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3 STATE OF ALASKA
4 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
5 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
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7 **REAL ESTATE COMMISSION**
8 **MEETING MINUTES**
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10 **March 20, 2024**
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14 **Wednesday, March 20, 2024**

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

16 Chairperson Cheryl Markwood called the meeting to order at 9:06 a.m., at which time a
17 quorum was established.
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19 **Agenda Item 1(a) – Roll Call**

20 **Members Present via Zoom**

21 Cheryl Markwood, Broker, Broker at Large, Chairperson
22 Traci Heaton, Associate Broker, 1st Judicial District
23 Elizabeth Schok, Associate Broker, 4th Judicial District
24 Chad Stigen, Associate Broker, Broker at Large
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26 **Members Absent:**

27 Devon Doran, Broker, 3rd Judicial District
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29 **Staff Present:**

30 Nancy Harris, Executive Administrator, REC
31 Kery Givens, Project Assistant, REC
32 Anna Gabriel, Investigator, REC/APR, Anchorage
33 Billy Homestead, Senior Investigator, Anchorage
34 Sara Chambers, Boards and Regulations Advisor, Office of the Commissioner
35 Melissa Dumas, Administrative Officer, CBPL, Juneau
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37 **Guests Present via Zoom:**

38 Errol Champion, Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau
39 Deborah Brollini, public person
40 Francisca Tracy, Compliance Analyst, The CE Shop, CO
41 Mark Masley, New Liaison for AAR and Salesperson with Aurora One Aurora, Anchorage
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43 **Agenda Item 1(b) - Approval of 12/14 Agenda**

44 Commission members reviewed the agenda as presented.
45

46 Ms. Markwood had one addition to the agenda and that was a license action to be added
47 to tab 4(b).
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On a motion made by Stigen, seconded by Schok, it was,

Resolved to approve the March 20, 2024, meeting agenda as amended.

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50 **There were no opposition. Motion passed.**
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Statements of Conflicts of Interest/Ethics Violations– 1(c)

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

Agenda Item 2 – Public Comments

Deborah Brollini spoke to the Commission on behalf of herself. She said that she owns a townhome that had been managed by three separate property managers over the past 30 years who she believes have all have been involved in fraudulent activity with homeowner utilities. She stated that this has not only impacted her but three additional homeowners in the condo association. She said that it is clear to her there is lack of oversight of property managers and it will either be this governor or the legislature who will need to address the lack of education of real estate licensees and provide the statutory oversight that is necessary. The governor did move investigations to the Department of Law in 2019, which she supported. However, the investigation unit is still under the Department of Commerce.

Agenda Item 3 – Review of Meeting Minutes

Agenda Item 3(a) – December 14, 2023

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

Resolved to approve the December 14, 2023, meeting minutes as presented.

There were no opposition. Motion passed.

Agenda Item 3(b) – December 21, 2023

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

Resolved to approve the December 21, 2023, Teleconference meeting minutes as presented.

There were no opposition. Motion passed.

Agenda Item 3(c) – January 26, 2024

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

Resolved to approve the January 26, 2024, teleconference, meeting minutes as presented.

There were no opposition. Motion passed.

Agenda Item 2 – Public Comments – cont'd

Errol Champion, Chair of the Legislature and Real Estate Commission Committee for AK Realtors gave the Commission a legislative update as of this morning.

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103 He said there are 2 bills, House Bill 134 was filed last year, and it will stipulate that transfer
104 fees, excise taxes, sales, taxes cannot be levied against the sale of real property. He said
105 that they are optimistic that this bill will get out of the Legislature this year, and hopefully
106 the Governor will sign it as we continue to hear the cost of housing, we do not need to
107 allow for a transfer fee or an excise tax to be levied it sometime by a city or a borough or
108 the state.

109

110 Mr. Champion spoke of HB 347, that deals with some changes to how assessors assess
111 property values. He said it has been on the books since statehood that we us set that
112 value at a willing buyer, a willing seller but now they're changing some of the definitions.
113 The identical bill is SB 242. He said there has been a lot of concerns over assessed
114 values and boroughs and locales over the last several years and he believed this will
115 address some of the inequalities that are happening with our assessed values.

116

117 Mr. Champion spoke about HB 314, and SB 225. These were at the request of the
118 Governor, and they simply address the investigative costs and that they would no longer
119 be used in the calculation of professional fees. He said a few years back there was
120 another bill that was filed that was to blend all investigative costs, and they were going to
121 allocate the total professional licensing division investigated cost out equally to every
122 license holder. There was a lot of resistance, including resistance from real estate. So
123 now, instead of allocating it across the board. They are going to take it clear out, and it
124 won't be used in the calculation of fees.

125

126 Mr. Champion went on to talk to the Commission about the NAR's (National Association of
127 Realtors) proposed settlements. He urged the Commission members to keep themselves
128 informed. He said if they would like to review it and get details, they can go to the NAR
129 website and receive updates. He said he just wanted to remind all of us of and maybe if
130 the Commission support this, he thinks it is time for the REC to send the brokers a letter
131 reminding them of AS 08.88.865 requires that brokerage to have a current policy,
132 guideline requirement be signed by their license holders. He said he thinks the real Estate
133 Commission would be wise to just remind them that it's part of Alaska statute
134 requirements.

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136 Lastly, Mr. Champion shared with the Commission that after 23 years in real estate he is
137 hanging up his hat. He said Mark Masley is taking his place as the new liaison for the
138 Alaska Realtors to the Real Estate Commission. Mr. Champion is excellent, and he said
139 he will do well. However, he was not able to attend today's meeting because he was
140 attending the Board of Directors meeting for AK Realtors that was scheduled for the same
141 time. He thanked all the Commission members and said it has been a great experience to
142 serve as the AK Realtors liaison. He said he admired the time and hard work that all
143 Commission members put in. Again, he said it has been his privilege, and he wished
144 everyone the best, and thank them for allowing him to speak.

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146 The Commission members and REC staff thanked Mr. Champion for all that he has done
147 for the REC and the industry. They thanked him for keeping the Commission up to date on
148 what is going on in Juneau. They said he has a tremendous knowledge and history of the
149 industry and that it is a sad moment for the Commission but, they are excited for him and
150 this next season. They reiterated that the Commission would miss him greatly, and thank
151 him for everything he has done for the real estate industry over the years, and they really
152 do appreciate him and Honor him for that. He is an amazing person to work with the
153 knowledge that you provide to licenses here in Alaska is very much appreciated.

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Agenda Item 4 – Investigations

Statistical Report – 4(a)

Ms. Gabriel, Investigator for the real estate commission, presented the investigation statistical report to the Commission. Ms. Gabirel said for the reporting period of November 29, 2023, through March 12, 2024. She stated there are 32 cases opened, and 18 cases were closed from the last report.

Investigative Training – 4(b)

Ms. Gabriel presented the first portion of the public portion of the investigative training/process to the Commission.

The Commission recessed for break at 9:45 a.m.

The Commission reconvened at 9:52 a.m.

Commission members went into executive session to discuss second portion of their investigative training presented by Ms. Sara Chambers the Boards and Regulations Advisor with the Commissioner office.

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

Resolved to go into executive session to discuss investigative matters/training.

There were no opposition. Motion passed.

Commission went into executive session at 9:53 am.

Out of executive session at 11:07 am

The Commission recessed for break at 11:08 a.m.

The Commission reconvened at 11:16 a.m.

License Action –

Imposition of Civil Fine, Case No. 2022-000732 – 4(c)

Ms. Markwood asked if any Commission member had a conflict of interest with case 2022-000732.

Ms. Heaton said she had a conflict of interest as the reviewing member and requested to be recused from case 2022-000732.

Ms. Markwood approved the recusal of Ms. Heaton from case no. 2022-000732.

Ms. Markwood stated that Ms. Zimmerman was present at the meeting.

Commission members went into executive session to discuss a license action from agenda item 4(b), Imposition of Civil Fine, Case # 2022-000732.

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

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Resolved to go into executive session to discuss investigative matters.

There were no opposition. Motion passed.

*Commission went into executive session at 9:26 am.
Out of executive session at 9:44 am*

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

Resolved to adopt the Imposition of Civil Fine, Case No. 2022-000732.

Roll call vote: Schok -yes; Stigen – yes Doran – absent, and Markwood – yes, Heaton- recused and abstained from voting.

The Commission adopted the Imposition of Civil Fine, Case No. 2022-00372 with regards to Real Estate Salesperson Ambrosia Romig.

Agenda Item 5 – Division Update

Revenue/Expenditure Report, FY24/2ndth 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 for the FY2024 2nd quarter, through December 2023. She stated the current revenue was \$176,875. Expenditures totals were as follows: There were non-investigative expenditures of \$92,348 and investigative expenditures of \$106,919, for a total of \$199,267 direct expenditures. There were in- direct expenditures of \$101,551, (this includes internal administration, department, and statewide costs), leaving the total expenditures at \$300,818. There was a total ending cumulative surplus of \$836,127.

Agenda Item 6 – Old Business

Regulation Project – update - 6(a)

12 AAC 64.118 Consumer Disclosure form

12 AAC 64.119 Waiver of Right to be Represented.

12 AAC 64.930, SOA Residential Real Property Disclosure Transfer Statement

Ms. Harris updated the Commission on the forms that are part of the current regulation project. There was question the Publication Team had for the Commission regarding how the Commission would like with some changes they recommend with the State of Alaska Residential Real Property Transfer Disclosure Statement form 08-4229.

There was a question on taking a copy of the first page of the form 08-4229 to be the first page of the forms Exemption of First Sale and Waiver of Right to Be Represented, that will be stand-alone documents.

Ms. Markwood wanted to state how frustrating it is as a Commission it is to review forms

255 that they have approved two meetings ago and to review it again and try to remember
256 what changes they had done.

257

258 Ms. Markwood stated that ALL documents that go out for public comment MUST have the
259 DRAFT watermark on them because it is too confusing to licensees and the public.

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

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264 **Resolved to approve the proposed changes to State of Alaska**
265 **Residential Real Property Transfer Disclosure Statement form 08-4229**
266 **as amended and as previously noticed with 12 AAC 64. 930.**

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268 Roll call vote: Heaton-yes; Schok -yes; Stigen –yes, Doran – absent, and
269 Markwood – yes.

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272 FY 2023/2024 Strategic Plan- update – 6(b)

273 Ms. Harris gave an update on the 2024 REC strategic plan. She stated the items that
274 were completed since the last meeting and items that were deleted from the strategic plan.

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276 The Commission recessed for break at 1:10 p.m.

277 The Commission reconvened at 1:23 p.m.

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279 Work Meeting – 6(c)

280 At the March meeting the Commission said they would like to have a separate work
281 meeting to go over the list topics that were brought forward by the Executive Administrator
282 at the last meeting to see how they would like to proceed with these issues. This work
283 meeting would include Commission members and the public.

284

285 Ms. Harris asked the Commission to choose a date for the work meeting so that she could
286 set it up. The Commission choose Wednesday, May 15, 2024, 9 am to 12 pm.

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289 **Agenda Item 7 – New Business**

290 Letter of Support – 7(a)

291 The Commission members reviewed the letter of support for HB314 and SB 225,
292 regarding occupational licensing fees, that was sent to Chairman Bjorkman and Chairman
293 Sumner on February 20, 2024. The Commission members voted on their support of these
294 bills previously in Onboard. Ms. Markwood stated that the Commission wanted to
295 acknowledge their support on the Governor’s bills. She thanked the Commission members
296 on their quick response to this matter.

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298 Disciplinary Matrix – 7(b)

299 Commission members reviewed and discussed the disciplinary matrix to see if they would
300 like to make any revisions regarding advertising.

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

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

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310 **There were no opposition. Motion passed.**

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313 *Commission went into executive session at 12:01 p.m.*

314 *Out of executive session at 12:18 p.m.*

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317 **On a motion duly made by Heaton, seconded by Schok, it was,**

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319 **Resolved to add Advertising as an additional topic to item #7 on the**
320 **FY24 Strategic plan.**

321

322 **There were no opposition. Motion passed.**

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325 No changes were made to the current Disciplinary Matrix by the Commission at this time.

326

327 Annual Report– 7(c)

328 Commission members reviewed and discussed the Annual Report as presented. The
329 Commission asked to remove the video from annual report.

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331

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

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334 **Resolved to approve the FY2024 REC Annual Report as amended.**

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336 **There were no opposition. Motion passed.**

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339 **Agenda Item 8 – Executive Administrator’s Report**

340 Licensing/Education Report/ Statistics – 8(a)

341 Mr. Givens presented the licensing report for March 20, 2024, to the Commission. He
342 reported that between November 23, 2023, through March 5, 2024, there were 87 new
343 licenses issued; 2,775 active licensees, 2,788 total number of licensees with an 1/31/2026
344 expiration date; 5 inactive licensees; 30 lapsed licenses due to non-compliance of PLE;
345 119 transfers; 56 licensees completed their PLE requirements and 54 licensees in a
346 license returned status.

347

348 Mr. Givens presented the education report for March 20, 2024. He reported that as of
349 March 6, 2024, there were 10 pre-licensing courses; 4 broker upgrade courses; 185 the
350 elective (ECE) and 56 designated (DCE) courses and 47 Post Licensing courses with a
351 total of 253 approved courses. There were 25 initial courses approved between 11/27/23
352 and 3/6/2024.

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There are a total of 103 instructors. There were 3 new instructors, Marie Mosley, Ashley Copley and Terry Bryan and no temporary instructors.

Recovery Fund Balance Report – 8(b)

Ms. Harris presented the Recovery Fund Report ending December 31, 2023. The Commission received \$26,350 in revenue for license fees processed with a total revenue at \$31,797 f and \$26,970 total expenditures for the year. The beginning year balance was \$375,965 and the end of year fund balance of \$380,792. The project end of year balance for the fiscal year ended 6/30/24 is \$447,758.

Agenda Item 9 – Commission Member Comments & Questions

Adjournment

Ms. Schok, she said she is proud of all the work the Commission does and thanked everyone for all their hard work. She said she enjoys being on the Commission.

Ms. Heaton said she echoed what Ms. Schok said and thanked the Chair and REC staff for their work on the Annual Report. She said the Strategic Plan is very helpful to the Commission is to see what we are working towards. She appreciates all the comments and the working relationship with the other Commission members, and she enjoys working on the Commission.

Mr. Stigen thanked the REC staff for all their hard work. He said this was a good meeting.

Ms. Markwood agreed that it was a good meeting and thanked the REC staff for all their hard work. She said that she needs to remember to be patient regarding the regulation project because there is only one regulation specialist at this time so the process will take a bit longer. The regulation specialist handles all professions, so we need to remember to be patient. She also gave a helpful reminder to the other Commission members with investigations, to complete at least 1 investigative matter every 30 days. The investigator has asked for them not hold cases over 30 days. She said they are working on 2021- 2022 cases now and the 2023 and 2024 are waiting. She said she is looking forward to the working meeting on May 15th and the regular REC meeting in June. She thanked all the Commission members for all their hard work.

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

Resolved to adjourn the meeting.

There were no opposition. Motion passed.

Meeting adjourned at 12:45 pm.

Next meeting: June 19, 2024.

Prepared and submitted by:
Real Estate Commission Staff

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Approved:

Cheryl Markwood

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission