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

6 REAL ESTATE COMMISSION
7 MEETING MINUTES
8

9 February 9, 2023
10

11
12 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
13 6, a scheduled meeting of the Real Estate Commission was held February 9, 2023, at the
14 State of Alaska Atwood Building, 550 W. 7th Avenue, Suite 1550, Anchorage, Alaska via
15 Zoom.

16
17 **Thursday, February 9, 2023**

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

19 Chairperson Cheryl Markwood called the meeting to order at 9:05 a.m., at which time a
20 quorum was established.

21
22 Agenda Item 1(a) – Roll Call

23 Members Present via Zoom

24 Cheryl Markwood, Broker, Broker at Large, Chairperson

25 Traci Heaton, Associate Broker, 1st Judicial District

26 Devon Doran, Broker, 3rd Judicial District

27 Chad Stigen, Associate Broker, Broker at Large
28

29 Members Absent:

30 Elizabeth Schok, Associate Broker, 4th Judicial District
31

32 Staff Present:

33 Nancy Harris, Executive Administrator, REC

34 Kerry Givens, Project Assistant, REC

35 Erika Prieksat, Senior Investigator, CBPL

36 Anna Gabriel, Investigator, REC/APR

37 Holly Handley, Investigator, PHA

38 Melissa Dumas, Administrative Operations Manager, CBPL
39

40 Guests Present via Zoom:

41 Errol Champion, Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau
42

43 Ms. Markwood stated that Mr. Stigen would join the meeting shortly.
44

45 Agenda Item 1(b) - Approval of 2/9 Agenda

46 Commission members reviewed the agenda as presented.
47

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

**Resolved to approve the February 9, 2023, meeting agenda as
presented.**

48
49 **All in favor. Motion passed.**
50

51 Commission members Chad Stigen joined the meeting at 9:10 a.m.

52
53 Statements of Conflicts of Interest/Ethics Violations– 1(c)

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

55
56
57 **Agenda Item 2 – Public Comments**

58 Errol Champion, Chair of the Legislature and Real Estate Commission Committee for AK
59 Realtors did not have anything to bring to the Commission regarding the legislature but
60 that he was at the meeting to just observe.

61
62 He did give an update on the repeal of the property disclosure ordinance in Juneau. He
63 stated that the AK Realtors were successful in the repeal of the property disclosure
64 ordinance and property sales in Juneau do not have to be reported and it is off the books.
65 He said that the AK Realtors have been talking about strengthening the definition of being
66 a non-disclosure state with their concern that the first step of implementation of a transfer
67 fee or sales tax. Realtors know that goes against good housing, keeping housing costs
68 down, anything you can do to avoid increasing fees they think is viable and what Realtors
69 will stand up for. There are currently only 10 states that do not require disclosure. The
70 Realtors have looked at possibly a need to reinforce the fact that Alaska is a non-
71 disclosure state and will remain a non-disclosure state as it relates to real property values.

72
73
74 **Agenda Item 3 – Review of Meeting Minutes**

75 Agenda Item 3(a) – December 8, 2022

76
77 **On a motion made by Heaton, seconded by Doran, it was,**

78
79 **Resolved to approve the December 8, 2022, meeting minutes as**
80 **presented.**

81
82 **All in favor; Motion passed.**

83
84
85 **Agenda Item 7 – Old Business**

86 2023 Strategic Plan – 7(a)

87 Commission members reviewed, discussed, and made changes to the 2023 Strategic
88 Plan.

89
90 Ms. Harris stated that she added #13, regulation 12 AAC 64.064(g) education
91 requirements after initial licensure regarding broker/associate broker completion of post
92 licensing education and #14, payment of commission/earnest money through title
93 company.

94
95 Ms. Harris let the Commission members know that the Governor's Admin Order has
96 expired.

97
98 12 AAC 64.064(g) -Education Requirements after Initial License – 7(b)

99 Commission members discussed the regulation 12 AAC 64.064(g) and possible changes.

100
101 Ms. Doran suggested that a Salesperson would need to complete the required PLE before

102 they could become a Broker and open an office.

103
104
105 **Agenda Item 4 – Licensing Issues**

106 **Licensing Issue – 4(b)**

107 Commission members went into executive session to discuss the licensing issues.

108 Marilyn Zimmerman, paralegal for the CBPL joined the meeting.

109
110 **On a motion duly made by Heaton, seconded by Stigen, it was,**

111
112 **Resolved to go into executive session in accordance with the**
113 **provisions of AK Statute 44.62.310(c), for the purpose of discussing**
114 **subjects that tend to prejudice the reputation and character of any**
115 **person, provided the person may request a public discussion.**

116
117 **All in favor; Motion passed.**

118
119
120 *Commission went into executive session at 9:20 am.*

121 *Out of executive session at 9:30 am*

122
123
124 License Action- Case No. 2022-000852

125
126 **On a motion made by Doran, seconded by Stigen, it was,**

127
128 **Resolved to adopt the volunteer surrender in Case No. 2022-000852.**

129
130 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
131 absent.

132
133 *The Voluntary Surrender was adopted by the Commission in Case No. 2022-000852.*

134
135
136 **Agenda Item 5 – Investigative Report**

137 **Statistical/Probation Report– 5(a)**

138 Erika Prieksat, Senior Investigator, presented the investigation statistics report to the
139 Commission. She presented the investigative report for the reporting period of November
140 22, 2022, through January 24, 2023. There are 62 cases opened and 10 cases were
141 closed from the last report. She said quite a few cases are opened within a wide range
142 from 2020 to 2022. She gave a gentle reminder that if there are any cases that are
143 outstanding and need review and they have any questions about, they can reach out to
144 Anna, and she is also available for questions. she said they hope to get as many cases
145 wrapped up as possible.

146
147 Ms. Prieksat introduced Holly Handley to the Commission. She is the new investigator for
148 the Pharmacy Board. She is training and at the meeting to observe.

149
150
151

152 The Commission members had no questions for Ms. Prieksat regarding the investigative
153 report.

154

155 Ms. Markwood asked when Commission members are assigned a case is there an
156 expected time frame for review?

157

158 Ms. Prieksat said there is a 30-day goal for Board member review. Some cases may take
159 longer, if that is the case, she asked that they reach out and communicate that with Anna
160 Gabriel the REC investigator.

161

162

163 **Agenda Item 4 – Licensing Issues- cont'd**

164 Proposed Decision– 4(a) OAH No 22-0149-REC/Agency No 2021-000273

165 Administrative Law Judge Lebo joined the meeting. The Commission went into executive
166 session to discuss the proposed decision.

167

168 **On a motion duly made by Heaton, seconded by Doran, it was,**

169

170 **Resolved to go into executive session in accordance with the**
171 **provisions of AK Statute 44.62.310(c), for the purpose of discussing**
172 **subjects that tend to prejudice the reputation and character of any**
173 **person, provided the person may request a public discussion.**

174

175 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
176 absent.

177

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

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180

181 *Commission went into executive session at 9:40 am.*

182 *Out of executive session at 9:50 am*

183

184

185 Proposed Decision- OAH No 22-0149-REC/Agency No 2021-000273

186

187 **On a motion made by Doran, seconded by Stigen, it was,**

188

189 **Resolved to adopt decision for final action in the case of Agency No**
190 **2021-000273.**

191

192 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
193 absent.

194

195 *The Proposed Decision was adopted by the Commission in OAH No 22-0149-*
196 *REC/Agency No 2021-000273.*

197

198

199 **Agenda Item 5 – Investigative Report- Cont'd**

200 Investigative Training– 5(b)

201 REC investigator Anna Gabriel joined the meeting to present the investigative training that
202 will be conducted in executive session.

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On a motion duly made by Heaton, seconded by Stigen, it was,

Resolved to go into executive session in accordance with the provisions of AK Statute 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion.

All in favor; Motion passed.

Commission went into executive session at 9:55 am.

Out of executive session at 10:30 am

The Commission recessed for break at 10:35 a.m.

The Commission reconvened at 10:45 a.m.

Agenda Item 7 – Old Business – Cont’d

12 AAC 64.064(g) -Education Requirements after Initial License – 7(b) – Cont’d

Commission members continued discussed the regulation 12 AAC 64.064(g) and what direction they wanted Ms. Doran to look into making revisions.

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

Resolved to appoint Devon Doran as the Chair of the education requirements committee regarding the education requirements after initial license and broker supervision.

All in favor; Motion passed.

Agenda Item 6 – Division Update

Revenue/Expenditure Report, FY23/2nd Qtr. – 6(b)

Melissa Dumas, Administrative Operations Manager for the Division of Corporations, Business, and Professional Licensing, presented to the Commission the Revenue and Expenditures report for the FY2023 2st quarter, October through December 2022. She stated the current revenue was \$111,785. Expenditures totals were as follows: There were non-investigative expenditures of \$83,722 and investigative expenditures of \$109,107, for a total of \$192,829 direct expenditures. There were in- direct expenditures of \$93,896 place holder, (this includes internal administration, department, and statewide costs), leaving the total expenditures at \$286,725. There was a total ending cumulative surplus of \$1,145,465.

Ms. Dumas spoke about how the 4,062 number of licensees is calculated. This is determined from the license count and is taken from the statistical information which is located on the web page under division reports. The REC program is 3.89% of the total division, and REC saw 1% increase in licensure between FY 19 and FY22. She said that 4,062 is the number of licenses REC had at the end of FY 22, 3,680 at the end of the FY 21, 3,700 at the end of FY20 and 4,000 licensees in FY19.

255 Ms. Harris said that the REC completed their fee analysis after the last renewal and
256 decreased fees. This process is normally done before the renewal. She asked when we
257 will complete our next fee analysis and look at the recovery fund fee.

258
259 Ms. Dumas said the fee analysis was completed after the last renewal which is normally
260 done prior to renewals but there was not enough time to do it before and because REC
261 had a sizable surplus, they didn't want to wait another year to reduce fees. The fee
262 reduction for REC was effective February 12, 2023. She said that because the recovery
263 fee needed a fee increase but the Department was not increasing fees due to the
264 Governor's mandate to not increase fees, they requested \$75,000 in general fund to offset
265 what would be a needed fee increase for the recovery fund. These are general fund
266 dollars to keep the fund between that 250,000 - 500,000-dollar threshold that is required to
267 be in the Recovery fund. Ms. Dumas said that she did this through a budget request to the
268 Legislature, and it was approved by the Legislature through the budget process.

269
270

271 **Agenda Item 7 – Old Business – cont'd**

272 Property Management Committee update/discussion 7(c)
273 Commission tabled this agenda item until a later date.

274

275 Discuss status/goal of REC Consumer Disclosure –7(d)

276 Commission tabled this agenda item until a later date.

277

278 SOA Residential Real Property Disclosure Transfer Statement - 7(e)

279 Ms. Markwood stated that it was brought to her attention of a conflict in the definition of
280 residential real property between the statute AS 34.70.200(2) and AS 34.80.090. AS 34.70
281 refers to a single-family or two single family dwelling and AS 34.80 refers to a four plex.
282 Ms. Markwood did some research and found that the SOA Residential Real Property
283 Transfer Disclosure Statement form is specific to AS 34.70.200(2) and (3); however, the
284 form does not refer to AS 34.80.090.

285

286 The regulation specialist, Jun Maiquis, recommended to attach Title 34, Property as an
287 appendix and list title 34 in the document we provide.

288

289 The real estate industry is confused on the definition of residential real property and if a
290 disclosure needed for a 4-plex. Are they in compliance.

291

292 Legislation is required to make a change to a statute. The Commission discussed how to
293 make a statute change for the definition of residential real property.

294

295 **On a motion made by Heaton, seconded by Stigen, it was,**

296

297 **Resolved to appoint Devon Doran to represent the Commission to**
298 **reach out to the AK Association Legislative Committee to see if they**
299 **would assist us in initiating a change in the statute regarding the**
300 **definition of residential real property.**

301

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

303

304

305 **Agenda Item 8 – New Business**

306 2023 Legislative Guidance for CBPL Board & Commission Members – 8(a)

307 Ms. Harris provided to Commission members with an information sheet on guidance
308 during legislative session should the REC have a bill before the legislature. This is an
309 information sheet on the dos and don'ts during legislative session. There are currently no
310 bills before the legislature for REC this session.

311
312 POC for Legislative Matters– 8(b)

313 Ms. Harris provided information to the Commission regarding the requirement to select a
314 point of contact person to represent the Commission should they have a bill(s) before the
315 legislature. The Commission chose not to appoint a POC at this time because there are
316 currently no bills before the legislature for REC this session.

317
318 New Guidelines on Board Committees vs. Subcommittees vs. Workgroups – 8(c)

319 Commission members reviewed and discussed the new guidelines for Board committees
320 vs. subcommittees vs. workgroups. Ms. Markwood asked to have someone at the next
321 meeting to clarify

322
323 Temporary License – close out real estate office– 8(c)

324 Ms. Harris stated that Roger Porto the broker for Sundance Realty recently passed away
325 and his personal representative, Mark Choate, has requested that the Commission appoint
326 Michael Ban, an Associate Broker with Sundance Realty, as the acting/temporary Broker
327 for Sundance Realty while it goes through probate.

328
329 **On a motion made by Heaton, seconded by Stigen, it was,**

330
331 **Resolved to appoint Michael Ban as the personal representative and**
332 **acting broker for Sundance Realty while it goes through probate.**

333
334 **Roll call vote:** Heaton-yes, Stigen- yes, Doran- yes, Markwood- yes, Schok-
335 absent.

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

339 Licensing/Education Report/ Statistics – 9(a)

340 Ms. Harris presented the licensing report for February 9, 2023. She reported that between
341 November 23, 2022, through January 23, 2023, there were 33 new licenses issued; 3,000
342 active licensees with a 1/31/2024 expiration date; 3151 total number of licensees with an
343 1/31/2024 expiration date; 44 inactive licensees; 351 lapsed licenses with 44 of those for
344 non-compliance of PLE; 82 transfers; 49 licensees completed their PLE requirements; 3
345 license upgrades from salesperson to associate broker; 93 licensees in a license returned
346 status.

347
348 Education Statistics – 9(a)

349 Ms. Harris presented the education report for February 9, 2023. She reported that as of
350 January 24, 2023, there were 12 pre-licensing courses; 4 broker upgrade courses; 385
351 elective courses; 93 designated courses; and 77 post-licensing courses approved, with a
352 total of 482 courses approved. Ms. Harris stated there are currently 96 approved
353 instructors with 1 new instructor within the last quarter.

354
355 Recovery Fund Balance Report – 9(b)

356 Ms. Harris presented the Recovery Fund Report for the 2nd quarter, ending December 31,
357 2022. The Commission received a total of \$13,606 for license fees processed between
358 October and December leaving the current fund balance at \$328,509 and the end of year

359 fund balance of \$330,291. The projected balance for the end of the next fiscal year is
360 \$345,302.

361

362

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

364 Mr. Stigen asked if the two Commission industry seats have been renewed. Ms.
365 Markwood stated that both her and Devon Doran have requested reappointment and there
366 are 2 public member seats still vacant.

367

368 Devon Doran had no comments.

369

370 Ms. Heaton said she would not be available to attend the meeting on June 8th. She
371 thanked Cheryl and Devon for extending their time on the Commission. She said she
372 believes it is valuable to have both on the Commission with their experience because she
373 still feels very new.

374

375 Commission members changed the June meeting date from June 8, 2023, to June 15,
376 2023.

377

378 Ms. Markwood thanked everyone for all their hard work on the Commission. She said she
379 knows that investigations are a huge part of serving as a commissioner and that is a huge
380 concern for everyone. She estimated that 80% of her work for the Commission is with
381 investigations. She appreciates everyone's hard work especially with the backlog. She
382 said she also appreciates Devon continuing to serve on the Commission with all her
383 experience. She asked staff to make sure the meeting link is placed on the REC website
384 so that it is easily accessed for anyone interested in attending the meeting.

385

386

387 **Agenda Item 11 – Adjournment**

388

389

390 **On a motion made by Doran, seconded by Stigen, it was,**

391

392 **Resolved to adjourn the meeting.**

393

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

395

396

397 Meeting adjourned at 11:56 pm.

398

399 The next meeting will be held June 15, 2023, via ZOOM.

400

401

402

Prepared and submitted by:
Real Estate Commission Staff

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Approved:

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Cheryl Markwood

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Cheryl Markwood

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REC Chairperson

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Alaska Real Estate Commission

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