

Revisions based on response: No revision required.

Appendix A – Fairbanks North Star Borough Comments

FAIRBANKS NORTH STAR BOROUGH
AIR QUALITY DIVISION

May 9, 2024

Division of Air Quality, Department of Environmental Conservation
P.O. Box 111800, Juneau, Alaska 99811-1800

Subject: PROPOSED CHANGES ON AIR QUALITY CONTROL IN THE REGULATIONS

Fairbanks North Star Borough, Alaska

To Whom It May Concern:

The Fairbanks North Star Borough (FNSB) appreciates the opportunity to provide comments on the amendments to regulations under 18 AAC 50. The State of Alaska Department of Environmental Conservation Division of Air Quality (ADEC) and the FNSB have worked together to improve air quality within the nonattainment area since the first designation in 2009. This continued partnership and understanding is vital to our goal of attaining the federal PM_{2.5} standard.

As a result of this partnership, over the past 12 years PM_{2.5} levels in the nonattainment area have been reduced by over half from approximately 160 mg/m³ to nearly 60 mg/m³. This reduction equals nearly 3 times the current standard of 35 mg/m³. This is the result of a mixture of control measures put in place by ADEC such as burning curtailments, real estate removals and ADEC approved device lists. These reductions have also been heavily influenced by the devices removed and possibly those changed out by the FNSB wood stove change-out program. The change-out program has removed 2,511 wood stoves with 2,017 being switched out for cleaner devices since 2010.

The Environmental Protection Agency's recent partial disapproval of ADEC's 2019 Serious Implementation Plan (SIP) submission and subsequent sanctions have serious and far-reaching implications not only to the communities in the nonattainment area but those throughout the interior of Alaska.

The FNSB views and supports the proposed amendments to 18 AAC 50 as necessary clarifications & strengthening of the regulations in order to achieve an approvable SIP ending the current threat of future sanctions. The FNSB appreciates the collaboration and efforts of ADEC in working toward an approvable SIP and cleaner air.

Thank you,
Steven Hoke
Steven Hoke
FNSB Air Quality Manager
3175 Peger Rd
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Office: (907) 459-1001
E-mail: steven.hoke@fnsb.gov

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Appendix B – EPA and DEC email correspondence clarification on comments

Answer from Matt. See below.

From: Jentgen, Matthew <jentgen.matthew@epa.gov>
Sent: Friday, June 21, 2024 8:29 AM
To: Czarnecki, Nick P (DEC) <nick.czarnecki@alaska.gov>
Subject: RE: EPA Comments on Alaska DEC's Fairbanks regulation package

Hi Nick- sorry, this email got lost in the shuffle, just seeing it now. Yep, you are correct, typo on our end—it should be 077(b), and the comment specific to change of “use” to “operation”. Thanks for catching it!

Matt Jentgen
Air and Radiation Division
EPA – Region 10
Ph: (206) 553-0340

From: Czarnecki, Nick P (DEC) <nick.czarnecki@alaska.gov>
Sent: Wednesday, June 19, 2024 4:18 PM
To: Jentgen, Matthew <jentgen.matthew@epa.gov>
Subject: RE: EPA Comments on Alaska DEC's Fairbanks regulation package

Caution: This email originated from outside EPA, please exercise additional caution when deciding whether to open attachments or click on provided links.

Hi Matt,

We are answering comments on the reg package and have a clarification question.

The following is in EPA's comments:

Proposed amendments to section 18 AAC 50.077

- EPA Comments: For 18 AAC 50.015(b), the EPA recommends ADEC explain the rationale for this change and how the revised regulation is at least as stringent as the prior regulation.
- EPA Comments: For 18 AAC 50.077(g), the EPA recommends Alaska DEC does not re-submit paragraph (g) of section 077 with this change.

We didn't propose any amendments to 50.015. Did EPA mean 50.077(b) where we changed the word "use" to "operation"? Pretty sure that is the case, but wanted to double check.

Best,
Nick

From: Jentgen, Matthew <jentgen.matthew@epa.gov>
Sent: Friday, May 10, 2024 12:15 PM
To: Olds, Jason R (DEC) <jason.olds@alaska.gov>
Cc: Czarnecki, Nick P (DEC) <nick.czarnecki@alaska.gov>; Viswanathan, Krishna <viswanathan.krishna@epa.gov>; Bonifacino, Gina <Bonifacino.Gina@epa.gov>
Subject: EPA Comments on Alaska DEC's Fairbanks regulation package

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jason- EPA submitted electronically comments on ADEC's proposed regulation package, via the public notice website (just in time!). The comments are attached here too as a courtesy copy. Please let Krishna or me know if you have any questions. Have a good weekend!

Thanks,
Matt

Matt Jentgen
Air and Radiation Division
EPA – Region 10
Ph: (206) 553-0340



Division of Air Quality

AIR NON-POINT AND MOBILE SOURCES

2024 - PM2.5 SIP and Regulations: Questions & Answers

Note: These questions and answers are related to the 2024 Amendments to the Fairbanks PM2.5 Serious SIP. The information was current at the time of posting, but may be outdated after the adoption of [regulations](#) and the [SIP](#).

Per state statute, DEC is required to respond to questions that it receives at least 10 days before the end of a public comment period. For this regulatory proposal the deadline for submitting written questions is Friday, September 27, 2024. DEC's answers to the written questions it receives before or by September 27, 2024, will be listed below. Substantially similar questions may receive an aggregated response. Staff may, but is not required to, answer written questions received after the deadline.

Select a tab below and then select question to see answer:

Initial Questions and Answers

What is fine particulate matter (PM2.5) and where does it come from?

Why is fine particulate matter (PM2.5) such a problem for the Fairbanks North Star Borough?

Why is DEC proposing additional changes to the Fairbanks PM2.5 Serious SIP?

Why is having an approvable SIP important?

First and foremost this is a public health issue, and an approvable SIP represents a realistic plan to ensure cleaner healthier air for the community. There are also regulatory and economic penalties at stake if EPA does not fully approve DEC's SIP by January 2026. Those penalties include: 1) Highway sanctions will be imposed, withholding approximately \$50 million in highway funds per year to the nonattainment area; 2) a Federal Implementation Plan (FIP) will be implemented which means that EPA will adopt and implement air quality regulations for the nonattainment area; and 3) a conformity freeze which went into effect January 24, 2024, will continue, severely hindering the ability to complete road construction projects.

The air quality seems to be improving, why is there another plan being proposed?

What are contingency measures? What measures is DEC proposing and why is DEC proposing them? When will they be triggered?

Am I going to be able to continue to use my wood-fired heating device?

What is the SO₂ precursor analysis?

Is DEC proposing an ultra-low sulfur diesel (ULSD) mandate for home heating?

Would you please point me to where the 2024 proposed amendments provide the facility-level point source emission calculations?

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Division of Air Quality
AIR NON-POINT AND MOBILE SOURCES

2024 - PM2.5 SIP and Regulations: Questions & Answers

Note: These questions and answers are related to the 2024 Amendment to the Serious Area SIP and Regulatory Proposal. The information was current at the time of posting, but may be outdated after the adoption of [regulations](#) and the [SIP](#).

Per state statute, DEC is required to respond to questions that it receives at least 10 days before the end of a public comment period. For this regulatory proposal the deadline for submitting written questions is Tuesday, **April 30, 2024**. DEC's answers to the written questions it receives before or by April 30 will be listed below. Substantially similar questions may receive an aggregated response. Staff may, but is not required to, answer written questions received after the deadline.

Select a tab below and then select question to see answer:

Initial Questions and Answers

What is fine particulate matter (PM2.5) and where does it come from?

Why is fine particulate matter (PM2.5) such a problem for the Fairbanks North Star Borough?

Has health impact been considered?

Why is DEC proposing additional changes to the regulations for the Fairbanks Nonattainment Area?

In 2023 EPA partially disapproved DEC's submissions of the Fairbanks Serious State Implementation Plan (SIP) Plan and the 5% Plan. The current proposal addresses disapproved aspects of and identified deficiencies in the two previous plans so that Alaska and Fairbanks can submit a plan to EPA that will be fully approvable.

Why is having an approvable SIP important?

Why is DEC proposing changes to coffee roaster regulations?

Why is DEC proposing to establish real estate transaction, energy rating, and weatherization requirements for buildings in the nonattainment area?

The air quality seems to be improving, why is there another plan being proposed?

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Division of Air Quality
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Has health impact been considered?

Why is DEC proposing additional changes to the regulations for the Fairbanks Nonattainment Area?

Why is having an approvable SIP important?

Why is DEC proposing changes to coffee roaster regulations?

Why is DEC proposing to establish real estate transaction, energy rating, and weatherization requirements for buildings in the nonattainment area?

EPA disapproved DEC's weatherization control measure analysis stating that Alaska should adopt

and implement all feasible energy efficiency and weatherization measures including but not limited to adopting building codes for the nonattainment area, energy audits, and public education. The proposed regulations for real estate transactions, energy ratings, and weatherization are intended to present a control measure that will be approvable by EPA and produce meaningful emission reductions that help clean the air.

The air quality seems to be improving, why is there another plan being proposed?

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In 2023 EPA partially disapproved DEC's submissions of the Fairbanks Serious State Implementation Plan (SIP) Plan and the 5% Plan. The current proposal addresses disapproved aspects of and identified deficiencies in the two previous plans so that Alaska and Fairbanks can submit a plan to EPA that will be fully approvable.

Why is having an approvable SIP important?

The air quality seems to be improving, why is there another plan being proposed?

What are contingency measures? What measures is DEC proposing and why is DEC

proposing them? When will they be triggered?

Am I going to be able to continue to use my wood-fired heating device?

What is the SO₂ precursor analysis?

Is DEC proposing an ultra-low sulfur diesel (ULSD) mandate for home heating?

Would you please point me to where the 2024 proposed amendments provide the facility-level point source emission calculations?

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Why is DEC proposing additional changes to the Fairbanks PM2.5 Serious SIP?

Why is having an approvable SIP important?

The air quality seems to be improving, why is there another plan being proposed?

Yes the monitors are showing an improvement in air quality. In fact, the levels appear to show approximately 50% improvement. Unfortunately, the State of Alaska failed to attain the 24-hour PM_{2.5} National Ambient Air Quality Standard (NAAQS) by the applicable date, December 31, 2019. Consequently, subject to the Clean Air Act (CAA) Section 189(d), the State is required to submit a revised Serious area attainment plan that demonstrates that each year the area will achieve at least a 5 percent reduction in emissions of direct PM_{2.5} or a 5 percent reduction in emissions of a PM_{2.5} plan precursor based on the most recent emissions inventory for the Fairbanks North Star

Borough nonattainment area. Alaska's plan was disapproved in December 2023 and these amendments will resolve the issues leading towards an approvable SIP and cleaner air for the communities of North Pole and Fairbanks.

What are contingency measures? What measures is DEC proposing and why is DEC proposing them? When will they be triggered?

Am I going to be able to continue to use my wood-fired heating device?

What is the SO₂ precursor analysis?

Is DEC proposing an ultra-low sulfur diesel (ULSD) mandate for home heating?

Would you please point me to where the 2024 proposed amendments provide the facility-level point source emission calculations?

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Why is DEC proposing additional changes to the Fairbanks PM2.5 Serious SIP?

Why is having an approvable SIP important?

The air quality seems to be improving, why is there another plan being proposed?

What are contingency measures? What measures is DEC proposing and why is DEC proposing them? When will they be triggered?

Contingency measures are actions that DEC would implement in case existing controls and proposed controls are not sufficient to improve air quality. DEC is proposing the following measures that would be triggered if existing controls are not improving air quality: 1. Lowering the alert levels at which burn bans are triggered; 2. Increasing the compliance rate for the

curtailment program; and 3. Increasing the compliance rate for the date certain removal of uncertified wood-fired heating devices.

Am I going to be able to continue to use my wood-fired heating device?

What is the SO₂ precursor analysis?

Is DEC proposing an ultra-low sulfur diesel (ULSD) mandate for home heating?

Would you please point me to where the 2024 proposed amendments provide the facility-level point source emission calculations?

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Why is having an approvable SIP important?

The air quality seems to be improving, why is there another plan being proposed?

What are contingency measures? What measures is DEC proposing and why is DEC proposing them? When will they be triggered?

Am I going to be able to continue to use my wood-fired heating device?

DEC is fighting for communities' ability to continue to use wood-fired heating devices, but 60-80% of the air pollution in North Pole is from woodstoves. While we need to solve the air pollution

issues, DEC is confident that the existing regulations on woodstoves are sufficient to clean the air and is not proposing any new or additional restrictions on wood-fired heating devices at this time.

What is the SO₂ precursor analysis?

Is DEC proposing an ultra-low sulfur diesel (ULSD) mandate for home heating?

Would you please point me to where the 2024 proposed amendments provide the facility-level point source emission calculations?

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NOTICE OF PROPOSED CHANGES ON AIR QUALITY CONTROL
IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL
CONSERVATION

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation proposes to revise regulations on air quality for the Fairbanks North Star Borough (FNSB) nonattainment area. The proposed technical amendments and new regulations are needed to meet federal requirements in the Clean Air Act.

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt regulation changes in Title 18, Chapter 50 of the Alaska Administrative Code, dealing with revising and adding new air quality regulations for the Fairbanks North Star Borough (FNSB), including the following:

- (1) 18 AAC 50.030 is proposed to be amended to adopt revisions to the *State Air Quality Control Plan*. Those revisions include amending Volume III Appendix to Volume II Section II to incorporate the proposed regulations after public review and comment. This appendix within the *State Air Quality Control Plan* contains the state's air quality regulations.
- (2) 18 AAC 50.055 is proposed to be amended to create an emission limit for coffee roasters in the nonattainment area.
- (3) 18 AAC 50.076 is proposed to be amended to revise requirements for dry wood labeling, frequency of wood moisture content measurement, and confirmation, as well as documentation timing of dry status.
- (4) 18 AAC 50.077 is proposed to be amended to clarify the intent of the regulation.
- (5) 18 AAC 50.078 is proposed to be repealed and readopted to create control device installation requirements; an emission factor and opacity limit; maintenance and observation requirements; and registration, recordkeeping, and reporting requirements for commercial coffee roasters in the nonattainment area.
- (6) 18 AAC 50.079 is proposed to be amended to clarify that a testing protocol required under this section must be approved by the department prior to conducting a test.
- (7) 18 AAC 50.079 is proposed to be amended to specify an allowable emission rate for particulate matter.
- (8) 18 AAC 50.079 is proposed to be amended to establish a specific duration for waivers issued under the subsection.
- (9) 18 AAC 50.079 is proposed to be amended to clarify deadlines for coal-fired heating devices.
- (10) 18 AAC 50.079 is proposed to be amended by adding a new subsection adding requirements for devices that may not be reinstalled in the nonattainment area.
- (11) 18 AAC 50. is proposed to be amended by adding a new section, 18 AAC 50.081, to establish real estate transaction and energy rating requirements for buildings in the nonattainment area.

If adopted, ADEC will submit the applicable regulation and *State Air Quality Control Plan* revisions to the U.S. Environmental Protection Agency (EPA) for inclusion in or removal from the approved State Implementation Plan (SIP).

Posting

The above list of proposed changes to the regulations only provides a summary of their subject matter. Copies of the proposed regulation changes are available at the 2024 Fairbanks North Star Borough Fine Particulate Matter (PM_{2.5}) Amendments link on:

<https://dec.alaska.gov/air/anpms/sip/revisions/>. Materials not feasible to post, such as those that are copyrighted, may be viewed at the ADEC offices at the following locations: ADEC Anchorage Building, 555 Cordova St., Anchorage; ADEC Fairbanks Office Building, 610 University Avenue, Fairbanks; and ADEC Juneau Office Building, 333 Willoughby Ave., Eighth Floor, Suite 800. To arrange to view the materials, contact Rebecca Smith at 907-465-5121 or rebecca.smith@alaska.gov

Comments

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by **submitting comments** electronically via our public notice site at <https://dec.alaska.gov/comment/>. If you are unable to submit comments via this site, you may submit written comments to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800; by facsimile at (907) 465-5129; or by e-mail to dec.air.comment@alaska.gov. **The comments must be received not later than 11:59 p.m. on Friday, May 10, 2024.** Comments received after this date will not be considered in final action on these rules and the air quality plan.

Hearings

DEC has scheduled two public hearings for these proposed regulations, to be held on Wednesday, April 10, 2024, from 12:00 p.m. to 2:00 p.m. in the Yukon Room at the Westmark Fairbanks Hotel and Conference Center, 813 Nobel Street, Fairbanks, Alaska, and from 5:00 p.m. to 8:00 p.m. in the Yukon Room at the Westmark Fairbanks Hotel and Conference Center, 813 Nobel Street, Fairbanks, Alaska. Formal oral or written comments may be submitted at the hearings. Prior to the start of the hearing, DEC may limit the time allotted for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided. The hearing may be extended for a reasonable amount of time to accommodate those present before 2:00 p.m. or 8:00 p.m., respectively, who did not have an opportunity to comment prior to that time.

Questions

You may submit written questions relevant to the proposed action to DEC by **submitting questions** electronically via our public notice site at <https://dec.alaska.gov/comment/>, by electronic mail to dec.air.comment@alaska.gov; or by mail to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800. Questions may also be submitted verbally in testimony at the public hearing. The Department will aggregate its response to substantially similar questions and make the questions and responses available on <https://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-qa-table->

2024/. The questions must be received at least 10 days before the end of the public comment period, **Tuesday, April 30, 2024**. The Department may, but is not required to, answer written questions received after Tuesday, April 30, 2024, the cut-off date.

If you are a person with a disability who may need a special accommodation in order to participate in this public process, please contact Megan Kohler at (907) 269-4198 or megan.kohler@alaska.gov not later than Wednesday, April 3, 2024, to ensure that any necessary accommodations can be provided.

After the public comment period ends, the ADEC 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 received are public records and are subject to public inspection.

Statutory authority: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140, Sec. 30, ch. 74, SLA 1993

Statutes being implemented, interpreted, or made specific: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

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

ADEC, Division of Air Quality keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Division of Air Quality notices of proposed regulation changes. To be added to or removed from the list, you may sign up on the Air Online Services (AOS) page at: <http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/Index/>. A myAlaska account is required to use the AOS system.

Date: March 5, 2024



Emma K. Pokon, Commissioner Designee

**Description of the Proposed Changes to 18 AAC 50
Fairbanks SIP Fixes
March 2024**

Section	Discussion	Reason for Change
18 AAC 50.030(a)	18 AAC 50.030(a)—Update Volume III, Appendix to Volume II, Section II.A to adopt the revised regulations into the SIP.	DEC is amending the adoption date of the section to reflect the adoption of updated regulations.
18 AAC 50.076(k)	18 AAC 50.076(k)(1)—Add clarifying language for dry wood requirements. 18 AAC 50.076(k)(3)—Amend the language to require monthly measurement of wood moisture content.	DEC is amending the language to clarify that dry wood must be clearly labeled and to require monthly measurement of wood moisture content, rather than periodic measurement. Both changes are being proposed to ensure that wood is burned in the nonattainment area is dry.
18 AAC 50.077(a)	<i>18 AAC 50.077(a)—Amend the language to clarify restrictions on listed devices within an area identified in 18 AAC 50.013(b)(3).</i>	<i>DEC is amending the regulations to specify that the listed devices may not be installed, reinstalled, sold, leased, distributed, or conveyed within the nonattainment area.</i>
18 AAC 50.078(d)	18 AAC 50.078(d)—Amend the section to require coffee roasters in an area defined in 18 AAC 50.015(b)(3) to obtain a preapproved emission limit for any unit that emits 24 pounds or more of particulate matter in a 12-month period.	DEC is adding a requirement for coffee roasters that emit 24 pounds or more of particulate matter in a 12-month period to obtain a preapproved emission limit to meet EPA requirements.
18 AAC 50.079(d)(2)	18 AAC 50.079(d)(2)—Amend to clarify required testing protocol.	DEC is amending the regulations to specify that a testing protocol must be approved by the Department, rather than specifying the use of a specific test method.

18 AAC 50.079(d)(3)	18 AAC 50.079(d)(3)—Amend to change the allowable emission rate for particulate matter.	DEC is amending the regulation to specify the allowable emission rate for particulate matter.
18 AAC 50.079(e)	18 AAC 50.079(e)—Amend to change duration of waiver.	DEC is amending the language to establish a one year duration for waivers.
18 AAC 50.079(f)	18 AAC 50.079(f)—Amend to clarify deadline for rendering a coal-fired heating device inoperable.	DEC is adding an additional deadline requirement for rendering a coal-fired heating device inoperable.
18 AAC 50.079(h)	18 AAC 50.079(h)—Add a new subsection with requirements for devices that may not be reinstalled in an area identified in 18 AAC 50.015(b)(3).	DEC is establishing requirements to require that a person in an area identified in 18 AAC 50.015(b)(3) who owns a device that may not be reinstalled in the area shall either render the device inoperable upon removal or certify that the device has been removed and will not be reinstalled in the area and also include a seller's disclosure statement upon sale of the property that a device under the subsection may not be reinstalled within the area.
18 AAC 50.081	18 AAC 50.081—Add a new section to establish requirements for real estate transactions, weatherization, and energy efficiency.	DEC is establishing real estate transaction requirements for residential buildings. The new section requires: the owner of a building to get an energy rating completed before listing the property for sale, reporting of energy rating results to the department,

		and registration of wood-fired heating devices or transfer of ownership notification of previously registered devices. The section also establishes responsibilities of agents conducting property sales and includes definitions specific to the section.
18 AAC 50.230(b)	18 AAC 50.230(b)—Amend to include coffee roasters as described in 18 AAC 50.230(g) in the list of stationary sources that may request a preapproved emission limit (PAEL).	DEC is establishing a new PAEL for coffee roasters and is listing them under 18 AAC 50.230(b) as a stationary source eligible to request one.
18 AAC 50.230(g)	18 AAC 50.230(g)—Add a new section for a preapproved emission limit (PAEL) for coffee roasters.	DEC is creating a PAEL for coffee roasters and establishing requirements for the PAEL.
18 AAC 50.400(f)(2)	18 AAC 50.400(f)(2)—Amend to include fees for the preapproved emission limit (PAEL) for a coffee roaster under 18 AAC 50.230(g).	DEC is amending the fee regulations to include fees that coffee roasters must pay for getting a new PAEL under 18 AAC 50.230(g).
State Implementation Plan Sections and Appendices	SIP Volume II, Sections III.D.7.05 – III.D.7.12 and III.D.7.14; Volume III Appendix to Volume II, Sections III.D.05 – III.D.12 and III.D.14	DEC is amending the SIP Sections and Appendices in order to...

2024 Amendments to the Fairbanks PM2.5 Serious SIP

NOTICE OF PROPOSED CHANGES ON AIR QUALITY CONTROL

IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation proposes to revise regulations on air quality and the Serious State Implementation Plan (SIP) for the Fairbanks North Star Borough (FNSB) nonattainment area. The proposed SIP chapter and appendices revisions are needed to meet federal requirements under the Clean Air Act.

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt a regulation change in Title 18, Chapter 50 of the Alaska Administrative Code to adopt revisions to the Serious State Implementation Plan (SIP) for the Fairbanks North Star Borough (FNSB) and to amend or repeal and replace SIP sections and appendices, including the following:

(1) 18 AAC 50.030 is proposed to be amended to adopt revisions to the *State Air Quality Control Plan*. Those revisions include:

1. revisions in Volume II, Section III.D.7: Fairbanks North Star Borough (FNSB) Fine Particulate Matter (PM2.5) Serious State Implementation Plan (SIP):
 1. amending Section III.D.7.06: Emission Inventory, by amending subsection III.D.7.6.1.1, and adding subsection III.D.7.6.9.
 2. amending Section III.D.7.07: Control Strategies, by adding subsection III.D.7.7.13.
 3. amending Section III.D.7.08: Modeling, by adding subsection III.D.7.8.15.
 4. repealing and readopting Section III.D.7.09: Attainment Demonstration – 2024.
 5. repealing and readopting Section III.D.7.10: Reasonable Further Progress and Quantitative Milestones.
 6. repealing and replacing Section III.D.7.11: Contingency Measures.
 7. amending Section III.D.7.12: Emergency Episode Plan, by amending subsection III.D.7.12.2, and Tables 7.12-1, 7.12-5, 7.12-6.
 8. amending Section III.7.14: Conformity and Motor Vehicle Emission Budget.
2. amending Volume III Appendix to Volume II Section II to incorporate the proposed regulations after public review and comment. This appendix within the *State Air Quality Control Plan* contains the state's air quality regulations.
3. amending Volume III Appendix to Volume II, Sections III.D.06 – III.D.12 and III.D.14 to incorporate supporting documentation for proposed amended sections of the FNSB PM2.5 SIP listed above.
4. writing, public noticing, and issuing Air Quality Permits to incorporate the best available control technologies (BACT) emission limits listed in FNSB PM2.5 SIP Section 7.7.13.8.2.1 and the corresponding monitoring, recordkeeping, and reporting (MR&R) requirements listed in Volume III Appendix to Volume II, Section III.D.07 for the sources listed in FNSB PM2.5 SIP Sections 7.7.13.8.3 – 7.7.13.8.7. The issued permits are anticipated to be completed this fall and will be adopted as part of this amended SIP for submission to EPA for approval.

If adopted, ADEC will submit the applicable regulations and *State Air Quality Control Plan* revisions to the U.S. Environmental Protection Agency (EPA) for inclusion in or removal from the approved State Implementation Plan (SIP).

Posting

The above list of proposed changes to the regulations only provides a summary of their subject matter. Copies of the proposed regulation changes are available on the Alaska Online Public Notice System and at the 2024 Amendments to the Fairbanks PM2.5 Serious SIP link on: <https://dec.alaska.gov/air/anpms/sip/revisions/>. Materials not feasible to post, such as those that are copyrighted, may be viewed at the ADEC offices at the following locations: ADEC Anchorage Building, 555 Cordova St., Anchorage; ADEC Fairbanks Office Building, 610 University Avenue, Fairbanks; and ADEC Juneau Office, 333 Willoughby Ave., 8th Floor. To arrange to view

the materials, contact Rebecca Smith at 907-465-5121 or rebecca.smith@alaska.gov

Comments

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by **submitting comments electronically on the Electronic Comment Submission page on our Air Online Services website at <https://dec.alaska.gov/Applications/Air/airtoolsweb/FormalComments>**. If you are unable to submit comments via this site, you may submit written comments to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800; or by e-mail to dec.air.comment@alaska.gov. **The comments must be received not later than 11:59 p.m. on Monday, October 7, 2024.** Comments received after this date will not be considered in final action on these rules and the air quality plan.

Hearings

DEC has scheduled two public hearings for these proposed regulations, to be held on Thursday, September 26, 2024, from 12:00 p.m. to 1:30 p.m. in the Exhibit Hall at Pioneer Park, 2300 Airport Way, Fairbanks, Alaska, and from 5:00 p.m. to 8:00 p.m. in the Exhibit Hall at Pioneer Park, 2300 Airport Way, Fairbanks, Alaska. Formal oral or written comments may be submitted at the hearings. Prior to the start of the hearing, DEC may limit the time allotted for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided. The hearing may be extended for a reasonable amount of time to accommodate those present before 1:30 p.m. or 8:00 p.m., respectively, who did not have an opportunity to comment prior to that time.

Questions

You may submit written questions relevant to the proposed action to DEC by **submitting questions electronically via the Electronic Comment Submission link on our Air Online Services website at <https://dec.alaska.gov/Applications/Air/airtoolsweb/FormalComments>**; by electronic mail to dec.air.comment@alaska.gov; or by mail to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800. Questions may also be submitted verbally in testimony at the public hearing. The Department will aggregate its response to substantially similar questions and make the questions and responses available on <http://dec.alaska.gov/air/anpms/sip/fbks-pm2-5-sip-qa-table-2024>. The questions must be received at least 10 days before the end of the public comment period, **Friday, September 27, 2024**. The Department may, but is not required to, answer written questions received after Friday, September 27, 2024, the cut-off date.

If you are a person with a disability who may need a special accommodation in order to participate in this public process, please contact Julia Schweminski at (907) 334-5994 or julia.schweminski@alaska.gov not later than Thursday, September 19, 2024, to ensure that any necessary accommodations can be provided.

After the public comment period ends, the ADEC 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 received are public records and are subject to public inspection.

Statutory authority: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

Statutes being implemented, interpreted, or made specific: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

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

ADEC, Division of Air Quality keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Division of Air Quality notices of proposed regulation changes. To be added to or removed from the list, you may sign up on the Air Online Services (AOS) page at: <http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/Index/>. A myAlaska account is required to use the AOS system.

[Attachments, History, Details](#)

Attachments

[2024 Fairbanks SIP Revisions Additional Reg Notice 08-26-24 ocr.pdf](#)

[2024-fairbanks-sip-revisions-18-aac-50-08-26-24 \(1\).pdf](#)

[2024200189 2024 Fairbanks SIP Revisions Public Notice 08-26-24.docx](#)

Revision History

Created 8/26/2024 11:34:56 AM by jbschweminski

Modified 9/25/2024 1:27:57 PM by jrschlosser

Modified 9/25/2024 2:30:37 PM by jrschlosser

Details

Department: Environmental Conservation

Category: Regulations

Sub-Category: Notice of Proposed Regulations

Location(s): Statewide

Project/Regulation #: 18 AAC 50.030

Publish Date: 8/27/2024

Archive Date: 10/8/2024

Events/Deadlines:

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Department of Environmental Conservation
2. General subject of regulation: 18 AAC 50 is being amended to adopt revisions to the Fairbanks North Star Borough Fine Particulate Matter (PM_{2.5}) Nonattainment Area State Implementation Plan (SIP). The Fairbanks SIP sections and appendices are being revised to include updated requirements and information needed to meet Clean Air Act requirements.
3. Citation of regulation (may be grouped): 18 AAC 50.030
4. Department of Law file number, if any: 202400289
5. Reason for the proposed action:

(X) Compliance with federal law or action (identify): The proposed regulations are intended to meet the requirements of Section 110 (Title 42 U.S.C. Chapter 85 §7410), Sections 171-179 (Title 42, U.S.C. Chapter 85 §7501-7509), and Section 189 (Title 42 U.S.C. Chapter 85 §7513) of the Clean Air Act and, once adopted, the applicable regulations will be submitted to the U.S. Environmental Protection Agency for approval.

() Compliance with new or changed state statute

() Compliance with federal or state court decision (identify): _____

() Development of program standards

() Other (identify): _____

6. Appropriation/Allocation: Air Quality/Non-Point and Mobile Sources
7. Estimated annual cost to comply with the proposed action to:

A private person: Under the proposed action, it's possible that private persons could incur costs to comply with the contingency measures if the Fairbanks North Star Borough nonattainment area is unable to achieve attainment by the deadlines in the State Implementation Plan.

Another state agency: No identified additional compliance costs to other state agencies.

A municipality: No identified additional compliance costs to local governments. If the proposed actions are not finalized and approved, the Fairbanks North Star Borough nonattainment area will lose highway funding.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY25	Subsequent Years
Operating Cost	\$0	\$0
Capital Cost	\$0	\$0
1002 Federal receipts	\$0	\$0
1003 General fund match	\$0	\$0
1004 General fund	\$0	\$0
1005 General fund/ program	\$0	\$0
Other (identify)	\$0	\$0

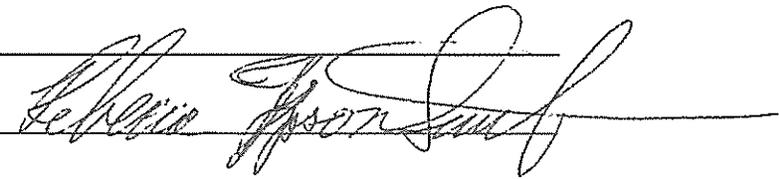
9. The name of the contact person for the regulation:

Name: Nick Czarnecki
 Title: ANPMS Program Manager
 Address: 555 Cordova
 Anchorage, AK 99501
 Telephone: 907-451-2007
 E-mail address: nick.czarnecki@alaska.gov

10. The origin of the proposed action:

- Staff of state agency
- Federal government
- General public
- Petition for regulation change
- Other (identify): _____

11. Date: August 26, 2024

Prepared by: 

Name: Rebecca Tyson Smith
 Title: Environmental Program Specialist
 Telephone: 907-465-5121

**DEPARTMENT OF
ENVIRONMENTAL CONSERVATION**



18 AAC 50

Air Quality Control

Public Comment Draft

Comment Period Ends
October 7, 2024, 11:59 P.M.

Mike Dunleavy
Governor

Emma K. Pokon
Commissioner

The introductory language of 18 AAC 50.030(a) is amended to read:

(a) Volumes II and III of the *State Air Quality Control Plan* for implementing and enforcing the provisions of AS 46.14 and this chapter, revised as of {adoption date of the regulations} [JULY 29, 2022/ADOPTION DATE OF MARCH 11, 2024, PACKAGE], are adopted by reference. The plan includes the following documents that are also adopted by reference:

• • •

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 9/4/98, Register 147; am 1/1/2000, Register 152; am 12/30/2000, Register 156; am 9/21/2001, Register 159; am 1/27/2002, Register 161; am 3/27/2002, Register 161; am 5/3/2002, Register 162; am 2/20/2004, Register 169; am 6/24/2004, Register 170; am 10/1/2004, Register 171; am 12/14/2006, Register 180; am 12/30/2007, Register 184; am 5/17/2008, Register 186; am 7/25/2008, Register 187; am 11/9/2008, Register 188; am 5/6/2009, Register 190; am 11/4/2009, Register 192; am 4/1/2010, Register 193; am 10/29/2010, Register 196; am 4/13/2011, Register 198; am 9/17/2011, Register 199; am 8/1/2012, Register 203; am 5/8/2013, Register 206; am 2/5/2015, Register 213; am 4/17/2015, Register 214; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 12/29/2016, Register 220; am 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am 11/7/2020, Register 236; add'l am 11/7/2020, Register 236; am 12/25/2020, Register 236; am 4/16/2022, Register 242; am 8/21/2022, Register 243; am 9/7/2022, Register 243; add'l am 9/7/2022, Register 243; am ____/____/_____, Register _____; am ____/____/_____, Register _____)

Authority: AS 46.03.020 AS 46.14.030 Sec. 30, ch. 74, SLA 1993
AS 46.14.020 AS 46.14.140

NOTICE OF PROPOSED CHANGES ON AIR QUALITY CONTROL
IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL
CONSERVATION

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation proposes to revise regulations on air quality and the Serious State Implementation Plan (SIP) for the Fairbanks North Star Borough (FNSB) nonattainment area. The proposed SIP chapter and appendices revisions are needed to meet federal requirements under the Clean Air Act.

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt a regulation change in Title 18, Chapter 50 of the Alaska Administrative Code to adopt revisions to the Serious State Implementation Plan (SIP) for the Fairbanks North Star Borough (FNSB) and to amend or repeal and replace SIP sections and appendices, including the following:

(1) 18 AAC 50.030 is proposed to be amended to adopt revisions to the *State Air Quality Control Plan*. Those revisions include:

- a. revisions in Volume II, Section III.D.7: Fairbanks North Star Borough (FNSB) Fine Particulate Matter (PM_{2.5}) Serious State Implementation Plan (SIP):
 - i. amending Section III.D.7.06: Emission Inventory, by amending subsection III.D.7.6.1.1, and adding subsection III.D.7.6.9.
 - ii. amending Section III.D.7.07: Control Strategies, by adding subsection III.D.7.7.13.
 - iii. amending Section III.D.7.08: Modeling, by adding subsection III.D.7.8.15.
 - iv. repealing and readopting Section III.D.7.09: Attainment Demonstration – 2024.
 - v. repealing and readopting Section III.D.7.10: Reasonable Further Progress and Quantitative Milestones.
 - vi. repealing and replacing Section III.D.7.11: Contingency Measures.
 - vii. amending Section III.D.7.12: Emergency Episode Plan, by amending subsection III.D.7.12.2, and Tables 7.12-1, 7.12-5, 7.12-6.
 - viii. amending Section III.7.14: Conformity and Motor Vehicle Emission Budget.
- b. amending Volume III Appendix to Volume II Section II to incorporate the proposed regulations after public review and comment. This appendix within the *State Air Quality Control Plan* contains the state's air quality regulations.
- c. amending Volume III Appendix to Volume II, Sections III.D.06 – III.D.12 and III.D.14 to incorporate supporting documentation for proposed amended sections of the FNSB PM_{2.5} SIP listed above.
- d. writing, public noticing, and issuing Air Quality Permits to incorporate the best available control technologies (BACT) emission limits listed in FNSB

PM2.5 SIP Section 7.7.13.8.2.1 and the corresponding monitoring, recordkeeping, and reporting (MR&R) requirements listed in Volume III Appendix to Volume II, Section III.D.07 for the sources listed in FNSB PM2.5 SIP Sections 7.7.13.8.3 – 7.7.13.8.7. The issued permits are anticipated to be completed this fall and will be adopted as part of this amended SIP for submission to EPA for approval.

If adopted, ADEC will submit the applicable regulations and *State Air Quality Control Plan* revisions to the U.S. Environmental Protection Agency (EPA) for inclusion in or removal from the approved State Implementation Plan (SIP).

Posting

The above list of proposed changes to the regulations only provides a summary of their subject matter. Copies of the proposed regulation changes are available on the Alaska Online Public Notice System and at the 2024 Amendments to the Fairbanks PM2.5 Serious SIP link on: <https://dec.alaska.gov/air/anpms/sip/revisions/>. Materials not feasible to post, such as those that are copyrighted, may be viewed at the ADEC offices at the following locations: ADEC Anchorage Building, 555 Cordova St., Anchorage; ADEC Fairbanks Office Building, 610 University Avenue, Fairbanks; and ADEC Juneau Office, 333 Willoughby Ave., 8th Floor. To arrange to view the materials, contact Rebecca Smith at 907-465-5121 or rebecca.smith@alaska.gov

Comments

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by **submitting comments electronically on the Electronic Comment Submission page on our Air Online Services website at <https://dec.alaska.gov/Applications/Air/airtoolsweb/FormalComments>**. If you are unable to submit comments via this site, you may submit written comments to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800; or by e-mail to dec.air.comment@alaska.gov. **The comments must be received not later than 11:59 p.m. on Monday, October 7, 2024.** Comments received after this date will not be considered in final action on these rules and the air quality plan.

Hearings

DEC has scheduled two public hearings for these proposed regulations, to be held on Thursday, September 26, 2024, from 12:00 p.m. to 1:30 p.m. in the Exhibit Hall at Pioneer Park, 2300 Airport Way, Fairbanks, Alaska, and from 5:00 p.m. to 8:00 p.m. in the Exhibit Hall at Pioneer Park, 2300 Airport Way, Fairbanks, Alaska. Formal oral or written comments may be submitted at the hearings. Prior to the start of the hearing, DEC may limit the time allotted for each person providing oral testimony, as reasonably necessary to conclude the hearing in the time provided. The hearing may be extended for a reasonable amount of time to accommodate those present before 1:30 p.m. or 8:00 p.m., respectively, who did not have an opportunity to comment prior to that time.

Questions

You may submit written questions relevant to the proposed action to DEC by **submitting questions electronically via the Electronic Comment Submission link on our Air Online Services website** at <https://dec.alaska.gov/Applications/Air/airtoolsweb/FormalComments>; by electronic mail to dec.air.comment@alaska.gov; or by mail to Rebecca Smith, Division of Air Quality, Department of Environmental Conservation, P.O. Box 111800, Juneau, Alaska 99811-1800. Questions may also be submitted verbally in testimony at the public hearing. The Department will aggregate its response to substantially similar questions and make the questions and responses available on <http://dec.alaska.gov/air/anpms/sip/fbks-pm2-5-sip-qa-table-2024>. The questions must be received at least 10 days before the end of the public comment period, **Friday, September 27, 2024**. The Department may, but is not required to, answer written questions received after Friday, September 27, 2024, the cut-off date.

If you are a person with a disability who may need a special accommodation in order to participate in this public process, please contact Megan Kohler at (907) 269-4198 or megan.kohler@alaska.gov not later than Thursday, September 19, 2024, to ensure that any necessary accommodations can be provided.

After the public comment period ends, the ADEC 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 received are public records and are subject to public inspection.

Statutory authority: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

Statutes being implemented, interpreted, or made specific: AS 46.03.020; AS 46.14.020; AS 46.14.030; AS 46.14.140

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

ADEC, Division of Air Quality keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Division of Air Quality notices of proposed regulation changes. To be added to or removed from the list, you may sign up on the Air Online Services (AOS) page at: <http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/Index/>. A myAlaska account is required to use the AOS system.

Date: August 26, 2024

/s/
Christina Carpenter, Deputy Commissioner

Notice of Adoption - Air Quality State Implementation Plan (SIP) for the Fairbanks North Star Borough

Department of Environmental Conservation
Notice of Adoption of Regulations

On November 4, 2024, the Department of Environmental Conservation adopted regulations in 18 AAC 50 - Fairbanks Air Quality SIP. The regulations were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on November 8, 2024, and are effective on December 8, 2024. Attached is a copy of the filed regulations.

The regulation changes will first appear in Register 252, January 2025, of the Alaska Administrative Code.

The regulations concern the Air Quality State Implementation Plan (SIP) for the Fairbanks North Star Borough, to resolve nonattainment of controls for PM-2.5 fine particulate matter.

[Attachments, History, Details](#)

Attachments

[2023200549 - final amendments.pdf](#)

Revision History

Created **1/22/2025** 11:40:58 AM by jfrintala

Details

Department:	Environmental Conservation
Category:	Regulations
Sub-Category:	Adopted Text or Summary of Text
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	1/22/2025
Archive Date:	3/31/2025
Events/Deadlines:	

The introductory language of 18 AAC 50.030(a) is amended to read:

(a) Volumes II and III of the *State Air Quality Control Plan* for implementing and enforcing the provisions of AS 46.14 and this chapter, revised as of ~~adoption date of the~~ ^{November 4, 2024} ~~regulations~~ [JULY 29, 2022], are adopted by reference. The plan includes the following documents that are also adopted by reference:

• • •

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 9/4/98, Register 147; am 1/1/2000, Register 152; am 12/30/2000, Register 156; am 9/21/2001, Register 159; am 1/27/2002, Register 161; am 3/27/2002, Register 161; am 5/3/2002, Register 162; am 2/20/2004, Register 169; am 6/24/2004, Register 170; am 10/1/2004, Register 171; am 12/14/2006, Register 180; am 12/30/2007, Register 184; am 5/17/2008, Register 186; am 7/25/2008, Register 187; am 11/9/2008, Register 188; am 5/6/2009, Register 190; am 11/4/2009, Register 192; am 4/1/2010, Register 193; am 10/29/2010, Register 196; am 4/13/2011, Register 198; am 9/17/2011, Register 199; am 8/1/2012, Register 203; am 5/8/2013, Register 206; am 2/5/2015, Register 213; am 4/17/2015, Register 214; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 12/29/2016, Register 220; am 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am 11/7/2020, Register 236; add'l am 11/7/2020, Register 236; am 12/25/2020, Register 236; am 4/16/2022, Register 242; am 8/21/2022, Register 243; am 9/7/2022, Register 243; add'l am 9/7/2022, Register 243; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.030 Sec. 30, ch. 74, SLA 1993
 AS 46.14.020 AS 46.14.140

18 AAC 50.055(a) is amended by adding a new paragraph to read:

(10) 10 percent or greater averaged over any six consecutive minutes for a commercial coffee roaster within an area identified in 18 AAC 50.015(b)(3) and that emits 24 pounds or more of particulate matter in a rolling 12-month period.

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 11/4/99, Register 152; am 5/3/2002, Register 162; am 10/1/2004, Register 171; am 7/25/2008, Register 187; am 12/9/2010, Register 196; am 8/20/2016, Register 219; am 9/15/2018, Register 227; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

(((Publisher: At the end of 18 AAC 50.015(a)(9)(D), please change the period to a semicolon.)))

The introductory language of 18 AAC 50.076(k)(1) is amended to read:

(1) may only sell **clearly labeled** dry wood that is

• • •

18 AAC 50.076(k)(1)(C) is amended to read:

(C) harvested from an inspected fire-killed source that has been split, stacked, stored covered, and confirmed dry **before** [PRIOR TO] freezing;

18 AAC 50.076(k)(3) is amended to read:

(3) shall [PERIODICALLY] measure **monthly**, using a [TYPE OF] commercially available moisture test meter that is approved by the department for accuracy, the moisture

content of a representative sample of the wood to ensure the stock is dry **before sale** [PRIOR TO SELLING];

18 AAC 50.076(k)(4) is amended to read:

(4) shall document the measured moisture content, keep a record of the measurements over the seasoning period, and sign an affidavit in a form that the department provides attesting the wood is dry **before** [PRIOR TO] sale;

(Eff. 2/28/2015 [15], Register 213; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 1/8/2020, Register 233; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

The introductory language of 18 AAC 50.077(a) is amended to read:

(a) Except as provided in this section, a person may not install, reinstall, sell, lease, distribute, or convey the following devices [FOR USE] in an area identified in

18 AAC 50.015(b)(3):

• • •

The introductory language of 18 AAC 50.077(b) is amended to read:

(b) Notwithstanding (a) of this section, the department will approve models of pellet fueled wood-fired hydronic heaters for **operation** [USE] in an area identified in

18 AAC 50.015(b)(3) that

• • •

(Eff. 2/28/2015 [2/28/15], Register 213; am 11/26/2016, Register 220; am 1/12/2018, Register 225; am 1/8/2020, Register 233; am 11/7/2020, Register 236; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50.078(d) is repealed and readopted to read:

(d) Within an area identified in 18 AAC 50.015(b)(3),

(1) a commercial coffee roaster that emits 24 pounds or more of particulate matter in a rolling 12-month period

(A) shall, before commencing operations or, for an existing unit, not later than six months after ^{December 8, 2024} {effective date of regulations}, install a catalytic oxidizer, thermal oxidizer, or other pollution control device or combination of devices that control PM and VOC emissions that is appropriate to the unit and approved by the department; and

(B) shall comply at all times with

(i) an emission limit of 0.12 pounds per ton of coffee roasted; and

(ii) opacity limits less than or equal to those set out in

18 AAC 50.055(a)(10);

(2) the owner and operator shall maintain the control device or devices in good working condition consistent with the manufacturer's instructions; and

(3) at least once per year the owner, operator, or certified observer conducting compliance observations shall observe visible emissions while the coffee roaster is operating, excluding startup, shutdown, and maintenance, for at least 12 consecutive minutes, using

40 C.F.R. Part 60, Appendix A, Method 22, adopted by reference in 18 AAC 50.035, and keep records of date, time, and results of field observations; and

(4) if the owner or operator observes any visible emissions during the annual survey required under (3) of this subsection, the owner or operator must investigate the cause of the emissions, repair any malfunctions in the control equipment, and keep records of such investigation and documentation; and

(5) the owner or operator of a commercial coffee roaster subject to this section shall

(A) register the device, using a form or method provided by the department; and

(B) provide annual records demonstrating compliance with the requirements of this section including maintenance records and records of visible emissions surveys under 18 AAC 50.078(d)(3), using a form or method provided by the department. (Eff. 1/8/2020, Register 233; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50.079(d)(2) is amended to read:

(2) that uses a testing protocol approved for accuracy by the department not less than 30 days before conducting a test [40 C.F.R. PART 60, APPENDIX A-3, METHOD 5, REVISED AS OF JULY 1, 2017, AND ADOPTED BY REFERENCE]; and

18 AAC 50.079(d)(3) is amended to read:

(3) for which the maximum emission rate for any individual test run does not

exceed **0.10 pounds** [18.0 GRAMS PER HOUR] of total particulate matter **per million Btu**.

The introductory language of 18 AAC 50.079(e) is amended to read:

(e) Subsections (c) and (f) of this section do not apply to the conveyance of a coal-fired heating device in an area identified in 18 AAC 50.015(b)(3) if the owner requests and receives a [TEMPORARY] waiver from the department or a local air quality program. The department or local air quality program may grant a [TEMPORARY] waiver **not to exceed one calendar year in duration** after considering

• • •

18 AAC 50.079(f) is amended to read:

(f) Except as provided under (d) or (e) of this section, the owner of an existing coal-fired heating device shall render the device inoperable by the **earliest** [EARLIER] of

(1) December 31, 2024;

(2) [OR] before the device is sold, leased, or conveyed as part of an existing

building; **or**

(3) upon expiration of any waiver granted under (e) of this section.

18 AAC 50.079 is amended by adding a new subsection to read:

(h) In an area identified in 18 AAC 50.015(b)(3), a person who owns a device that under this section may not be reinstalled within the area shall

(1) ensure that the device is rendered inoperable when it is removed; or

(2) submit to the department a certified affidavit, in a form the department

provides, stating that the device has been removed and will not be reinstalled in an area identified in 18 AAC 50.015(b)(3); the affidavit must be certified by including the following statement: "Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete." and, upon sale of the existing building or other property, inform the buyer in writing that a device that under this section may not be reinstalled within the area and may not be installed in the existing building or on the property. (Eff. 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993
AS 46.14.010 AS 46.14.030

18 AAC 50 is amended by adding a new section to read:

18 AAC 50.081. Real estate transaction requirements; weatherization and energy efficiency. (a) In an area identified in 18 AAC 50.015(b)(3), the following requirements apply:

(1) after December 31, 2025, a residential building owner must have an energy rating completed by an energy rater before listing the building or property for sale; the residential building owner shall pay for the costs of the energy rating; the energy rater shall provide information about weatherization resources as part of the energy rating report; the residential building owner must give the energy rating report to the buyer simultaneously with the seller's *Residential Real Property Transfer Disclosure Statement* from the Real Estate Commission; the residential building owner must submit the energy rating report to the department in a format provided by or approved by the department;

(2) the owner of any building being sold in which a wood-fired heating device is

located must register the device, using a form or method provided by the department unless the wood-fired device previously has been registered under 18 AAC 50.077(h);

(3) the buyer of any building in which a wood-fired heating device is located must submit a change of ownership notification to the department for any device previously registered under 18 AAC 50.077(h) or (2) of this subsection and must register any previously undisclosed wood-fired heating devices, using a form or method provided by the department;

(4) the owner, seller, and buyer of any building being sold in which a wood- or coal-fired heating device is located must comply with all applicable requirements under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h).

(b) An agent shall ensure compliance with all requirements of this section. To ensure compliance, the agent must

(1) inform the seller or buyer, as applicable, of the seller's or buyer's obligations under this section, 18 AAC 50.077, and 18 AAC 50.079; and

(2) ensure during a real estate transaction that the seller or buyer, as applicable, has performed all activities required under 18 AAC 50.077(h) and (l) - (n) and 18 AAC 50.079(b) and (f) - (h) or must personally ensure compliance with those requirements.

(c) If the agent has complied with (b)(1) of this section, the agent may not be liable for the failure to disclose to a buyer the presence of a noncompliant wood-fired heating device known by a seller but not disclosed to the agent.

(d) In this section,

(1) "agent" means any party who enters into a contract with an owner, seller, or buyer, including any party who enters into a contract with a representative of the seller or buyer, for the purpose of selling or buying any building;

(2) "energy rater" means a person authorized to perform energy ratings by the Alaska Housing Finance Corporation under 15 AAC 155.530, revised as of June 14, 2010, and adopted by reference;

(3) "energy rating" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference;

(4) "residential building" has the meaning given in 15 AAC 155.990, revised as of April 3, 2013, and adopted by reference. (Eff. 12 / 8 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.020 Sec. 30, ch. 74, SLA 1993

AS 46.14.010 AS 46.14.030

Notice of Adoption - Fairbanks North Star Borough Serious State Implementation Plan (Phase 2)

Department of Environmental Conservation
Notice of Adoption of Regulations

On November 5, 2024, the Department of Environmental Conservation adopted regulations in 18 AAC 50.030: DEC - Fairbanks Serious SIP Amendments (Phase 2). The regulations were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on November 14, 2024, and are effective on December 14, 2024. Attached is a copy of the filed regulations.

The regulation changes will first appear in Register 252, January 2025, of the Alaska Administrative Code.

The regulations concern the Fairbanks North Star Borough Serious State Implementation Plan. The Fairbanks SIP sections and appendices, incorporated by reference in 18 AAC 50.03(a), are revised to include updated requirements and information needed to meet Clean Air Act requirements. In addition, 18 AAC 50.030(a) is amended to reference the updated SIP.

[Attachments, History, Details](#)

Attachments

[2024200189 final amendments.pdf](#)

Revision History

Created 1/22/2025 11:29:46 AM by jfrintala
Modified 1/22/2025 11:42:03 AM by jfrintala

Details

Department:	Environmental Conservation
Category:	Regulations
Sub-Category:	Adopted Text or Summary of Text
Location(s):	Statewide
Project/Regulation #:	

Publish Date:	1/22/2025
Archive Date:	3/31/2025

Events/Deadlines:

The introductory language of 18 AAC 50.030(a) is amended to read:

(a) Volumes II and III of the *State Air Quality Control Plan* for implementing and enforcing the provisions of AS 46.14 and this chapter, revised as of November 5, 2024 [~~July 29, 2022~~], are adopted by reference. The plan includes the following documents that are also adopted by reference:

• • •

(Eff. 1/18/97, Register 141; am 6/21/98, Register 146; am 9/4/98, Register 147; am 1/1/2000, Register 152; am 12/30/2000, Register 156; am 9/21/2001, Register 159; am 1/27/2002, Register 161; am 3/27/2002, Register 161; am 5/3/2002, Register 162; am 2/20/2004, Register 169; am 6/24/2004, Register 170; am 10/1/2004, Register 171; am 12/14/2006, Register 180; am 12/30/2007, Register 184; am 5/17/2008, Register 186; am 7/25/2008, Register 187; am 11/9/2008, Register 188; am 5/6/2009, Register 190; am 11/4/2009, Register 192; am 4/1/2010, Register 193; am 10/29/2010, Register 196; am 4/13/2011, Register 198; am 9/17/2011, Register 199; am 8/1/2012, Register 203; am 5/8/2013, Register 206; am 2/5/2015, Register 213; am 4/17/2015, Register 214; am 3/2/2016, Register 217; am 11/26/2016, Register 220; am 12/29/2016, Register 220; am 1/12/2018, Register 225; am 9/15/2018, Register 227; am 1/8/2020, Register 233; am 11/7/2020, Register 236; add'l am 11/7/2020, Register 236; am 12/25/2020, Register 236; am 4/16/2022, Register 242; am 8/21/2022, Register 243; am 9/7/2022, Register 243; add'l am 9/7/2022, Register 243; am 12 / 8 / 2024, Register 252; am 12 / 14 / 2024, Register 252)

Authority: AS 46.03.020 AS 46.14.030 Sec. 30, ch. 74, SLA 1993
AS 46.14.020 AS 46.14.140

Old Business

For the Real Estate Commission's Consideration: The Division of Corporations, Business, and Professional Licensing's Concern with 12 AAC 02.530 + Other Suggested Changes

Issues:

- #1: It has come to the division's attention that as 12 AAC 02.530(2) is currently written, E&O insurance covering all licensees within a brokerage must be held by the **broker**, not the brokerage. Up until this point and for the last many years (we aren't sure how many), brokerages have been allowed to hold the E&O insurance for their licensees. The Real Estate Commission (REC) will need to determine if they want to amend 12 AAC 02.530 to allow this to continue or if they want to enforce the need for the employing broker, not the brokerage, to hold the E&O insurance.
- #2: Additionally, the division has identified that it would be in the public's best interest for 12 AAC 02.530 to be amended to require verification of E&O insurance requirements when a license is transferred, reactivated, or reinstated; rather than only when it is first issued. We also believe the division should be able to audit compliance with E&O requirements, like we do for continuing education.

Proposed Solutions for Issue #1 from Deputy Director Saviers:

- **Option 1 (CBPL's Recommendation):** Amend 12 AAC 02.530(2) to allow the brokerage to get the E&O insurance, but require it to be under the name of the office (i.e., each individual office obtains its own E&O insurance):

*(2) a [BROKER] **registered principal office or branch office** employing [OTHER] real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance coverage with a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the [BROKER] **individual registered principal office or branch office** are covered. **The insurance must be under the office name exactly as it appears on the license.***

- **Option 2:** Leave 12 AAC 02.530(2) as is, and the division will do an education campaign to let brokers and brokerages know when this will be enforced so they have time to make the necessary change.

Proposed Solution for Issue #2 from Executive Administrator Harris & Deputy Director Saviers:

- **12 AAC 02.530. STANDARDS FOR EQUIVALENT COVERAGE.**
An insurer issuing equivalent coverage under AS 08.88.172(c)(2) shall hold a certificate of authority issued under AS 21.09. All activities contemplated under AS 08.88.172 must be covered. The insurance must meet the minimum coverage standards of 12 AAC 02.510(a)(1) – (3), 12 AAC 02.510(b), and 12 AAC 02.510(c)(1) and (5), except that
 - (1) a policy with a higher deductible amount or self-insured retention will qualify as equivalent coverage for purposes of AS 08.88.172(c)(2) if, when applying to obtain, [OR] **renew, transfer, reinstate, or reactivate** the license, the insured licensee provides the Real Estate Commission with
 - (A) an affidavit certifying that the insured licensee has the financial resources in set-aside funds to pay the higher deductible amount or self-insured retention; and
 - (B) a certificate of insurance from the insured licensee's insurer; [AND]
 - (2) a broker employing other real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance with coverage of a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the broker are covered.
- **12 AAC 64.071. LICENSE RENEWAL.**
 - (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 will be provided by the commission, either by electronic mail or regular United States mail, to each licensee with a current expiration date at least 60 days before the renewal date.

(b) An applicant for renewal of an active license shall submit to the department, by the date the license lapses,

- (1) a completed renewal application on the form provided by the department;
- (2) the license renewal fee established in 12 AAC 02.360;
- (3) the recovery fund fee established in 12 AAC 64.073; [AND]
- (4) certification that the applicant has satisfied the continuing education requirements of AS 08.88.091(d) and 12 AAC 64.500[.]; and
- (5) certification that the applicant has satisfied the Errors & Omissions insurance requirements of AS 08.88.172 and 12 AAC 64.600.**

(c) An applicant for renewal of an inactive license shall submit to the department, on or before the date the license lapses,

- (1) a completed renewal application on the form provided by the department;
- (2) the license renewal fee established in 12 AAC 02.360; and
- (3) certification that the applicant has satisfied the continuing education requirements of AS 08.88.091(d) and 12 AAC 64.500.

(d) A license lapses if an application for renewal either has not been received by the department or is not complete by the date the license is to lapse.

(e) A lapsed license will be reinstated only as an active license according to the provisions of this section.

(f) A licensee may be inactive for an entire licensing period and reactivate without paying the recovery fund fee established in 12 AAC 64.073 if the licensee's inactive license dates coincide exactly with the dates of a biennial licensing period.

(g) Except for an initially-issued license that has lapsed under (a) of this section, an initially-issued license lapses 395 days after issuance unless the real estate licensee meets the requirements of 12 AAC 64.064.

(h) Proof of compliance with continuing education requirements and Errors & Omissions insurance requirements as certified in (b) of this section shall be audited as prescribed in 12 AAC 02.960.

- **12 AAC 64.600. INSURANCE REQUIRED.**

(a) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of **initial** licensing[, RENEWAL,] or reinstatement of a license must submit proof of errors and omission insurance coverage through the master insurance policy made available by the commission under AS 08.88.172(d) or through certification of equivalent coverage. "Equivalent coverage" has the meaning given in 12 AAC 02.590.

(b) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of renewal of a license, must certify compliance with the errors and omissions insurance coverage requirements as prescribed in (a) of this section. Audits of errors and omissions insurance shall be completed with audits of compliance with continuing competency requirements as prescribed by 12 AAC 02.960.

- **12 AAC 64.610. TIME FOR FILING CERTIFICATION OF EQUIVALENT COVERAGE.**

(a) Licensee that obtains equivalent coverage under AS 08.88.172(c) must file a certification of insurance showing equivalent coverage with the commission with the application to obtain, [OR] renew, **transfer, reactivate, or reinstate** a license.

(b) A licensee substituting coverage under the master insurance policy made available by the commission under AS 08.88.172(c) with equivalent coverage or substituting an equivalent coverage policy with another policy must file a certification of equivalent coverage with the commission prior to 5:00 p.m. on the date the licensee cancels coverage under the master insurance policy made available

by the commission or cancels coverage under the equivalent insurance policy that is being substituted for another equivalent coverage policy.

(c) If the certification is not filed as required by this section, the commission will deny the application to obtain, [OR] renew, **transfer, reactivate, or reinstate** a license or suspend the existing license, **as applicable**.

Other Relevant Statutes & Regulations:

- **08.88.172. Errors and omissions insurance.**

(a) A person licensed as a real estate broker, associate real estate broker, or real estate salesperson shall, as a condition of licensing, carry and maintain errors and omissions insurance to cover activities for which licensing is required under AS 08.88.161.

(b) The department shall establish by regulation the terms and conditions of the errors and omissions insurance required by this section, including

- (1) coverage requirements;
- (2) limits of coverage;
- (3) the maximum amount of premium to be charged licensees under a master errors and omissions policy under (d) of this section; and
- (4) the method for adjusting these amounts based on the Consumer Price Index.

(c) A licensee may obtain the errors and omissions insurance required by (a) of this section by

- (1) obtaining a master insurance policy that may be made available to licensees by the commission; or
- (2) independently obtaining errors and omissions insurance that complies with the requirements established under (b) of this section.

(d) The commission may

- (1) solicit bids for a master errors and omissions insurance policy for licensees that meets the minimum terms and conditions established under (b) of this section using a competitive sealed bid process under AS 36.30 (State Procurement Code); and
- (2) charge a licensee a reasonable administration fee to recover costs incurred in connection with the solicitation made under (1) of this subsection.

(e) [Repealed, § 4 ch 39 SLA 2016.]

(f) A licensee seeking to obtain or renew a license shall certify to the commission that errors and omissions insurance has been obtained. A licensee who elects to independently obtain errors and omissions insurance shall provide a certificate of coverage with the application to obtain or renew a license.

- **12 AAC 02.510. MINIMUM STANDARDS.**

(a) The master errors and omissions insurance policy must provide to each individual licensee, at a minimum, the following terms of coverage:

- (1) not less than \$100,000 limit of liability for each licensee per covered wrongful act or per covered claim depending on the policy form used by the insurer; claims expenses including the cost for investigation or defense must be in addition to the limit of liability; if the limit of liability is on a
 - (A) covered wrongful act basis, two or more claims arising out of a single wrongful act or a series of related wrongful acts may be considered one claim;
 - (B) covered claim basis, two or more related wrongful acts may be considered one claim;
- (2) an annual aggregate limit of liability of not less than \$300,000 per licensee;
- (3) a deductible amount for each covered wrongful act of not more than \$5,000 for every \$300,000 annual aggregate limit of liability; an additional deductible for investigation and defense costs may be considered;
- (4) an extended reporting period of 90 days and an option to purchase an additional three years extended reporting period for a premium not to exceed 200 percent of the premium charged for the last year of the terminating coverage;
- (5) the ability of a licensee, upon payment of an additional premium, to obtain higher limits of coverage or to purchase additional coverages from the group insurer as may be available from the insurer;

- (6) the coverage provided under the master errors and omissions insurance policy must be individual and specific to the licensee and must cover the licensee regardless of changes in real estate broker or changes in the business relationship between a real estate broker and the licensee; and
 - (7) prior acts coverage must be offered to a licensee who has maintained the same or similar coverage, continually in-force until the date and the time that coverage begins under the master errors and omissions insurance policy coverage.
- (b) The master errors and omissions insurance policy must contain a provision requiring the consent of the insured to settle a claim except that the insured may not unreasonably withhold consent.
- (c) The insurer that is selected to provide the master errors and omissions insurance policy shall
- (1) maintain an A.M. Best rating of "B+" or better and financial size category of class VI or higher;
 - (2) maintain a certificate of authority issued under AS 21.09 by the director of insurance to transact insurance business in this state and be in compliance with AS 21;
 - (3) provide the master errors and omissions insurance policy after notification by the Real Estate Commission that it is the successful bidder of a competitive bidding process under AS 36.30;
 - (4) enter into contract to provide the master errors and omissions insurance policy in conformity with AS 08.88.172, 12 AAC 02.510 – 12 AAC 02.590, and AS 21; and
 - (5) collect premiums, maintain records, and report to the Real Estate Commission the names of those insured and prior claims experience if known, date of claim, amount paid, nature of claim, and claims information on a quarterly basis or an annual basis or on request by the Real Estate Commission.

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



U.S. Department of Justice

Civil Rights Division

Servicemembers and
Veterans Initiative
servicemembers.gov

Portability of Professional Licenses and Certificates for Servicemembers and Their Spouses

The Department of Justice's Servicemembers and Veterans Initiative (SVI) is committed to protecting those who serve and their families. The Civil Rights Division enforces the Servicemembers Civil Relief Act (SCRA), which provides servicemembers and their dependents with certain civil protections related to military service.

New SCRA Amendment

In January 2023, Congress added a new provision to the SCRA that allows servicemembers and their spouses to use their professional licenses and certificates when they relocate due to military orders, in certain circumstances.



U.S. DEPARTMENT OF JUSTICE
**SERVICEMEMBERS &
VETERANS INITIATIVE**

To Qualify for Professional License Portability under the SCRA, You Must:

1. Have moved to a location outside the jurisdiction of the licensing authority that issued the covered license or certificate because of orders for military service.
2. Provide a copy of the military orders to the licensing authority in the new jurisdiction.
3. Have actively used the license or certificate during the two years immediately preceding the move.
4. Remain in good standing with:
 - a. the licensing authority that issued the covered license or certificate; and
 - b. every other licensing authority that issued a license or certificate valid for a similar scope of practice and in the discipline applied for in the new jurisdiction.
5. Submit to the authority of the licensing authority in the new jurisdiction for the purposes of standards of practice, discipline, and fulfillment of any continuing education requirements.

If these five criteria are met, the servicemember's or spouse's covered license or certificate **shall be considered valid** at a similar scope of practice and in the discipline applied for in the new jurisdiction for the duration of the military orders.



Frequently Asked Questions About Professional License Portability

- **What is license portability and why is it important?**

Military spouses have reported difficulty transferring their professional licenses from one jurisdiction to another, hindering their ability to find jobs when moving due to military orders. The new SCRA provision on license portability helps servicemembers and their spouses to use their licenses and certificates in certain circumstances when they relocate due to military orders.

- **Who and which licenses are eligible for license portability under the SCRA?**

Servicemembers and their spouses are eligible. Licenses to practice law are not eligible for portability under the new law.

- **When is the new law on license portability effective?**

The new part of the SCRA went into effect on January 5, 2023. Servicemembers and their spouses can now take advantage of this benefit under the SCRA.

- **What are interstate licensure compacts and how do I determine if my license is governed by one?**

Some states have contracts with other states—known as interstate licensure compacts—to allow licensed practitioners to work in other compact-member states without needing a new license.

If servicemembers or their spouses are uncertain as to whether their professional license is covered by an interstate licensure compact, they should contact their licensing authority. They can also refer to [Department of Defense's Fact Sheet on Occupational Licensure](#), as well as [CareerOneStop](#), a Department of Labor sponsored website with information on state licensing requirements, interstate compacts, and licensing authority contact information.

- **How does this new SCRA law affect interstate licensure compacts?**

The new law applies if: (1) your license is not covered by any interstate compacts; or (2) your license was issued by a state that is covered by an interstate compact, but is not covered by the same compact in the state to which you are relocating.

The new law does NOT apply if your license is covered by the same interstate compact for both the state that issued your license AND the state that to which you are relocating. In this situation, the interstate compact will control whether and how you can practice in the new location.

Where should servicemembers and their spouses go for assistance?

- Servicemembers and their spouses who are covered by this new law are likely eligible for military legal assistance and can contact their local legal assistance office for help. Office locations can be found at <http://legalassistance.law.af.mil/>.
- Servicemembers and their spouses can learn more about license portability and find links to helpful resources at servicemembers.gov. If servicemembers or their spouses are not eligible for military legal assistance services, they may request that the Justice Department review their claim by submitting a complaint through <https://civilrights.justice.gov/link/4025A>.

To report a violation of the SCRA's license portability provision to the Civil Rights Division, visit <https://civilrights.justice.gov/link/4025A>.

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 business 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

Teams Advertising/Regulations

Two definitions of a Team and Alternative Name.

- 1) Any group of two or more real estate licensees affiliated with the same broker or brokerage and/or other non-licensed professionals, such as administrative assistants and other professionals specializing in real estate related fields that advertise together and that group is not licensed pursuant to the licensing statute. (From Ohio can be one licensee and an unlicensed assistant)
- 2) A team or group shall mean a collective name used by two or more real estate licensees, who represent themselves to the public as a part of one entity that performs real estate license activities under the supervision of the same sponsoring broker.(Louisiana - must have two licensees)
- 3) Alternative Name: find description (not talking about licensee name)

This is a full list of requirements from other states. Some may contradict each other but it will give us a place to start:

- All advertising of a Team name must include the Brokerage name as registered by the commission.
- A Team must designate a team member as its Team Leader. The Team Leader must be an Associate Broker.
- The Team must be sponsored by a Broker. All Teams should inform the Alaska Real Estate Commission of the team formation prior to providing any real estate services in the name of the Team by emailing the commission.
- All commissions paid to a team shall go through the Broker.
- The Team name must include the word "team" and may not contain any other term that would lead the public to believe that the team is offering brokerage services independent from its sponsoring Brokerage. Thus a team name cannot use specific words or phrases that would imply a separate entity from the brokerage such as "realty", "real estate", "realtors", "company", "associate", "firm", "group", LLC, Inc, or the like.
- The Team Leader is responsible for all communications between the Broker and the team.
- If a team logo or alternative is used, the brokerage logo or name, as registered with the commission, must be half the size or larger than the team name.
- Broker reference - required brokerage identification information be placed close to the team's name.
- Brokerage reference be included on each page or frame of a licensee's internet domain or website.
- A Team may not operate out of an office or location other than the Broker's office or the branch office where the licenses are displayed.
- Any advertisement with a non licensed person, must clearly and state which individuals are licensed and which are not.
- All licensed team members must be affiliated with the same brokerage.

- The Team Leader must exercise reasonable and adequate supervision over the provision of real estate services by members of the team.

Do's and Don'ts for Teams

Would like approval to replace Teams Best Practices with something similar to Maryland's Dos & Don'ts.

Maryland Real Estate Commission

Do's and Don'ts for Teams & Groups

Team Basics

- A Team must consist of two or more Associate Brokers or Salespersons or a combination of the two who:
 - 1 Work together on a regular basis;
 - 2 Represent themselves to the public as being part of one entity; AND
 - 3 Designate themselves by a collective name such as "Team or Group."
- All licensed team members must be affiliated with the same broker, and offer broker services at the same office or branch office.
- Team members must conduct all real estate brokerage activities from the broker's office or the branch office where their licenses are displayed.
- All Teams should inform the MREC of team formation prior to providing any real estate services in the name of or advertising as a Team by emailing dlmrec-labor@maryland.gov. The email should include the name of the Team, the identity, license number, and contact information for the Team Lead, and indicate whether the Team Lead has completed the Broker Supervision education requirement. If the Team Lead has not, they should acknowledge that they will complete the course within 90 days.
- The Team Leader and all Team Members must adhere to all office rules, practices, and procedures established by the Broker and the Branch Office Manager.
- A licensed broker may **NOT** be a member of a Team.
- The name of the Team may **NOT** contain the terms "Real Estate," "Real Estate Brokerage," "Realty," or any other term that would lead the public to believe that the Team is offering real estate brokerage services independent of the Broker.
- A Team may **NOT** operate out of an office or location other than the broker's office or the branch office where their licenses are displayed.

Team Leaders

- A Team must designate a team member as its Team Leader. The Team Leader must be an Associate Broker or a Salesperson with at least three years' experience.
- It is strongly recommended that Team Leader take the Broker Supervision course before forming a Team; but, no later than 90 calendar days after Team formulation.
- The Team Leader must maintain a current list of all members and employees of the Team.
- The Team Leader must provide the list and any revisions to the list to the Broker or the Branch Office Manager where the Team Members' licenses are displayed.
- The Team Leader must exercise reasonable and adequate supervision over the provision of real estate services by members of the Team.

Brokers and Branch Office Managers

- The Broker or Branch Office Manager must maintain copies of the lists of Team Members and Employees, and make the copies available to the Commission on request and as a part of Commission complaint responses.
- The Broker and Branch Office Manager must supervise the Team Members, and this supervision is in addition to the supervision responsibilities of the Team Leader.
- The Broker and Branch Office Manager may not delegate their supervisory responsibilities over Team Members to the Team Leader.

Dual Agency

- The Broker may designate two members of a team as intra-company agents for the Buyer and the Seller in the same transaction if the parties have FIRST been advised in writing that the Licensees are part of the same team and the team could have a financial interest in the outcome of the transaction. The Buyer and Seller must complete the "Notification for Dual Agency within Team" form (Word) required under existing law before Dual Agency may occur.

- The Broker must ensure that both parties have acknowledged in writing receipt of a "Notification of Dual Agency within a Team" form PRIOR to designating two Team Members as intra-company agents in a transaction.
- The Team Leader may NOT designate Team Members as intra-company agents. Only the Broker may make this designation.

Advertising

- All Team advertising must contain:
 - 1 The full name of the brokerage displayed in a meaningful and conspicuous way;
 - 2 The name of at least one of the licensee members of the Team; and
 - 3 The telephone number of the broker or the branch office manager.
- The Team name in the advertisement must be directly connected to the name of the brokerage.

"Advertise" means the use of any oral, written, or visual advertisement by a licensed real estate salesperson, licensed real estate broker, licensed associate real estate broker, or other person on behalf of a licensed real estate salesperson, licensed real estate broker, or licensed associate real estate broker.

"Advertisement" means, unless the context requires otherwise, any oral, written, or printed media advertisement. "Advertisement" includes any correspondence, mailing, newsletter, brochure, business card, for sale or for lease sign and sign rider, promotional item, automobile signage, telephone directory listing, television announcement, radio announcement, telephone solicitation, and World Wide Web and Internet voice-overs.
(§17-527.2 Annotated Code of MD)



DEPARTMENT OF LABOR

Division of Occupational and Professional Licensing
Maryland Real Estate Commission

Supervision is REQUIRED and does not impact independent contractor status for tax designation

Team Regulation

Team regulation occurs in three ways:

- 1) Team-specific statute
- 2) Team-specific rule
- 3) Application of existing license law



Md. Code Ann., Bus. Occ. & Prof. §§ 17-543 to -548 (2010) (Ch. 670; HB 406)

The statute addresses team brokerage. A team of licensed real-estate salespersons and licensed associate real-estate brokers must designate a leader. The leader must have the qualifications required by the statute. The statute also defines the duties of the leader, team members, the real-estate broker and the branch office manager. It permits a form of dual agency via “intracompany agents” who each represent one party to a real-estate transaction. The parties to the transaction using intracompany agents must be given written notice and must be advised that the team has a financial stake in the transaction. The statute also restricts the use of certain terms in the team name and regulates team advertising.



4 Colo. Code Regs. § 725–1, E-8 (2014)

Colorado has promulgated a new advertising rule that covers the use of team names. Specifically, all team advertising must include the legal name or trade name of the brokerage firm. Team names may be used on advertising, but the name cannot use certain specific words or phrases “that would imply a separate entity from the brokerage firm with which the team brokers are licensed,” including “realty,” “real estate,” “realtors,” “company,” and the like. The team name may not be used by brokers who are not part of the team’s brokerage firm.



02-039-410 Me. Code R. §§ 1, 4-A, 13 (2009)

Amendments to advertising rules regarding “group or team advertising” and uploading webpages by broker-affiliated licensee without broker’s knowledge and consent.



N.Y. Comp. Codes R. & Regs. tit. 19, § 175.25(E) (2014)

New York has promulgated a regulation addressing the use of team names in advertising. The rule allows team names. A team name must include the full licensed name of the brokers, associate brokers or real-estate salespersons who are on the team, or, if the names are not included, the team name must be followed immediately by the phrase “at/of [full name of broker/brokerage].” The team name also must use the word “team”; the words “associate,” “realty” or “group” are prohibited. Also, names of people who are not licensed may not be included in the team name. If advertising names a nonlicensed person, the advertisement must clearly and conspicuously state which individuals are licensed and which are not licensed.



Ohio Admin. Code 1301:5-1-21 (2012)

Ohio has amended its advertising rules to include a definition of team advertising. The rule now defines “team” as “any group of two or more associated real estate licensees affiliated with the same broker or brokerage and/or other non-licensed professionals, such as administrative assistants and other professionals specializing in real estate related fields that advertise together and that group is not licensed pursuant to the licensing statute” (Ohio Rev. Code ch. 4735). A team advertisement is permitted if: (1) it includes the name of at least one of its licensees; (2) the name of the licensee’s broker is included and displayed in equal prominence as that of the team name and the salesperson’s name; and (3) it identifies as non-licensed any unlicensed persons whose names are included in the advertisement.



Okla. Admin. Code § 605:10-9-4(b)(3)(D), (F) (2010)

The Oklahoma Real Estate Commission has amended its provisions relating to team advertising by requiring that the “broker reference”—required broker-identification information—be placed close to the team’s name.

See *id.* § 605:10-9-4(b)(3) (describing “broker’s reference”). It also requires that the broker’s reference be included on each page or frame of a licensee’s internet domain or website.



Wash. Admin. Code 308-124B-210 (2010)

Washington has amended its advertising regulation to address “branding” of a brokerage and how to advertise using the “brand” name. The regulation applies when the brokerage is “using a name, title, or brand without obtaining an assumed name license.” The firm’s licensed name must be used as well, and must clear and conspicuous “in conjunction with the use of [the] name title or brand.” The name, title or brand also may not be “commonly understood to reference a firm or an office, such as ‘realty,’ ‘realtors,’ ‘firm,’ or ‘real estate.’”



La. Admin. Code tit. 46:LXVII, §§ 1901, 1903, 1907, 1909, 1911 (2014)

Louisiana has promulgated a rule addressing team brokerage. Teams are permitted, but they must be sponsored by a broker and generally must conduct all business from the office where the team members' individual licenses are held. § 1903. One member of the team must be designated as the contact person, who is responsible for all communications between the sponsoring broker and the team. *Id.* The team name cannot use terms that could suggest to the public that the team is offering brokerage services independent from its sponsoring broker. § 1905. Thus, a team name cannot use the phrases "real estate," "brokerage," "real estate brokerage," "realty," or "company." *Id.* The team can use its name in its advertising if the sponsoring broker agrees in writing. § 1909. The advertising cannot name or refer to an unlicensed person. *Id.*

Other States without Team-specific Statutes/Rules

- Main focus is that team-advertising follow existing state advertising regulations, which will require:
 - Placement of brokerage's name on all advertisements
 - Certain contact information

Meier v. Douglas Elliman Realty (N.Y. 2014)

Intra-team commission dispute; reminder that all payments for team must go to the broker

Members may not use the
REALTOR® trademarks in
connection with team names.

Proper Uses of the REALTOR[®] Marks:

Hillside Realty, REALTORS[®]

The Jones Team

Bob Jones, REALTOR[®]

Sunnyside Realty, REALTORS[®]

Team Sunshine

Bob and Sue Williams

Uptown Realty, Inc., REALTORS[®]

Improper Uses of the REALTOR® Marks:

Team Sunshine, REALTORS®

Sunnyside Realty, Inc.

Uptown Realty, Inc.

Bob and Sue Williams, REALTORS®

Team Bob Williams, REALTOR®

Uptown Realty, Inc.

Team Video Takeaway

Existing rules and regulations apply to teams!

- 1) Team advertising=display brokerage's name and anything else required by state law
- 2) All commission payments must go to broker
- 3) Members are not permitted to use the REALTOR® marks in connection with a team name

All of the slides from today's presentation are available on the Window to the Law page of www.realtor.org.

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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

2025 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Project Assistant, and 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
1. Protect the Consumer/Inform Licensees	<p>Teams on Consumer Disclosure Propose changes to the regulation 12 AAC 64.118, Consumer Disclosure with regards to teams.</p> <p>Review the proposed regulations when in front of Commission again regarding the Consumer Disclosure to see if a licensee can transition from representation back to specific assistance? Can you still represent the seller and provide specific assistance to the buyer when your previous relationship was representation? Or is the only path neutral?</p>	Commission Schok & Heaton to provide information to staff	Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
2. Commission Business/Inform Licensees	To review and revise 12 AAC 64.064 (g). Education requirements after initial licensure regarding broker/associate broker completion of post licensing education. Review regulations in other areas in the regulations that may also need revision, due to changes, endorsement and offices.	Commissioner Doran and Committee	In progress, included with current proposed regulations. Will review and discuss at March meeting regarding next step.
3. Commission Business/Inform Licensees	Payment of commissions/EM through title company's	Commissioners & Staff	
4. Commission Business/Inform Licensees	Through the Department, review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance for 2024-2026	Commissioners & Staff	Completed. Discussed at December 18, 2024 meeting. No fee increases for this next licensing period.
5. Commission Business/Inform Licensees	Regulation Project – 12 AAC 64.930 form and revision of regulation verbiage.		Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
6. Protect the Consumer/Inform Licensee	<ul style="list-style-type: none"> • Broker Supervision to strengthen the standards within the real estate industry regarding broker supervision and offices. • To define and review the regulations pertaining to broker supervision. • To define and review brokerage offices. -to be completed in a committee. 	T Heaton- Committee Chair D Doran – Committee Co-chair	

Last Edited 3/7/25

2025 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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 the Executive Administrator, Project Assistant, and 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
7. Protect the Consumer/Inform Licensee	<p>Possible new/revised regulations. Topics to consider:</p> <ul style="list-style-type: none"> • Office change process, including: • Change of broker and AB in an office • Change of office name • Change of ownership of an office • How to deal with an office change what there is a change of broker by owner when the owner is not a licensed broker or does not hold a license • Audit of E & O Insurance • Broker supervision, licensees not responding to customers/clients. • Transaction coordinators • HOA/Community Associations • Trusts Accounts • Audit of offices – physical address/location • Advertising – size of brokerage and team names. 	Commission to have work session meeting, open to public for public comment	<p>In progress.</p> <p>Commission will review and discuss at March meeting regarding next step.</p>
8. Protect the Consumer/inform Licensees	<p>Create regulations that will protect the public with regards to the NAR Settlement requirements.</p> <p>-Buyer Agreement completed before licensee shows property.</p>	Commission Member Elizabeth Schok/PeggyAnn McConnochie	<p>On hold.</p> <p>Commission to continue to monitor with the industry. May need new or revised regulations and possible statutes.</p>
9. Commission business/inform licensees	Disciplinary Matrix – Commission to review matrix and make changes as necessary.	Commission	
9. Commission business/inform licensees	Reinstatement License application – Review the length of time between application of license.	Commission member Doran to head this task.	

Last Edited 3/7/25

Executive Administrator's Report

LICENSING REPORT

March 6th, 2025

New Licensees: 12/1/2024 - 3/6/2025	45
Total Number of <u>Active</u> Licensees with 1/31/2026 exp	2,862
Total Number of Licensees with 1/31/2026 exp*	3,047

Transfers:	Sep-24	Dec-24	Mar-25
Total	87	111	71

ACTIVE: 1/31/26 exp	Sep-24	Dec-24	Mar-25	Change
Broker	398	405	411	6
Associate Broker	387	382	376	-6
Salesperson	2,107	2,086	2,075	-11
Total Active:	2,892	2,873	2,862	-11

PLE Completed:	Sep-24	Dec-24	Mar-25
	39	36	39

Upgrades:	Endorsement:
5	2

CURRENT ACTIVE OFFICES	Sep-24	Dec-24	Mar-25	Change
Main Offices	528	538	548	10
Branch Offices	45	47	48	1
Total Offices:	573	585	596	11

In this reporting period	Sep-24	Dec-24	Mar-25
License Returned	102	148	136
Probation License	0	0	0
Suspended	1	0	0
Revoked	0	1	0
Surrendered	0	0	0

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/26	Sep-24	Dec-24	Mar-25	Change
Broker	0	0	0	0
Associate Broker	1	1	0	-1
Salesperson	1	14	24	10
Total:	2	15	24	9

INACTIVE: 1/31/26 exp	Sep-24	Dec-24	Mar-25
Broker	5	4	3
Associate Broker	10	6	5
Salesperson	50	50	48
Total Inactive:	65	60	56

New Licenses Issued	Sep-24	Dec-24	Mar-25	Change
Broker by END	1	1	3	2
Associate Broker by END	1	0	0	0
Salesperson	42	43	34	-9
Total:	44	44	37	-7

LAPSED: 1/31/24 exp	Sep-24	Dec-24	Mar-25
Broker	23	23	23
Associate Broker	21	21	21
Salesperson	302	298	312
Total Lapsed:	346	342	356

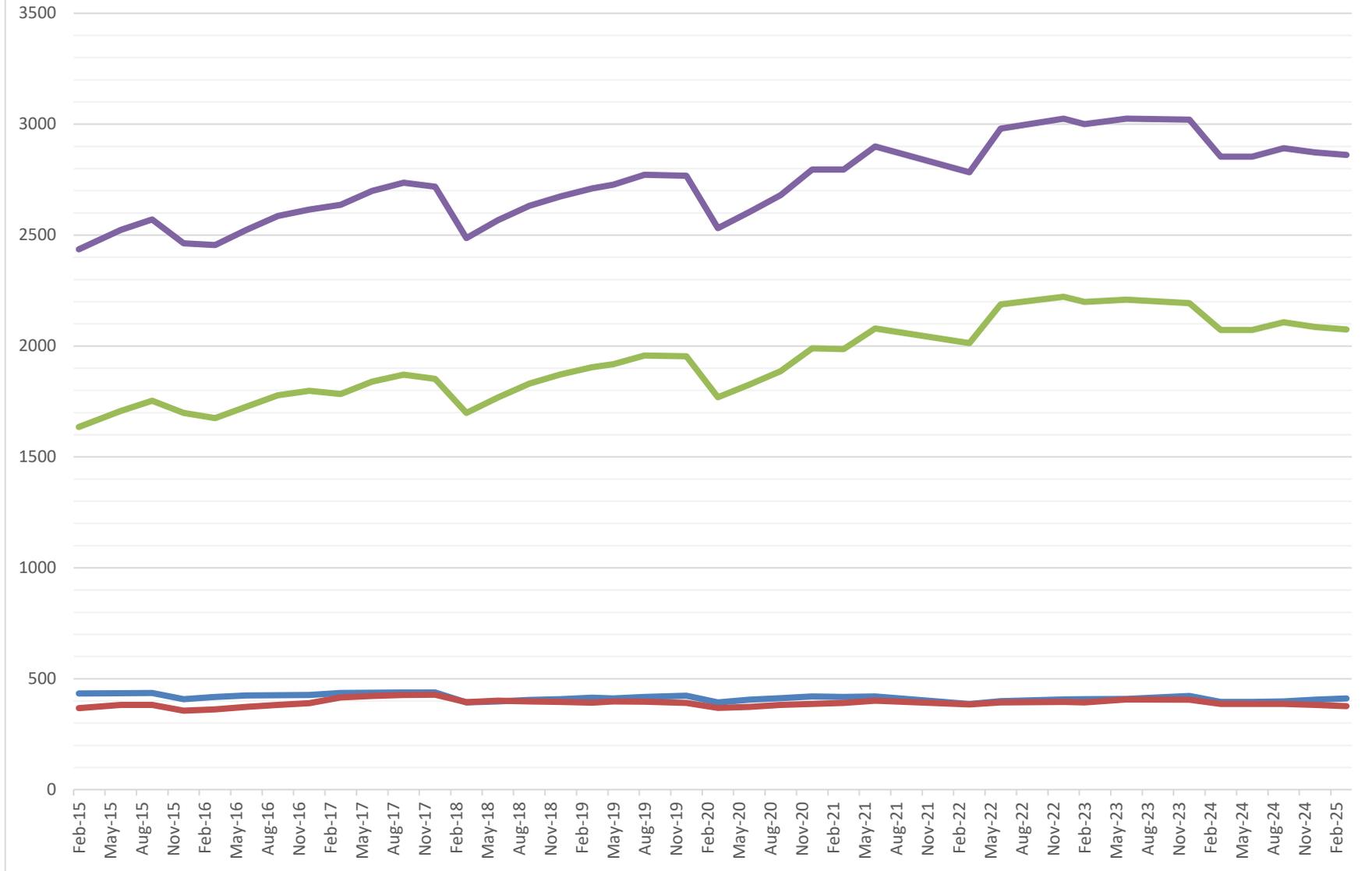
*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2026 expiration date

LICENSING REPORT

March 6th, 2025

Active Licenses by Type

Broker Associate Broker Salesperson Total Active:



REC EDUCATION REPORT

March 20th, 2025

(as of 3/7/2025)

Course Type	Currently Approved
Pre-Licensing (SPL)	16
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	359
Designated Continuing Education (DCE)	103
Post Licensing Education (PLE)	58
	Total: 482
Initial courses approved between 12/1/2024 and 3/7/2025	41
<u>Approved Instructors expiring 4/1/2025</u>	119
Permanent	
<u>New Instructors</u>	3
Sheron Patrick Anchorage Sara Ann McSheehy Anchorage Barbara Worley Wasilla	
Temporary Instructors	0

6(b) Legislative Audit

6(c) Designated Continuing Education
(DCE) topics for 2026-2028

Commission Member Comments and Questions