

State of Alaska

Real Estate
Commission

Meeting via Zoom
Anchorage, AK

June 19, 2024

Call to Order

Alaska Real Estate Commission Roster

<u>BOARD MEMBER</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
Cheryl Markwood, <i>Chair</i> <i>Broker, Broker At Large</i> Fairbanks	3/01/2019 Reappointed: 3/01/2023	3/01/2027
Chad Stigen <i>Associate Broker, Broker At Large</i> Palmer	6/30/2021	3/01/2025
Devon Thomas, Education Liaison <i>Broker, 3rd Judicial District</i> Wasilla	10/22/2021 Reappointed: 3/01/2023	3/01/2027
Elizabeth Schok <i>Associate Broker, 4th Judicial District</i> Fairbanks	3/01/2021	3/01/2025
Traci Heaton, <i>Vice Chair</i> <i>Broker, 1st Judicial District</i> Juneau	3/01/2021	3/01/2025
<i>Public Member</i> Vacant		
<i>Public Member</i> Vacant		

Approval of 6/19 Agenda

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

Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

June 19, 2024

**Atwood Building,
550 W 7th Avenue, Ste 1550
Anchorage AK**

ZOOM Info: Join meeting: Register in advance for this meeting:
https://us02web.zoom.us/joining/register/tZ0qcuiprT4rHd3lLoRaANUk4fpB_eH_7EdV
After registering, you will receive a confirmation email containing meeting ID and passcode.

Wednesday, June 19, 2024

Note: There will be a break for lunch from 12 until 1 if deemed necessary.

- 9:00 a.m. 1. Call to Order Markwood
 a) Roll Call
 b) Approval of 6/19 Agenda
 c) Statements of Conflicts of Interest
- 9:10 a.m. 2. Public Comments (est. time only; 9:10 am)
 • Brandy Pennington, speak to wholesaling and AI
3. Review Meeting Minutes
 a) March 20, 2024
 b) May 15, 2024, work meeting
- 9:15 a.m. 4. Investigations Homestead
 a) Statistical Report
 b) License actions
 * Consent Agreement – Case 2022-000468
 * Revocation by Default – Case 2022-000394
 * Imposition of Civil Fine – Case 2022-000921
- 10:00 a.m. 5. Division Update Dumas
 a) Revenue/Expenditure Report, FY24/ 3rd Qtr
6. Old Business Harris
- 10:30 a.m. a) Reinstatement of License – D Lorah
 b) FY 2024 Strategic Plan – update
 c) Regulation Project – update
 12 AAC 64.118, 119 and 930

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7. New Business

- a) Board of Trade Real Estate School - Course 16599 Harris
- b) New legislation, HB 134/SB179
- c) Proposed Regulations – work meeting
- d) ARELLO 2024 Annual Conference, Chicago, IL Sept 23-26, 2024
- e) September 19, 2024, REC meeting, in-person mtg or ZOOM

8. Executive Administrator's Report

Harris

- a) Licensing/Education Report
- b) Recovery Fund Report

9. Commission Member Comments and Questions

Adjournment

Next REC meeting September 17, 2024

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

Revised 9/2013

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.

6/14

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.

Alaska Department of Law

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Public Comment

Brandy Pennington –
speak to wholesaling and AI

Meeting Minutes

March 20, 2024
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 **MEETING MINUTES**
9

10 **March 20, 2024**
11

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 meeting of the Real Estate Commission was held March
17 20, 2024, at 550 W 7th Avenue, Ste 1550, Anchorage, AK, via Zoom.
18

19 **Wednesday, March 20, 2024**

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

21 Chairperson Cheryl Markwood called the meeting to order at 9:06 a.m., at which time a
22 quorum was established.
23

24 **Agenda Item 1(a) – Roll Call**

25 **Members Present via Zoom**

26 Cheryl Markwood, Broker, Broker at Large, Chairperson
27 Traci Heaton, Associate Broker, 1st Judicial District
28 Elizabeth Schok, Associate Broker, 4th Judicial District
29 Chad Stigen, Associate Broker, Broker at Large
30

31 **Members Absent:**

32 Devon Doran, Broker, 3rd Judicial District
33

34 **Staff Present:**

35 Nancy Harris, Executive Administrator, REC
36 Kerry Givens, Project Assistant, REC
37 Anna Gabriel, Investigator, REC/APR, Anchorage
38 Billy Homestead, Senior Investigator, Anchorage
39 Sara Chambers, Boards and Regulations Advisor, Office of the Commissioner
40 Melissa Dumas, Administrative Officer, CBPL, Juneau
41

42 **Guests Present via Zoom:**

43 Errol Champion, Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau
44 Deborah Brollini, public person
45 Francisca Tracy, Compliance Analyst, The CE Shop, CO
46 Mark Masley, New Liaison for AAR and Salesperson with Aurora One Aurora, Anchorage
47

48 **Agenda Item 1(b) - Approval of 12/14 Agenda**

49 Commission members reviewed the agenda as presented.
50

51 Ms. Markwood had one addition to the agenda and that was a license action to be added
52 to tab 4(b).
53

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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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.

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.

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

102

103

104 **Agenda Item 2 – Public Comments – cont’d**

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

107

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

114

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

121

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

130

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

140

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

150

151 The Commission members and REC staff thanked Mr. Champion for all that he has done
152 for the REC and the industry. They thanked him for keeping the Commission up to date on
153 what is going on in Juneau. They said he has a tremendous knowledge and history of the

154 industry and that it is a sad moment for the Commission but, they are excited for him and
155 this next season. They reiterated that the Commission would miss him greatly, and thank
156 him for everything he has done for the real estate industry over the years, and they really
157 do appreciate him and Honor him for that. He is an amazing person to work with the
158 knowledge that you provide to licenses here in Alaska is very much appreciated.

159
160

161 **Agenda Item 4 – Investigations**

162 **Statistical Report – 4(a)**

163 Ms. Gabriel, Investigator for the real estate commission, presented the investigation
164 statistical report to the Commission. Ms. Gabirel said for the reporting period of November
165 29, 2023, through March 12, 2024. She stated there are 32 cases opened, and 18 cases
166 were closed from the last report.

167

168 **Investigative Training – 4(b)**

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

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

172 The Commission reconvened at 9:52 a.m.

173

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

177

178

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

180

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

183

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

185

186

187 *Commission went into executive session at 9:53 am.*

188 *Out of executive session at 11:07 am*

189

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

191 The Commission reconvened at 11:16 a.m.

192

193 **License Action –**

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

195 Ms. Markwood asked if any Commission member had a conflict of interest with case 2022-
196 000732.

197

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

200

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

202

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

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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,

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.

254

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

258

259 Ms. Markwood wanted to state how frustrating it is as a Commission it is to review forms
260 that they have approved two meetings ago and to review it again and try to remember
261 what changes they had done.

262

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

265

266

267

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

268

269

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

270

271

272

273

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

274

275

276

277

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

278

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

279

280

281

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

282

The Commission reconvened at 1:23 p.m.

283

284

Work Meeting – 6(c)

285

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

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290

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

291

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294

Agenda Item 7 – New Business

295

Letter of Support – 7(a)

296

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

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302

303 Disciplinary Matrix – 7(b)

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

306

307

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

309

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

314

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

316

317

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

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

320

321

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

323

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

326

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

328

329

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

331

332 Annual Report– 7(c)

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

335

336

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

338

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

340

341

342

343

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

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

346 Mr. Givens presented the licensing report for March 20, 2024, to the Commission. He
347 reported that between November 23, 2023, through March 5, 2024, there were 87 new
348 licenses issued; 2,775 active licensees, 2,788 total number of licensees with an 1/31/2026
349 expiration date; 5 inactive licensees; 30 lapsed licenses due to non-compliance of PLE;

350 119 transfers; 56 licensees completed their PLE requirements and 54 licensees in a
351 license returned status.

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

358
359 There are a total of 103 instructors. There were 3 new instructors, Marie Mosley, Ashley
360 Copley and Terry Bryan and no temporary instructors.

361
362 Recovery Fund Balance Report – 8(b)

363 Ms. Harris presented the Recovery Fund Report ending December 31, 2023. The
364 Commission received \$26,350 in revenue for license fees processed with a total revenue
365 at \$31,797 f and \$26,970 total expenditures for the year. The beginning year balance was
366 \$375,965 and the end of year fund balance of \$380,792. The project end of year balance
367 for the fiscal year ended 6/30/24 is \$447,758.

368
369

370 **Agenda Item 9 – Commission Member Comments & Questions**
371 **Adjournment**

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

374

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

380

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

382

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

393

394

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

396

397 **Resolved to adjourn the meeting.**

398

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

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Meeting adjourned at 12:45 pm.

Next meeting: June 19, 2024.

Prepared and submitted by:
Real Estate Commission Staff

Approved:

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

DRAFT

May 15, 2024
Work 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 May 15, 2024
12

13
14 “These draft minutes were prepared by the staff of the Division of Corporations, Business
15 and Professional Licensing. They have not been reviewed or approved by the
16 Commission. By the authority of AS 08.01.070(2), and in compliance with the provisions of
17 AS 44.62, Article 6, a scheduled work meeting of the Real Estate Commission was held
18 May 15, 2024, at 550 W 7th Avenue, Ste 1535, Anchorage, AK via Zoom.
19

20 **Wednesday, May 15, 2024**

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

22 Chairperson Cheryl Markwood called the meeting to order at 9:01 a.m.

23 No quorum needed for a work meeting.
24

25 **Agenda Item 2 – Introductions**

26 **Present via Zoom**

27 Cheryl Markwood, Broker, Broker at Large, Chairperson

28 Elizabeth Schok, Associate Broker, 4th Judicial District

29 Traci Heaton, Associate Broker, 1st Judicial District

30 Francisca Tracy, Compliance Analyst, The CE Shop

31 Jeff Post, Broker, Omaha, Peoples Company of Indianola, NB, and AK

32 Linnea Johnson, Salesperson, Keller Williams Realty- AK Group

33 Mary Trimble, Broker, Coastal Realty

34 Renee, public person
35

36 **Present via Phone**

37 Gene DuVal, Associate Broker, RE/MAX Associates of Fairbanks (via phone)
38

39 **Staff Present:**

40 Nancy Harris, Executive Administrator, REC

41 Kerry Givens, Project Assistant, REC
42

43 **Agenda Item 3 – Public Comment**

44 There were no public comments.
45

46 **Agenda Item 4– topics for review and discussion.**

47 Meeting participants discussed list of topics listed on agenda.
48

49 Tasks: to be completed and brought back to next REC meeting for review and discussion.
50

51 REC staff:

52 * draft proposal to amend 12 AAC 64.075 to include termination by owner and broker.

53 * draft proposal to amend 12 AAC 64.078 to allow a broker or associate broker to

54 designated a temporary broker or associate broker to supervise an office in the transition

55 of an office change or change of broker or associate broker in charge, of a current office.
56 * staff to research office physical address of new offices and office changes to ensure they
57 are in AK with a actual office location not a PO box or other location that may not meet the
58 requirements. If there is a question re: physical location in a location outside of Anchorage,
59 staff to reach out to Commission members in that area for assistance. If staff is uncertain
60 re: physical location is within regulations, send to investigations.

61

62 Ms. Markwood:

63 *draft proposal to amend 12 AAC 64.600/640 to include audit of E & O Insurance

64

65 Other topics listed were discussed but either issues discussed were not within the REC's
66 purview or no action was taken at this time.

67

68

69 **Agenda Item 9 – Commission Member Comments & Questions**

70 **Adjournment**

71

72 Mr. Post stated that in the time span that he has been working with REC, there is one
73 state that does it right and that is AK.

74

75 Meeting adjourned at 10:46 a.m.

76

77 Next meeting: June 19, 2024.

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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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87

Investigations

Statistical Report



MEMORANDUM

DATE: June 03, 2024
 TO: Real Estate Commission
 THRU: Erika Prieksat, Chief Investigator *BH*
 FROM: Holly Handley, Investigator
 RE: Investigative Report for the June 19, 2024 Meeting

The following information was compiled as an investigative report to the Board for the period of March 05, 2024 thru June 03, 2024; 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 - 34

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE ASSOCIATE BROKER			
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
2022-001045	Violation of licensing regulation	Investigation	03/21/2024
2021-000231	Advertising	Litigation Initiated	
REAL ESTATE BROKER			
2024-000225	Violation of licensing regulation	Intake	03/12/2024
2024-000279	Violation of licensing regulation	Intake	03/26/2024

2023-000278	Violation of licensing regulation	Complaint	04/11/2023
2023-001146	Violation of licensing regulation	Complaint	11/27/2023
2024-000226	Violation of licensing regulation	Complaint	05/06/2024
2024-000250	Violation of licensing regulation	Complaint	03/19/2024
2022-000087	Unlicensed practice or activity	Investigation	11/15/2023
2022-000468	Violation of licensing regulation	Investigation	02/01/2024
2021-000185	Violation of licensing regulation	Litigation Initiated	

REAL ESTATE SALESPERSON

2024-000337	Violation of licensing regulation	Intake	04/11/2024
2024-000405	Violation of licensing regulation	Intake	05/01/2024
2022-001077	Violation of licensing regulation	Complaint	11/07/2022
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
2023-000309	Contested license denial	Monitor	01/04/2024
2022-000473	Violation of licensing regulation	Investigation	11/14/2023
2022-000921	Violation of licensing regulation	Investigation	02/04/2024
2022-001076	Violation of licensing regulation	Investigation	04/01/2024
2022-000394	Violation of licensing regulation	Litigation Initiated	

Closed - 13

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
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**REAL ESTATE ASSOCIATE
BROKER**

2022-001078	Violation of licensing regulation	Closed-Complaint	04/02/2024	No Action - No Violation
2022-001082	Violation of licensing regulation	Closed-Complaint	04/02/2024	No Action - No Violation

REAL ESTATE BROKER

2021-001096	Violation of licensing regulation	Closed-Complaint	04/15/2024	No Action - Lack of Jurisdiction
2023-000012	Violation of licensing regulation	Closed-Investigation	04/03/2024	Other (See Abstract)
2023-001219	Violation of licensing regulation	Closed-Investigation	05/17/2024	Advisement Letter

REAL ESTATE SALESPERSON

2024-000276	License Application Review/Referral	Closed-Intake	03/22/2024	Review Complete
2024-000294		Closed-Intake	04/03/2024	Incomplete Complaint
2022-001171	Violation of licensing regulation	Closed-Complaint	04/02/2024	No Action - No Violation
2023-000277	Violation of licensing regulation	Closed-Complaint	04/01/2024	No Action - No Violation
2023-000904	Violation of licensing regulation	Closed-Complaint	05/16/2024	No Action - No Violation
2022-000732	Violation of licensing regulation	Closed-Investigation	03/28/2024	License Action
2022-000981	Continuing education	Closed-Investigation	03/11/2024	License Action
2023-000649	Violation of licensing regulation	Closed-Investigation	04/03/2024	Advisement Letter

END OF REPORT

License Actions

Consent Agreement-
Case No 2022-000468

* view document in OnBoard
in the Resource folder.

Revocation by Default-
Case No 2022-000394

* view document in OnBoard
in the Resource folder.

Imposition of Civil Fine-
Case No 2022-000921

* view document in OnBoard
in the Resource folder.

Division Update

Real Estate Commission	FY 18			FY 19			Biennium			FY 20			FY 21			Biennium			FY 22			FY 23			Biennium			FY 24	
																												1st - 3rd 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	\$	176,875									
General Fund Received								\$	-				\$	17,842	\$	4,654		22,496		-									
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	\$	176,875									
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		122,176									
2000 - Travel		15,632		5,036		20,668		3,046		-		3,046		-		1,569		1,569		7,416									
3000 - Services		13,683		9,813		23,496		19,306		4,687		23,993		12,219		5,254		17,473		13,129									
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		142,721									
Investigation Expenditures																													
1000-Personal Services		51,422		83,598		135,020		93,884		97,209		191,093		98,726		110,246		208,972		74,672									
2000 - Travel		-		-		-		2,078		-		2,078		-		9,100		9,100		2,538									
3023 - Expert Witness		-		-		-		-		450		450		-		-		-		2,975									
3088 - Inter-Agency Legal		646		530		1,176		1,692		43,125		44,817		23,415		70,918		94,333		45,021									
3094 - Inter-Agency Hearing/Mediation		-		3,689		3,689		-		2,799		2,799		6,467		23,142		29,609		33,333									
3000 - Services other		-		958		958		1,010		390		1,400		517		1,967		2,484		627									
4000 - Commodities		-		-		-		-		-		-		106		58		164		40									
Total Investigation Expenditures		52,068		88,775		140,843		98,664		143,973		242,637		129,231		215,431		344,662		159,207									
Total Direct Expenditures		197,108		224,480		421,588		186,366		261,752		448,118		270,987		393,263		664,250		301,928									
Indirect Expenditures																													
Internal Administrative Costs		108,746		110,362		219,108		108,667		101,425		210,092		112,583		124,346		236,929		93,260									
Departmental Costs		53,154		57,353		110,507		37,533		39,972		77,505		46,517		48,168		94,685		36,126									
Statewide Costs		18,608		20,811		39,419		20,978		28,864		49,842		28,689		30,587		59,276		22,940									
Total Indirect Expenditures		180,508		188,526		369,034		167,178		170,261		337,439		187,789		203,101		390,890		152,326									
TOTAL EXPENDITURES	\$	377,616	\$	413,006	\$	790,622	\$	353,544	\$	432,013	\$	785,557	\$	458,776	\$	596,364	\$	1,055,140	\$	454,254									
Cumulative Surplus (Deficit)																													
Beginning Cumulative Surplus (Deficit)	\$	523,449	\$	912,708	\$	782,155	\$	1,047,062	\$	940,639	\$	1,320,405	\$	960,070															
Annual Increase/(Decrease)		389,259		(130,553)		264,907		(106,423)		379,766		(360,335)		(277,379)															
Ending Cumulative Surplus (Deficit)	\$	912,708	\$	782,155	\$	1,047,062	\$	940,639	\$	1,320,405	\$	960,070	\$	682,691															
Statistical Information																													
Number of Licenses for Indirect calculation		4,129		4,041		3,771		3,680		4,062		4,317																	
Additional information:																													
<ul style="list-style-type: none"> • General fund dollars were received in FY21-FY23 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. 																													

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

Sum of Budgetary Expenditures Object Name (Ex)	Object Type Name (Ex)				Grand Total
	1000 - Personal Services	2000 - Travel	3000 - Services	4000 - Commodities	
1011 - Regular Compensation	105,475.58				105,475.58
1014 - Overtime	26.28				26.28
1016 - Other Premium Pay	27.24				27.24
1021 - Allowances to Employees	253.48				253.48
1023 - Leave Taken	15,515.23				15,515.23
1028 - Alaska Supplemental Benefit	7,427.13				7,427.13
1029 - Public Employee's Retirement System Defined Benefits	14,980.64				14,980.64
1030 - Public Employee's Retirement System Defined Contribution	3,252.25				3,252.25
1034 - Public Employee's Retirement System Defined Cont Health Reim	2,224.53				2,224.53
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	619.72				619.72
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	9,281.76				9,281.76
1040 - Group Health Insurance	31,571.17				31,571.17
1041 - Basic Life and Travel	17.82				17.82
1042 - Worker's Compensation Insurance	823.86				823.86
1047 - Leave Cash In Employer Charge	2,795.17				2,795.17
1048 - Terminal Leave Employer Charge	1,935.47				1,935.47
1053 - Medicare Tax	1,681.54				1,681.54
1077 - ASEA Legal Trust	80.86				80.86
1079 - ASEA Injury Leave Usage	9.47				9.47
1080 - SU Legal Trst	17.18				17.18
1970 - Personal Services Transfer	(1,168.70)				(1,168.70)
2000 - In-State Employee Airfare			597.87		597.87
2001 - In-State Employee Surface Transportation			81.00		81.00
2003 - In-State Employee Meals and Incidentals			210.00		210.00
2004 - In-State Empl Non-Reportable Reimburse / Mileage Pymt			25.00		25.00
2005 - In-State Non-Employee Airfare			563.37		563.37
2007 - In-State Non-Employee Lodging			741.96		741.96
2008 - In-State Non-Employee Meals and Incidentals			111.26		111.26
2010 - In-State Non-Employee Non-Taxable Reimbursement			41.38		41.38
2012 - Out-State Employee Airfare			2,389.90		2,389.90
2013 - Out-State Employee Surface Transportation			179.64		179.64
2014 - Out-State Employee Lodging			2,511.55		2,511.55
2015 - Out-State Employee Meals and Incidentals			467.87		467.87
2017 - Out-State Non-Employee Airfare			535.58		535.58
2019 - Out-State Non-Employee Lodging			1,135.05		1,135.05
2020 - Out-State Non-Employee Meals and Incidentals			308.00		308.00
2022 - Out-State Non-Employee Non-Taxable Reimbursement			54.62		54.62
3000 - Training/Conferences				2,680.00	2,680.00
3002 - Memberships				1,560.00	1,560.00
3023 - Expert Witness				2,975.00	2,975.00
3035 - Long Distance				35.32	35.32
3044 - Courier				56.96	56.96
3045 - Postage				214.53	214.53
3046 - Advertising				672.96	672.96
3057 - Structure, Infrastructure and Land - Rentals/Leases				153.12	153.12
3085 - Inter-Agency Mail				688.15	688.15
3088 - Inter-Agency Legal				51,024.10	51,024.10
3094 - Inter-Agency Hearing/Mediation				35,025.90	35,025.90
4005 - Subscriptions				40.00	40.00
Grand Total	196,847.68	9,954.05	95,086.04	40.00	301,927.77

Old Business

Reinstatement of License - D Lorah

* view document in OnBoard in
the Resource folder.

2024 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	<p>In progress, Commission took no action on revised form at 12/9/22. Discussed and approved new revised form at 6/15/23 meeting to go out for public comment. 11/24/23- Public comment expires 12/8/23, reviewed and made changes to form at 12/14 meeting.</p> <p>Will go out for a 10-day public comment period. **Currently at Reg. Specialist waiting to go out for public comment.</p>
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, Commissioner Duran volunteered to work on revisions, will bring to Commission to discuss a REC meeting.
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	To be completed @ March, June, or Dec REC meeting.
5. Commission Business/Inform Licensees	Regulation Project – 12 AAC 64.930 form and revision of regulation verbiage.		<p>In process - Reviewed public comments and made changes at 12/14/23 meeting. Will go out for 10-day public comment period. **Currently at Reg. Specialist waiting to go out for public comment.</p>
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 2/28/24

2024 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

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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 	Commission to have work session meeting, open to public for public comment	<p>In progress;</p> <p>Completed scheduled work meeting on May 15, 2024.</p> <p>Staff and Commission member working on revision to regulations re:</p> <ul style="list-style-type: none"> • Termination of broker by owner • Office changes • Temporary B/AB of office with changes and no broker available • Audit of E & O

Last Edited 5/30/24

Regulation Project – Update
Discussion only

New Business

Board of Trade Real Estate School

Course #16599

(Staff will send documents to Commission members via email next week.)

HOUSE BILL NO. 134

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES COULOMBE, Ruffridge, Tomaszewski, McKay, Wright, Josephson, Cronk, Shaw, Sumner, Stapp, Rauscher, Allard, Gray, Stutes, C.Johnson

Introduced: 3/27/23

Referred: Community and Regional Affairs

A BILL**FOR AN ACT ENTITLED**

1 "An Act prohibiting municipalities from levying a tax on the transfer of real property;
2 prohibiting the state from levying a tax on the transfer of real property; and relating to
3 municipal taxation of mobile telecommunications services."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 29.10.200(56) is amended to read:

6 (56) AS 29.45.650(c), (d), (e), (f), (i), (j), [AND] (k), and (l) (sales and
7 use tax);

8 * **Sec. 2.** AS 29.10.200(57) is amended to read:

9 (57) AS 29.45.700(d), (e), [AND] (g), and (h) (sales and use tax);

10 * **Sec. 3.** AS 29.45.650(a) is amended to read:

11 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),
12 [AND] (j), (k), and (l) of this section, a borough may levy and collect a sales tax on
13 sales, rents, and [ON] services provided in the borough. The sales tax may apply to
14 any or all of these sources. Notwithstanding other statutes, exemptions may be granted

1 by ordinance. A borough may wholly or partially exempt a source from a borough
2 sales tax that is taxed by a city in that borough under AS 29.45.700.

3 * **Sec. 4.** AS 29.45.650 is amended by adding a new subsection to read:

4 (l) A borough may not levy or collect a sales or use tax on the transfer of real
5 property. This subsection applies to home rule and general law municipalities.

6 * **Sec. 5.** AS 29.45.700(a) is amended to read:

7 (a) A city in a borough that levies and collects areawide sales and use taxes
8 may levy sales and use taxes on all sources taxed by the borough in the manner
9 provided for boroughs. Except as provided in (d), [AND] (e), (g), and (h) of this
10 section, the assembly may by ordinance authorize a city to levy and collect sales and
11 use taxes on other sources.

12 * **Sec. 6.** AS 29.45.700 is amended by adding a new subsection to read:

13 (h) A city may not levy or collect a sales or use tax on the transfer of real
14 property. This subsection applies to home rule and general law municipalities.

15 * **Sec. 7.** AS 43.98 is amended by adding a new section to article 3 to read:

16 **Sec. 43.98.035. No tax on real property transfers.** The state may not levy or
17 collect a sales or use tax on the transfer of real property.

18 * **Sec. 8.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA
19 2003, and by sec. 2, ch. 30, SLA 2005; and secs. 6 and 9, ch. 100, SLA 2002, are repealed.

HOUSE CS FOR CS FOR SENATE BILL NO. 179(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered: 5/14/24

Referred: Today's Calendar

Sponsor(s): SENATORS BJORKMAN, Gray-Jackson

REPRESENTATIVES Coulombe, Vance, Saddler, Josephson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal property tax; relating to assessment of property, boards**
2 **of equalization, and certification of assessors; prohibiting municipalities from levying a**
3 **tax on the transfer of real property; prohibiting the state from levying a tax on the**
4 **transfer of real property; relating to municipal taxation of mobile telecommunications**
5 **services; and providing for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 29.10.200(56) is amended to read:

8 (56) AS 29.45.650(c), (d), (e), (f), (i), (j), [AND] (k), **and (l)** (sales and
9 use tax);

10 * **Sec. 2.** AS 29.10.200(57) is amended to read:

11 (57) AS 29.45.700(d), (e), [AND] (g), **and (h)** (sales and use tax);

12 * **Sec. 3.** AS 29.45.050(m) is amended to read:

13 (m) A municipality may by ordinance partially or totally exempt all or some
14 types of economic development property from taxation for a designated period.
15 [EXCEPT AS OTHERWISE PROVIDED BY AN ORDINANCE ENACTED BY

1 THE MUNICIPALITY BEFORE JANUARY 1, 2017, A MUNICIPALITY THAT IS
 2 A SCHOOL DISTRICT MAY ONLY EXEMPT ALL OR A PORTION OF THE
 3 AMOUNT OF TAXES THAT EXCEEDS THE AMOUNT LEVIED ON OTHER
 4 PROPERTY FOR THE SCHOOL DISTRICT'S REQUIRED LOCAL
 5 CONTRIBUTION UNDER AS 14.17.410(b)(2).] A municipality may by ordinance
 6 permit deferral of payment of taxes on all or some types of economic development
 7 property for a designated period. A municipality may apply an exemption or deferral
 8 under this subsection to taxes levied for special services in a service area that is
 9 supervised by an elected service area board under AS 29.35.460 unless the elected
 10 service area board objects to the exemption or deferral by resolution adopted not later
 11 than 60 days after the effective date of the municipal ordinance enacting the tax
 12 exemption or deferral. A municipality may adopt an ordinance under this subsection
 13 only if, before it is adopted, copies of the proposed ordinance made available at a
 14 public hearing on it contain written notice that the ordinance, if adopted, may be
 15 repealed by the voters through referendum. An ordinance adopted under this
 16 subsection must include specific eligibility requirements and require a written
 17 application for each exemption or deferral.

18 * **Sec. 4.** AS 29.45.050(t) is amended to read:

19 (t) A municipality may by ordinance [APPROVED BY THE VOTERS]
 20 partially or totally exempt from taxation **farm land and farm structures** [A FARM
 21 STRUCTURE] used exclusively for farming activity, or purposes directly related to
 22 farming activity, if the farm **land or farm** structure **meets the criteria set out in this**
 23 **subsection. The farm land or farm structure must be** [IS] owned or leased by a
 24 person that is actively engaged in farming, and **the owner or lessee must sell at least**
 25 **\$2,500 of agricultural products produced from the land during the tax year and**
 26 **file an Internal Revenue Service Schedule F (Form 1040) with the United States**
 27 **Internal Revenue Service. The farm land or farm** [THAT DERIVES AT LEAST
 28 10 PERCENT OF THE PERSON'S YEARLY GROSS INCOME FROM FARMING
 29 ACTIVITY, AND THE] structure **must be** [IS] used for

30 (1) the growing, storage, or processing of grains, fruits, vegetables,
 31 **aquatic farm products as defined in AS 16.40.199,** or other crops **specified by**

1 **ordinance** [INTENDED FOR HUMAN CONSUMPTION] and produced by the
2 owner's or lessee's farming activity;

3 (2) the storage or processing of

4 (A) feed for livestock;

5 **(B) livestock**, poultry, or other animals used in the owner's or
6 lessee's farming activity;

7 **(C)** [(B)] milk or milk products produced by the owner's or
8 lessee's farming activity; or

9 (3) **sheltering**, stabling, or milking the owner's or lessee's dairy
10 animals, **poultry, or livestock**.

11 * **Sec. 5.** AS 29.45.050(y) is amended to read:

12 (y) In this section, "farming activity" means raising and harvesting crops;
13 feeding, breeding, and managing livestock; dairying; **propagating, farming, or**
14 **cultivating an aquatic farm product as defined in AS 16.40.199**; or any
15 combination of those activities.

16 * **Sec. 6.** AS 29.45.050 is amended by adding a new subsection to read:

17 (z) In the event that an owner or lessee of farm use land does not sell \$2,500
18 of agricultural products produced from the land during a tax year because of
19 circumstances beyond the control of the owner or lessee, the owner may secure the
20 exemption under (t) of this section if the farm use land qualified for the exemption
21 under (t) of this section for the three preceding tax years. In this subsection,
22 "circumstances beyond the control of the owner or lessee" includes crop failure or
23 physical injury that prevents the owner or lessee from conducting farming activity.

24 * **Sec. 7.** AS 29.45.060(a) is amended to read:

25 (a) Farm use land, **and structures on farm use land that are used for farm**
26 **operations**, included in a farm unit and not dedicated or being used for nonfarm
27 purposes shall be assessed on the basis of full and true value for farm use and may not
28 be assessed as if subdivided or used for some other nonfarm purpose. The assessor
29 shall maintain records valuing the land for both full and true value and farm use value.
30 If the land is sold, leased, or otherwise disposed of for uses incompatible with farm
31 use or converted to a use incompatible with farm use by the owner, the owner is liable

1 to pay an amount equal to the additional tax at the current mill levy together with eight
 2 percent interest for the preceding seven years, as though the land had not been
 3 assessed for farm use purposes. Payment by the owner shall be made to the state to the
 4 extent of its reimbursement for revenue loss under (d) of this section for the preceding
 5 seven years. The balance of the payment shall be made to the municipality.

6 * **Sec. 8.** AS 29.45.060(b) is amended to read:

7 (b) An owner of farm use land shall, to secure the assessment under this
 8 section, apply to the assessor **on or** before May 15 of each year in which the
 9 assessment is desired. The application shall be made **on** [UPON] forms prescribed by
 10 the state assessor for the use of the local assessor, and must include information that
 11 may reasonably be required to determine the entitlement of the applicant. If the land is
 12 leased for farm use purposes, the applicant shall furnish to the assessor a copy of the
 13 lease bearing the signatures of both lessee and lessor along with the completed
 14 application. The applicant shall furnish the assessor a copy of the lease covering the
 15 period for which the exemption is requested. This subsection does not apply to a
 16 person with an interest in land that is classified by the state for agricultural use or that
 17 is restricted by the state for agricultural purposes.

18 * **Sec. 9.** AS 29.45.060(c) is amended to read:

19 (c) In the event **that an owner or lessee of farm use land does not sell**
 20 **\$2,500 of agricultural products produced from the land during a tax year**
 21 **because of circumstances beyond the control of the owner or lessee, the owner**
 22 **may secure the assessment under this section if the farm use land qualified for**
 23 **the assessment under this section for the three preceding tax years. In this**
 24 **subsection, "circumstances beyond the control of the owner or lessee" includes**
 25 [OF A] crop failure **or physical injury that prevents the owner or lessee from**
 26 **conducting farming activity** [BY AN ACT OF GOD THE PREVIOUS YEAR, THE
 27 OWNER OR LESSEE MAY SUBMIT AN AFFIDAVIT AFFIRMING THAT 10
 28 PERCENT OF GROSS INCOME FOR THE PAST THREE YEARS WAS FROM
 29 FARMING].

30 * **Sec. 10.** AS 29.45.060(f) is amended to read:

31 (f) This section does not apply to land for which the owner has granted, and

1 has outstanding, a lease or option to buy the surface rights. A property owner wishing
 2 to file for farm use classification having no history of farm-related income may submit
 3 a declaration of intent at the time of filing the application with the assessor setting out
 4 the intended use of the land and **certifying that the property owner intends to file**
 5 **an Internal Revenue Service Schedule F (Form 1040) with the United States**
 6 **Internal Revenue Service for the current tax year** [THE ANTICIPATED
 7 PERCENTAGE OF INCOME]. An applicant using this procedure shall file with the
 8 assessor **on or** before **April 15** [FEBRUARY 1] of the following year a **copy of the**
 9 **Schedule F (Form 1040) the applicant files with the Internal Revenue Service**
 10 [NOTARIZED STATEMENT OF THE PERCENTAGE OF GROSS INCOME
 11 ATTRIBUTABLE TO THE LAND]. Failure to make **a** [THE] filing required in this
 12 subsection forfeits the exemption.

13 * **Sec. 11.** AS 29.45.060(g) is amended to read:

14 (g) In this section,

15 (1) "farm use" means the use of land for **the production of crops,**
 16 **fruits, or other agricultural products for human or animal consumption or for**
 17 **the sustenance or grazing of livestock if the owner or lessee sells at least \$2,500 of**
 18 **agricultural products produced from the land during the tax year and files an**
 19 **Internal Revenue Service Schedule F (Form 1040) with the United States Internal**
 20 **Revenue Service;**

21 (2) **"livestock" includes cattle, hogs, sheep, goats, chickens,**
 22 **turkeys, pigeons, and other poultry raised to provide meat or other products for**
 23 **human consumption** [PROFIT FOR RAISING AND HARVESTING CROPS, FOR
 24 THE FEEDING, BREEDING, AND MANAGEMENT OF LIVESTOCK, FOR
 25 DAIRYING, OR ANOTHER AGRICULTURAL USE, OR ANY COMBINATION
 26 OF THESE. TO BE FARM USE LAND, THE OWNER OR LESSEE MUST BE
 27 ACTIVELY ENGAGED IN FARMING THE LAND, AND DERIVE AT LEAST 10
 28 PERCENT OF YEARLY GROSS INCOME FROM THE LAND].

29 * **Sec. 12.** AS 29.45.110(a) is amended to read:

30 (a) The assessor shall assess property at its full and true value as of January 1
 31 of the assessment year, except as provided in this section, AS 29.45.060, and

1 29.45.230. The full and true value is the estimated price that the property would bring
 2 in an open market and under the then prevailing market conditions in a sale between a
 3 willing seller and a willing buyer both conversant with the property and with
 4 prevailing general price levels. **The assessor shall determine the full and true value**
 5 **as provided in standards adopted by the department under (e) of this section or**
 6 **another set of standards provided by ordinance.**

7 * **Sec. 13.** AS 29.45.110 is amended by adding a new subsection to read:

8 (e) The department shall adopt standards for assessing the full and true value
 9 of property under (a) of this section that are not inconsistent with standards adopted by
 10 the International Association of Assessing Officers and update the standards when
 11 necessary.

12 * **Sec. 14.** AS 29.45 is amended by adding a new section to read:

13 **Sec. 29.45.115. Assessor certification.** A municipality may not employ an
 14 assessor, including a private contractor, unless the assessor has a level 3 certification
 15 from the Alaska Association of Assessing Officers or works under the supervision of
 16 an individual with a level 3 certification from the Alaska Association of Assessing
 17 Officers.

18 * **Sec. 15.** AS 29.45.180(a) is amended to read:

19 (a) A person receiving an assessment notice shall advise the assessor of errors
 20 or omissions in the assessment of the person's property. **If requested by the person,**
 21 **the assessor or a person designated by the assessor shall meet with the person and**
 22 **answer reasonable questions relating to the methods used to assess the person's**
 23 **property. The meeting required under this subsection may be virtual or**
 24 **telephonic.** The assessor may correct errors or omissions in the roll before the board
 25 of equalization hearing.

26 * **Sec. 16.** AS 29.45.200(a) is amended to read:

27 (a) The governing body **shall appoint one or more boards** [SITS AS A
 28 BOARD] of equalization for the purpose of hearing an appeal from a determination of
 29 the assessor [, OR IT MAY DELEGATE THIS AUTHORITY TO ONE OR MORE
 30 BOARDS APPOINTED BY IT]. An appointed board **shall** [MAY] be composed of
 31 not less than three persons, who shall be members of the governing body, municipal

1 residents, or a combination of members of the governing body and residents. The
 2 governing body shall by ordinance establish the qualifications for membership. **The**
 3 **governing body may by ordinance appoint itself to sit as a board of equalization.**

4 * **Sec. 17.** AS 29.45.210(b) is amended to read:

5 (b) The appellant bears the burden of proof. The only grounds for adjustment
 6 of assessment are proof of unequal, excessive, improper, or under valuation based on
 7 facts that are stated in a valid written appeal or proven at the appeal hearing. **The** [IF
 8 A VALUATION IS FOUND TO BE TOO LOW, THE] board of equalization may **not**
 9 raise the assessment **in the current year unless requested to do so by the appellant.**
 10 **If the appellant provides a long form fee appraisal to support the appellant's**
 11 **valuation and the board of equalization does not find in favor of the appellant,**
 12 **the board shall make specific findings on the record to support its decision.**

13 * **Sec. 18.** AS 29.45.650(a) is amended to read:

14 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), (h), (i),
 15 [AND] (j), **(k), and (l)** of this section, a borough may levy and collect a sales tax on
 16 sales, rents, and [ON] services provided in the borough. The sales tax may apply to
 17 any or all of these sources. Notwithstanding other statutes, exemptions may be granted
 18 by ordinance. A borough may wholly or partially exempt a source from a borough
 19 sales tax that is taxed by a city in that borough under AS 29.45.700.

20 * **Sec. 19.** AS 29.45.650 is amended by adding a new subsection to read:

21 (l) A borough may not levy or collect a sales or use tax on the transfer of real
 22 property. This subsection applies to home rule and general law municipalities. In this
 23 subsection, "transfer" has the meaning given in AS 34.70.200.

24 * **Sec. 20.** AS 29.45.700(a) is amended to read:

25 (a) A city in a borough that levies and collects areawide sales and use taxes
 26 may levy sales and use taxes on all sources taxed by the borough in the manner
 27 provided for boroughs. Except as provided in (d), [AND] (e), **(g), and (h)** of this
 28 section, the assembly may by ordinance authorize a city to levy and collect sales and
 29 use taxes on other sources.

30 * **Sec. 21.** AS 29.45.700 is amended by adding a new subsection to read:

31 (h) A city may not levy or collect a sales or use tax on the transfer of real

1 property. This subsection applies to home rule and general law municipalities. In this
2 subsection, "transfer" has the meaning given in AS 34.70.200.

3 * **Sec. 22.** AS 43.98 is amended by adding a new section to article 3 to read:

4 **Sec. 43.98.035. No tax on real property transfers.** The state may not levy or
5 collect a sales or use tax on the transfer of real property. In this section, "transfer" has
6 the meaning given in AS 34.70.200.

7 * **Sec. 23.** Section 4, ch. 100, SLA 2002, as repealed and reenacted by sec. 9, ch. 117, SLA
8 2003, and by sec. 2, ch. 30, SLA 2005; and secs. 6 and 9, ch. 100, SLA 2002, are repealed.

9 * **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **APPLICABILITY.** AS 29.45.650(*l*), enacted by sec. 19 of this Act, and
12 AS 29.45.700(*h*), enacted by sec. 21 of this Act, do not apply to an ordinance that establishes
13 a sales or use tax on the transfer of real property adopted by a municipality before the
14 effective date of this Act.

15 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **TRANSITION: REGULATIONS.** The Department of Commerce, Community, and
18 Economic Development may adopt regulations necessary to implement the changes made by
19 secs. 12 - 17 of this Act. The regulations take effect under AS 44.62 (Administrative
20 Procedure Act), but not before the effective date of the law implemented by the regulation.

21 * **Sec. 26.** Sections 12, 13, and 15 - 17 of this Act take effect January 1, 2025.

22 * **Sec. 27.** Section 14 of this Act takes effect January 1, 2026.

23 * **Sec. 28.** Sections 3 - 11 and 25 of this Act take effect immediately under AS 01.10.070(c).

Proposed Regulations – work meeting

(Staff will send documents to Commission members via email next week.)

ARELLO 2024 Annual Conference
September 23-25, 2024
Chicago, IL

Events & Conferences

2024 Annual Conference



Chicago, Illinois
September 23–25, 2024

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ARELLO's Annual Conference is the conference where the industry gathers. During the conference, attendees will benefit from engaging with leading experts and thought leaders, dynamic discussions, and incredible networking opportunities.

ARELLO's Stipend Program

ARELLO's Stipend Program offers financial assistance to qualifying individuals, allowing them to attend the Annual Conference and benefit from its valuable educational and networking opportunities. This initiative, driven by the Membership Committee, aims to support participation from each jurisdiction and affiliate members. To learn more and apply visit arello.org/stipend.

Events & Conferences

2024 Annual Conference



Chicago, Illinois
September 23–25, 2024

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Schedule

Meeting time zone: **Central Daylight Time** (US/Central time)

Monday September 23	
8:00 am–3:00 pm	Commissioner College 101
12:00–6:00 pm	Registration
2:15–3:15 pm	Committee Meeting - Education Certification Committee
2:15–3:15 pm	Committee Meeting - Membership Committee
3:30–4:30 pm	Committee Meeting - Exam Exploration Taskforce
3:30–4:30 pm	Committee Meeting - Investigator & Auditor
3:30–4:30 pm	Committee Meeting - Nominating Committee
5:00–6:15 pm	First-Time Attendee Reception
6:30–9:30 pm	Welcome Reception
Tuesday September 24	
7:00–7:45 am	Breakfast
7:45–8:15 am	Opening Session
8:20–9:50 am	Roundtable Sessions Education Issues Roundtable or Real Estate Practices Roundtable
9:50–10:05 am	Break
10:05–10:50 am	Case Law Update
11:00 am–12:00 pm	Affiliate Roundtable <i>This is led by Affiliate Members, but we encourage everyone to attend.</i>
11:00 am–12:00 pm	Committee Meeting - ARELLO Foundation
11:00 am–12:00 pm	Committee Meeting - Fair Housing
11:00 am–12:00 pm	Committee Meeting - Program
12:00–1:30 pm	Lunch On Your Own

1:30–3:00 pm	Roundtable Sessions Commissioner Roundtable <i>or</i> Administrator Roundtable
3:00–3:15 pm	Break
3:15–4:30 pm	ARELLO Awards Program
4:30 pm	Night On Your Own
Wednesday September 25	
7:00–7:45 am	Breakfast
7:00–7:45 am	Past Presidents Breakfast <i>Closed meeting</i>
8:00–9:15 am	Fair Housing General Session
9:15–10:15 am	Committee Meeting - Finance & Audit Committee Meeting
9:15–9:45 am	Open Forum - Exam Accreditation Committee <i>Available to all attendees</i>
9:45–10:45 am	Committee Meeting - Exam Accreditation <i>Must be a member of the committee to attend</i>
10:15–10:30 am	Break
10:30 am–12:00 pm	Keynote Session
12:00–1:30 pm	Lunch On Your Own
1:30–3:00 pm	General Assembly and Board of Directors Meeting
6:00–9:30 pm	Installation Ceremony and Reception

While the overall event dates are generally set well in advance, the individual session times are subject to change without notice.

PROGRAMS

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[Job Board](#)

EVENTS

[2024 ARELLO Legal Exchange](#)
[2024 Commissioner College 101](#)
[2024 Annual Conference](#)
[2024 ARELLO Regulatory Investigations Seminar](#)
[2025 Mid-Year Meeting](#)
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FOUNDATION

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State of Alaska 2024 HOLIDAY CALENDAR

State Holidays

Date	Holiday
01/01/2024	New Year's Day
01/15/2024	MLK Jr.'s Birthday
02/19/2024	Presidents' Day
03/25/2024	Seward's Day
05/27/2024	Memorial Day
07/04/2024	Independence Day
09/02/2024	Labor Day
10/18/2024	Alaska Day
11/11/2024	Veterans' Day
11/28/2024	Thanksgiving Day
12/25/2024	Christmas Day

Please refer to appropriate collective bargaining unit agreement for more information regarding holidays.

 Holiday



JANUARY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

AUGUST

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

MARCH

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

REC Meeting
AK Realtors Annual Conference - Talked in

APRIL

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 17, 2024, REC Meeting –
In-person meeting or ZOOM Meeting?

Executive Administrator's Report

LICENSING REPORT

June 19th, 2024

New Licensees: 3/5/2024 to 6/6/2024	81
Total Number of <u>Active</u> Licensees with 1/31/2026 exp	2854
Total Number of Licensees with 1/31/2026 exp	2903

Transfers:	Dec-23	Mar-24	Jun-24
	62	119	150

ACTIVE: 1/31/26 exp	Dec-23	Mar-24	Jun-24	Change
Broker	422	382	396	14
Associate Broker	405	383	386	3
Salesperson	2,193	2,007	2,072	65
Total Active:	3,020	2,772	2,854	82

PLE Completed:	Dec-23	Mar-24	Jun-24
	66	56	69

Upgrades:	Endorsement:
4	1

INACTIVE: 1/31/26 exp	Dec-23	Mar-24	Jun-24	Change
Broker	4	0	0	0
Associate Broker	13	2	2	0
Salesperson	66	3	10	7
Total Inactive:	83	5	12	7

In this reporting period	Dec-23	Mar-24	Jun-24
License Returned	32	54	22
Probation License	0	0	0
Suspended	0	0	0
Revoked	0	0	0
Surrendered	32	54	22

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/26	Dec-23	Mar-24	Jun-24	Change
Broker	0	0	0	0
Associate Broker	0	0	1	1
Salesperson	68	30	10	-20
Total:	68	30	11	-19

INACTIVE: 1/31/24 exp	Dec-23	Mar-24	Jun-24
Broker	0	1	5
Associate Broker	1	3	10
Salesperson	3	13	62
Total Inactive:	4	17	77

LAPSED: 1/31/24 exp	Dec-23	Mar-24	Jun-24
Broker	0	31	24
Associate Broker	0	22	22
Salesperson	19	307	298
Total Lapsed:	19	360	344

Initial Licenses issued Qrtly:	Jan-Mar 2023	Apr - June 23	July-Sept 23
	55	64	41
	Oct-Dec 23	Jan-Mar 24	Mar-June 24
	44	49	83

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2026 expiration date

REC EDUCATION REPORT

June 19th, 2024

(as of 6/4/2024)

Course Type	Currently Approved
Pre-Licensing (SPL)	16
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	277
Designated Continuing Education (DCE)	62
Post Licensing Education (PLE)	55
<i>(363)</i>	Total: 414
Initial courses approved between 3/6/2024 and 6/4/2024	10
<u>Approved Instructors expiring 4/1/2025</u>	
Permanent	110
<u>New Instructors</u>	10

Hamilton, Bobbi Jean	FAIRBANKS
Hughes, Christine Michelle	ANCHORAGE
Guy, Lori Jane	ANCHORAGE
Smith, Nichole Rene	ANCHORAGE
Gieszler, Vivian Michelle	WASILLA
Raun, Cassandra	ANCHORAGE
Phillips, Lisa M	WASILLA
Erwin, Christina Lynn	WASILLA
Heinz, Ann Bernadette	DALLAS
Adams, Amy	CUMMING

Temporary Instructor

0

Statement of Net Positions
Real Estate Recovery Fund
March 31, 2024

	Actuals									Projected	
	For the Fiscal Year Ending June 30, 2015	For the Fiscal Year Ending June 30, 2016	For the Fiscal Year Ending June 30, 2017	For the Fiscal Year Ending June 30, 2018	For the Fiscal Year Ending June 30, 2019	For the Fiscal Year Ending June 30, 2020	For the Fiscal Year Ending June 30, 2021	For the Fiscal Year Ending June 30, 2022	For the Fiscal Year Ending June 30, 2023	For the Fiscal Year Ending June 30, 2024	For the Fiscal Year Ending June 30, 2025
ASSETS											
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 392,637	\$ 377,764
Total Assets	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	392,637	377,764
LIABILITIES											
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	10,730	17,614
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	10,730	17,614
FUND BALANCES											
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	381,907	360,150
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	381,907	360,150
Total Liabilities and Fund Balances	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 392,637	\$ 377,764
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16	Average of 6/30/16 & 6/30/17	Average of 6/30/17 & 6/30/18	Average of 6/30/18 & 6/30/19	Average of 6/30/19 & 6/30/20	Average of 6/30/20 & 6/30/21	Average of 6/30/21 & 6/30/22	Average of 6/30/22 & 6/30/23	Average of 6/30/23 & 6/30/24	Average of 6/30/24 & 6/30/25
	\$ 460,017	\$ 428,988	\$ 393,361	\$ 336,095	\$ 305,940	\$ 299,153	\$ 290,745	\$ 351,065	\$ 388,689	\$ 385,201	

Note: Per the State Comprehensive Annual Financial Report the State "funds are reported using modified accrual accounting which measures cash and other financial assets that can be readily converted to cash".

Note: The total Liabilities is year to date
For FY24 Liabilities projected using FY22

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through March 31, 2024
and
Projected for Fiscal Years Ending June 30, 2024 and June 30, 2025

	Actuals													Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22	For the Fiscal Year Ended 6/30/23	For the Quarter Ended 9/30/23	For the Quarter Ended 12/31/23	For the Quarter Ended 3/31/24	For the Quarter Ended 6/30/24	For the Fiscal Year Ended 6/30/24	For the Fiscal Year Ended 6/30/25
REVENUES															
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	55,065	101,260	46,705	10,500	26,350	41,660	- (1)	101,260 (1)	46,705
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,580)	12,475	3,584	5,447	5,505	- (2)	20,036 (2)	12,475
Prior Year Adjustments								(150)		-	-		-		0
General Fund Contributions								-	82,225				3		82,225
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	55,374	96,530	141,404	14,084	31,797	47,165	-	121,296	141,404
EXPENDITURES															
Personal Services	113,145	112,763	115,097	134,846	126,366	118,457	125,468	43,240	74,020	22,859	26,970	31,567	- (3)	113,397 (3)	74,020
Travel	0	-	-	-	-	-	0	0	0					0	0
Commodities	0	89	-	617	-	-	0	0	0					0	0
Services - Non-claims	732	5,085	13	10	5,000	497	9	2	32					2	32
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	0	0	0					0	0
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	144,253	125,477	43,243	74,052	22,859	26,970	31,567	-	113,399	74,052
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(8,775)	4,826	15,598	-	7,896	67,352
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(8,775)	4,826	15,598	-	7,896	67,352
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	375,965	380,792	396,389	384,741	392,637
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	375,965	380,792	396,389	396,389	\$ 392,637	\$ 459,989

(1) For FY24, licenses and permits revenue projected to be the same as FY22.
(2) Projecting through FY24 based on FY22 rate of earnings.

For FY24, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks. GF allocation \$82K reduction to PS. Received General Fund allocation transferred personal services cost from fund 1040 to match GF revenue to expenses. See CH8 230016657 and CH8 240006403. Reference bill number HB281 SLA2022SEC1PG5LN24-28.

Statement of Cash Flows
Real Estate Recovery Fund
March 31, 2024

	Actuals									Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22	For the Fiscal Year Ended 6/30/23	For the Fiscal Year Ended 6/30/24	For the Fiscal Year Ended 6/30/25
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 193,865 ⁽¹⁾	\$ 55,065 ⁽¹⁾	\$ 101,260 ⁽¹⁾	\$ 46,705 ⁽¹⁾	\$ 101,260	\$ 46,705
GF Contributions								\$ 82,225			
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(118,457) ⁽²⁾	\$ (125,468) ⁽²⁾	\$ (43,240) ⁽²⁾	\$ (74,020) ⁽²⁾	(113,397)	(74,020)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	\$ - ⁽³⁾	-	-
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	(2)	(32)	(2)	(32)
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	49,612	(70,412)	58,017	54,877	(12,139)	(27,347)
CASH FLOWS FROM INVESTING ACTIVITIES											
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	6,918 ⁽³⁾	309 ⁽³⁾	(4,730) ⁽³⁾	12,475 ⁽³⁾	20,036	12,475
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,730)	12,475	20,036	12,475
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	7,896	(14,873)
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	392,637
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 392,637	\$ 377,764

(1) For FY24, licenses and permits revenue projected to be the same as FY22.

(2) Projecting through FY24 based on FY22 rate of earnings.

(3) For FY24, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks. GF allocation \$82K reduction to PS. Received General Fund allocation transferred personal services cost from fund 1040 to match GF revenue to expenses. See CH8 230016657 and CH8 240006403. Reference bill number HB281 SLA2022SEC1PGSLN24-28.

Commission Member Comments and Questions