

***Annual Report***  
***Fiscal Year 2005***

**REAL ESTATE COMMISSION**



**DIVISION OF CORPORATIONS BUSINESS AND  
PROFESSIONAL LICENSING**

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**DIVISION OF OCCUPATIONAL LICENSING**

*Frank H. Murkowski, Governor*

August 30, 2005

Mr. Rick Urion, Director  
Division of Occupational Licensing  
P.O. Box 110806  
Juneau, AK 99811-0806

Dear Mr. Urion,

Enclosed is the Annual Report of the Real Estate Commission for FY2005 to meet statutory requirements under AS 08.01.

This report contains information regarding the Commission's activities for the fiscal year as well as issues relevant to the regulations of the profession and the Commission goals for the future.

If you have questions regarding this report, feel free to contact me or the Executive Administrator, Sharon Walsh. We appreciate the privilege of serving Alaskans in our role as volunteer members of the Real Estate Commission.

Sincerely,

Barbara Ramsey  
Chairperson  
Alaska Real Estate Commission

RECEIVED  
SEP 23 2005  
DIVISION OF  
OCCUPATIONAL LICENSING  
JUNEAU

# REAL ESTATE COMMISSION

## IDENTIFICATION OF BOARD (As of August 2005)

Name Mailing Address E-mail Address	Judicial District / Phone		Fax	Term Expires
	Work	Home		
<b>Barbara Ramsey</b> 3111 C Street, Suite 100 Anchorage, AK 99503-3925 E-mail: info@ramseyteam.com	Chairperson, Associate Broker / 3 <sup>rd</sup> Judicial District  261-7553	770-7777	261-7555	<b>March 1, 2007</b>
<b>Bradley J. Fluetsch, CFA</b> 5700 N. Douglas Hwy. Juneau, AK 99801-9437 E-mail: bjf@gci.net	Public Member  523-1123 321-2723(c)	586-6639	463-3997	<b>March 1, 2007</b>
<b>David Somers</b> 711 Gaffney Road, Suite 100 Fairbanks, AK 99701-4662 E-mail: dsomers@alaska.net	Broker at Large  456-7653	456-8339	456-7650	<b>March 1, 2007</b>
<b>Gene DuVal</b> ReMax Associates of Fairbanks PO Box 73404 Fairbanks, AK 99707 E-mail: duval@gci.net	Associate Broker / 4 <sup>th</sup> Judicial District  452-4363		452-1499	<b>March 1, 2009</b>
<b>Roger Stone</b> Alliance Realty Property Management LLC PO Box 5891 2204 Tongass Avenue Ketchikan, AK 99901 E-mail: trpm63@hotmail.com	Broker / 1 <sup>st</sup> Judicial  225-4108	617-1719	225-0353	<b>March 1, 2009</b>
<b>Rita Wilson</b> 3801 Centerpoint Drive, #200 Anchorage, AK 99503 E-mail: rstuckart@jackwhite.com	Broker at Large  762-3112	243-7482	762-1861	<b>March 1, 2008</b>
<b>Tim Worthen</b> 1900 Premier Ct. Anchorage, AK 99502-1113 E-mail: tim@touralaska.net	Public Member 279-0001	227-8562	279-0002	<b>March 1, 2008</b>

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**STAFF**

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<b>Sharon J. Walsh</b> 550 West 7 <sup>th</sup> Avenue, Suite 1500 Anchorage, AK 99501-3567 Email: sharon_walsh@commerce.state.ak.us	Executive Administrator  269-8197	269-8196
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<b>Teresa Thacker</b> 550 West 7 <sup>th</sup> Avenue, Suite 1500 Anchorage, AK 99501-3567 Email: teresa_thacker@commerce.state.ak.us	Publication Specialist  269-8168	269-8156
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<b>Nancy Harris</b> 550 West 7 <sup>th</sup> Avenue, Suite 1500 Anchorage, AK 99501-3567 E-mail: nancy_harris@commerce.state.ak.us	Licensing Examiner  269-8162	269-8156
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<b>Margo Mandel</b> 550 West 7 <sup>th</sup> Avenue, Suite 1500 Anchorage, AK 99501-3567 E-mail: margo_mandel@commerce.state.ak.us	Investigator  269-8124	269-8195
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# REAL ESTATE COMMISSION

## NARRATIVE STATEMENT FY 05

### *The Alaska Real Estate Commission's (REC) Mission Statement:*

Revised in 1994

***The mission of the Alaska Real Estate Commission is to protect the public interest by licensing practitioners and enforcing the established standards, to promote professional excellence in the real estate industry, and to support and encourage licensees.***

A few of the highlights are listed below of FY 05 activities:

#### General Activities of the Commission

- In December the Commission elected Barbara Ramsey of Anchorage as its Chair and Larry Bauer of Juneau as its Vice Chair. Other members included David Somers of Fairbanks, Rita Wilson of Anchorage, Susan Rainey of Fairbanks and the two public members, Glenn Clary of Anchorage and Bradley Fluetsch of Juneau.
- The Commission attempted to reach a broader audience of licensees by attending luncheons sponsored by local real estate boards around the state during their break from Commission meetings in Juneau, Anchorage and Fairbanks.
- The Commission funded a variety of educational programs from the Surety Fund and continued to provide the public with the Landlord Tenant Handbook, a nominal fee for the hardcopy is required by regulation. It was also made available this year on our web site.
- The Commission made decisions on 11 Surety Fund claims amounting to \$63,989.

#### Staff

The Commission requested that the Publication Specialist II position be filled to oversee education functions and provide for a quarterly newsletter. On March 16, 2005 Teresa Thacker accepted the position. Her previous experience was with the Board of Nursing. This new addition to the Real Estate Commission staff has been well received and beneficial especially with the implementation of education projects.

#### Commission Members

The Commission welcomed two members in June from Judicial Districts 1 and 4. Roger Stone from Ketchikan replaced Larry Bauer from Juneau. Gene DuVal from Fairbanks replaced Susan Rainey also from Fairbanks. The terms will expire in March 2009. Our second public member, Glenn Clary resigned in April 2005. The position was vacant until August 2005. Tim Worthen filled this position. His term will expire in March 2008.

At the June meeting in Fairbanks the Commission set their goals and objectives for new fiscal year FY06.

## **Recommendations from Sunset Audit 2004**

The Commission carried out the recommendations made in FY04 in the Legislative Sunset Audit.

### **Recommendation No. 1:**

- Increase the limits on the Surety Fund:  
HB418 provided for the increase in the claimant's limit on a surety fund claim from \$10,000.00 to \$15,000.00 per claim with a maximum of \$50,000.00 per licensee. (no change there)

The Real Estate Commission disagreed with the Legislative Audit recommendation to "specify mobile home transactions are subject to Real Estate Surety Fund claims". At the March 14 & 15, 2005 meeting of the Real Estate Commission a motion was made and passed unanimously that mobile homes are not considered real property and are not covered under the surety fund.

### **Implementation of HB29**

The Commission agreed for Surety Funds to be spent on a specific Train the Trainer course as a result of the passage of HB29. Licensees attended Train the Trainer courses that covered the new requirements of licensee relationships. These courses were offered around the state in October 2004. The Commission also complemented the new statutory language with regulations and new forms. The project was perhaps the largest regulation project that the Commission has ever worked on. It was considered to be comprehensive legislation because of its sheer impact on licensees and their professional relationships.

### **Broker Manual Book Update**

REC members and staff have been busy updating the Broker Manual. It will be out for distribution in the early part of FY 2006. This project has been overdue and many changes have occurred that needed to be captured in the manual to assist new brokers.

### **Surety Fund Report**

The Surety Fund saw record pay out this year from one licensee. There were 9 claimants involved with one licensee. Due to the statutory limit on the amount the licensee is obligated to a maximum of \$50,000.00. This limit was reached in the 9 claims filed. As a result of the multiple cases against one licensee, the Commission decided that when a Surety Fund claim is filed and that the claim is alleging conversion of trust funds, the licensee's broker will be asked to cooperate with an audit for that particular transaction. A member of the Administrative Law Judges pool now hears Surety Fund claims. The claims, once filed are set to meet a 180-day hearing requirement, unless waived by the parties.

### **Continuing Education**

The Commission staff worked on creating and implementing an education database that provides useful information to the licensee when searching for continuing education courses and instructors that are certified by the Commission. We had an education database for licensees but have since spent sometime this year refining it so that it better serves the needs of the licensee. A licensee can now search by topic number, course number or course name. This information on-line is just another way to communicate with our licensees and empower them in their pursuit of the real estate

profession. We now offer more courses for continuing education through other means such as on-line.

### **Post-Licensing Education**

The 24<sup>th</sup> Legislature passed HB169 that requires 20 hours of post-licensing education for an initial license in real estate. The Governor signed the bill on July 15, 2005. The Real Estate Commission is currently in the process of drafting regulations for this legislation that has an effective date of January 1, 2006.

### **Web Site Update**

The REC recently made drastic changes to its web site. We have made an effort to provide licensees with most everything they need from forms to frequently asked questions. We have also created a ListServ for licensees to receive weekly updates from the Commission. These updates range in scope from continuing education course offerings, receiving the newsletters to informing licensees of new regulation projects.

**FISCAL YEAR 2005  
STATISTICAL OVERVIEW**

Program: REAL ESTATE COMMISSION

AS 08.88  
12 AAC 64

Name of Individual Completing Report: Nancy Harris  
Date: July 1, 2005

CATEGORY	NEW – ISSUED DURING FY 2005	TOTAL AS OF 07/01/2005
<b>A. Current Active Licenses, Permits, Endorsements, Courtesy Licenses, Apprentice/Student Permits, etc.</b> (List type and if issued by examination or credential, as applicable)		
1. Salesperson ( <i>exam</i> )	382	1535
2. Salesperson ( <i>endorsement</i> )	8	---
3. Associate Broker ( <i>exam</i> )	21	380
4. Associate Broker ( <i>endorsement</i> )	1	---
5. Broker ( <i>upgrade</i> )	10	476
6. Broker ( <i>endorsement</i> )	0	
7. Associate Broker – ( <i>practice limited to Community Association Management</i> )	0	
8. Broker – ( <i>practice limited to Community Association Management</i> )	0	
9. Temporary – (CSED/Temporary)		0
<b>TOTAL</b>	<b>422</b>	<b>2391</b>
<b>B. Current Inactive Licenses</b> (Only Medical, Dental, CPA, and Real Estate)		
1. Salesperson		66
2. Associate Broker		11
3. Broker		3
<b>TOTAL</b>		<b>80</b>

CATEGORY	NEW - ISSUED DURING FY 2005	TOTAL AS OF 7/01/2005	NOTES
<b>C. Retired Licenses</b>			
1. All license types <i>(lost contact w/ broker)</i>	N/A		
2. Lapsed	341		
<b>TOTAL</b>	<b>341</b>		
<b>D. Disciplined or Conditioned</b> (Suspended, Revoked, Surrendered, Probation, Limited, Continuing Education Enforcement, etc.)			
1. Suspended	0	0	
2. Active Probation		2	
3. Revoked	0	0	
4. Surrendered	1	1	
<b>TOTAL</b>	<b>1</b>	<b>3</b>	

**E. Other action taken during fiscal year for which a fee was required**  
(License verifications processed, roster requests, name changes, etc.)

TYPE OF ACTION	NUMBER PROCESSED
1. License Verifications	58
2. Certified Copies of Files	5
3. Name Changes	5
4. Roster Requests	3
5. Wall Certificates	0
6. Applications Received	391
7. Change Status/Transfers	843
8. Landlord-Tenant Books Sold	897

**F. Examination Dates**

(List each examination administration separately. Subdivide if more than one exam is given in administration.)

EXAM TYPE	LOCATION	DATE	CANDIDATES	NO. PASSED	NO. FAILED
The computerized exam is administered by contracting testing service, Promissor. Statistics are listed on a separate spreadsheet. See page					

**G. Board Meetings and Teleconferences**

DATE	LOCATION <i>(indicate if teleconference)</i>
September 14 & 15, 2004	Anchorage-Quarterly Meeting
September 30, 2004	Anchorage, Teleconference
October 1, 2004	Anchorage, Teleconference
November 10, 2004	Anchorage, Teleconference
December 2 & 3, 2004	Anchorage-Quarterly Meeting
December 7, 2004	Anchorage, Teleconference

**Additional Meetings:**

December 14, 200	Anchorage, Teleconference
December 21, 2004	Anchorage, Teleconference
February 15, 2005	Anchorage, Teleconference
March 14 & 15, 2005	Juneau, Quarterly Meeting
March 29, 2005	Anchorage, Teleconference
May 3, 2005	Anchorage, Teleconference
June 13 & 14, 2005	Fairbanks, Quarterly Meeting

**REAL ESTATE COMMISSION**  
**SURETY FUND CLAIM AND LICENSE VIOLATION STATISTICS**

**Surety Fund**

Opened in FY 05	10
Finalized/completed FY 05	11
Withdrawn prior to hearing FY 05	8
Deny Claim FY 05	3
Current Open Fund Cases (awaiting hearing, report of findings, adjudication or held in abeyance)	8
Total Claims Paid in FY 2005	<b>\$63,989</b>

**License Investigations**

Opened – FY 05	43
Closed – FY 05	47
Dismissed – FY 05	N/A
Accusations filed – FY 05	4
Actions through Investigation Unit Via Hearing Officer License Surrenders	2
Memorandum of Agreement	0

**REAL ESTATE COMMISSION**  
**STATISTICAL EDUCATION REPORT FY ' 05**

<b>Course Type</b>	<b>Number Approved</b>
Prelicensing	1
Broker Training	0
Elective Continuing Education (ECE)	44
Required Continuing Education (DCE)	6
<b>Total Approved:</b>	<b>51</b>

Continuing Education Courses:	152
Salesperson Pre-Licensing Courses:	10
Broker Upgrade Courses:	4
<b>Total Courses:</b>	<b>166</b>

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**Instructors Approved**

Permanent Instructors	19
Temporary Instructors	5
<b>Total Approved:</b>	<b>24</b>
<b>Total Current Instructors:</b>	<b>80</b>

## **REAL ESTATE COMMISSION**

### **GOALS AND OBJECTIVES FOR FY 2006**

1. Update the Broker Manual and make it available on-line through Department of Commerce REC web site.
2. Draft Regulations for Continuing Education requirements-reviewing evaluations, certificates and required content.
3. Implement regulations for Post-Licensing Education requirements effective January 1, 2006.
4. Home Office regulation/criteria.
5. Definition of supervision for licensees, with emphasis on Home Office.
6. Continue consideration of regulation change regarding vicarious liability of brokers in Surety Fund claims.
7. Continuing Education credits for recognition of professional designations.
8. ARELLO Attendance at Annual Conference (national) and Mid-Year (regional).
9. Revise renewal forms.
10. More outreach to licensees from Commission-provide updated web site information for licensees. Provide for quarterly newsletter.
11. Make changes to regulations providing for stronger definition of remote supervision of licensees.
12. Continue to meet with licensees throughout the state when traveling to their areas. Provide for feedback through Commission meetings or through the quarterly newsletter.

**REAL ESTATE COMMISSION  
BUDGET RECOMMENDATIONS**

**Travel Requests – FY 2006:**

Number of meetings required by statute:	1
Number of meetings requested:	4

• Commission Meeting Locations FY 2006:

Winter	Anchorage
Fall	Anchorage
Spring	Juneau
Summer	Fairbanks

- Chairperson &/ or Executive Administrator to ARELLO Mid -Year Conference
- Executive Administrator to Annual ARELLO Conference
- Executive Administrator to meet with licensees around the state  
*(Such as: Fairbanks, Homer, Kenai, Ketchikan, Kodiak and Wasilla)*

It is recommended that the funding for the Commission travel in FY'06 be maintained as in FY'05.

There are no anticipated equipment purchases for FY'06.

The staff recommends to the Commission intermediate level Train-the-Trainer courses offered in FY'06 funded in part by the Surety Fund.

## **REAL ESTATE COMMISSION**

### **LEGISLATIVE RECOMMENDATIONS**

- Review and track pending legislation HB149(e) relating to the listing of property that constitutes an illegal drug manufacturing site of Methamphetamines.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
OCCUPATIONAL LICENSING

EXPENDITURE AND REVENUE REPORT FOR THE REAL ESTATE COMMISSION

As of September 9, 2005

REAL ESTATE (In Thousands)	RFWD		FISCAL YEAR 2000	FISCAL YEAR 2001	RFWD	FISCAL YEAR 2002	FISCAL YEAR 2003	RFWD	FISCAL YEAR 2004	FISCAL YEAR 2005
PERSONAL SVCS EXPENSES	Direct		178.4	141.7		142.8	171.3		160.8	162.6
	Indirect		53.2	52.6		54.0	59.7		67.2	59.4
<b>Total:</b>			\$231.6	\$194.3		\$196.8	\$231.0		\$228.0	\$222.0
TRAVEL EXPENSES	Direct		16.7	11.9		16.8	21.2		17.7	19.2
	Indirect		0.5	0.7		0.5	0.9		0.7	0.8
<b>Total:</b>			\$17.2	\$12.6		\$17.3	\$22.1		\$18.4	\$20.0
CONTRACTUAL SVCS EXPENSES	Direct		67.1	45.7		78.5	79.3		111.3	102.9
	Indirect		35.3	26.5		35.1	38.3		47.1	51.8
<b>Total:</b>			\$102.4	\$72.2		\$113.6	\$117.6		\$158.4	\$154.7
SUPPLIES EXPENSES	Direct		0.6	2.9		1.5	1.6		1.6	5.5
	Indirect		3.0	2.9		2.1	2.4		2.4	3.8
<b>Total:</b>			\$3.6	\$5.8		\$3.6	\$4.0		\$4.0	\$9.3
EQUIPMENT EXPENSES	Direct		0.0	0.0		0.0	0.0		0.0	0.0
	Indirect		1.3	5.5		4	1.4		1.9	0.0
<b>Total:</b>			\$1.3	\$5.5		\$4.0	\$1.4		\$1.9	\$0.0
<b>TOTAL EXPENSES:</b>			\$262.8	\$202.2		\$239.6	\$273.4		\$291.4	\$290.2
<b>TOTAL REVENUE:</b>			\$93.3	\$88.2		\$95.7	\$102.7		\$119.3	\$115.8
<b>BALANCE (Revenue - Expenses) :</b>			\$356.1	\$290.4		\$335.3	\$376.1		\$410.7	\$406.0
<b>Blennium:</b>			\$629.0	\$84.1		\$646.7	\$126.6		\$524.9	\$208.4
<b>Roll-Forward Balance:</b>			272.9	(206.3)		311.4	(249.5)		114.2	(197.6)
			66.6				61.9			(83.4)
										(0.8)

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
OCCUPATIONAL LICENSING

EXPENDITURE AND REVENUE REPORT FOR THE REAL ESTATE COMMISSION

As of September 9, 2005

**PERSONAL SERVICES:** Expenses consist of employee salaries and benefits.

**TRAVEL:** Expenses include transportation, food and lodging for board meetings, disciplinary hearings and national meetings.

**CONTRACTUAL:** Expenses include services purchased from sources outside the Division, such as telephone calls, postage, expert witnesses, and legal costs.

**SUPPLIES:** Expenses include paper, envelopes, cassette tapes, and other office supplies.

**EQUIPMENT:** Expenses include purchase and repair of computers, software, copy machines, telephones, and other office equipment.

Fiscal Years for Alaska's state government begin July 1 and end June 30.

This chart shows the figures in the state accounting system on the day the chart was prepared. Some bills are not received and entered in the system for several months after the expense occurs. Figures are in thousands of dollars and are rounded to the nearest hundred. For example, \$1.3 means \$1,300.00.

**Real Estate Commission  
Pass/Fail Rates FY 2005**

	Passd	Failed	Total	% Passing
<b>Salesperson-new</b>				
Jul-04	17	17	34	50%
Aug-04	20	14	34	59%
Sep-04	11	24	35	31%
Oct-04	16	7	23	70%
Nov-04	26	19	45	58%
Dec-04	24	20	44	55%
Jan-05	14	16	30	47%
Feb-05	23	21	44	52%
Mar-05	34	27	61	56%
Apr-05	26	19	45	58%
May-05	17	21	38	45%
Jun-05	18	25	43	42%
<b>Sub-total</b>	<b>246</b>	<b>230</b>	<b>476</b>	<b>52%</b>
<b>Salesperson - repeat</b>				
Jul-04	15	24	39	38%
Aug-04	16	21	37	43%
Sep-04	7	24	31	23%
Oct-04	16	19	35	46%
Nov-04	10	14	24	42%
Dec-04	9	21	30	30%
Jan-05	12	18	30	40%
Feb-05	9	25	34	26%
Mar-05	14	15	29	48%
Apr-05	24	26	52	46%
May-05	18	17	35	51%
Jun-05	15	19	34	44%
<b>Sub-total</b>	<b>165</b>	<b>245</b>	<b>410</b>	<b>40%</b>
<b>Total for Year</b>	<b>411</b>	<b>475</b>	<b>886</b>	<b>46%</b>
<b>Broker - new</b>				
Jul-04	2	3	5	40%
Aug-04	3	0	3	100%
Sep-04	0	0	0	#DIV/0!
Oct-04	4	2	6	67%
Nov-04	0	2	2	0%
Dec-04	8	4	12	67%
Jan-05	0	2	2	0%
Feb-05	0	1	1	0%
Mar-05	2	2	4	50%
Apr-05	2	4	6	33%
May-05	1	3	4	25%
Jun-05	1	4	5	20%
<b>Sub-total</b>	<b>23</b>	<b>27</b>	<b>50</b>	<b>46%</b>
<b>Broker - repeat</b>				
Jul-04	0	0	0	#DIV/0!
Aug-04	1	2	3	33%
Sep-04	1	1	2	50%
Oct-04	1	2	3	33%
Nov-04	2	1	3	67%
Dec-04	4	4	8	50%
Jan-05	3	8	11	27%
Feb-05	3	3	6	50%
Mar-05	0	1	1	0%
Apr-05	2	2	4	50%
May-05	2	2	4	50%
Jun-05	1	4	5	20%
<b>Sub-total</b>	<b>20</b>	<b>30</b>	<b>50</b>	<b>40%</b>
<b>Total for Year</b>	<b>43</b>	<b>57</b>	<b>100</b>	<b>43%</b>

