

State of Alaska

Real Estate  
Commission

Meeting

September 17, 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, 3<sup>rd</sup> 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, 1<sup>st</sup> Judicial District</i> Juneau	3/01/2021	3/01/2025
<i>Public Member</i> Jimi Cash	08/01/2024	3/01/2027
<i>Public Member</i> Vacant		

# **Roll Call**

Traci Heaton

Elizabeth Schok

Chad Stigen

Devon Doran

Cheryl Markwood

Jimi Cash

# Approval of 9/17 Agenda

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

***Tentative Meeting Agenda***

**REAL ESTATE COMMISSION MEETING  
September 17, 2024  
VIA Zoom**

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**ZOOM Info: Join meeting:** Register **in advance** of meeting:  
[https://us02web.zoom.us/join/register/tZcld-GppjgtGdM\\_9DKa7tfOwsoE1QOHZcDG](https://us02web.zoom.us/join/register/tZcld-GppjgtGdM_9DKa7tfOwsoE1QOHZcDG)  
After registering, you will receive a confirmation email containing meeting ID and passcode.

**Tuesday, September 17, 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 8/2 Agenda  
    c) Statements of Conflicts of Interest

9:10 a.m. 2. Public Comments (est. time only; 9:10 am)  
  
3. Review Meeting Minutes  
    a) August 2, 2024

9:15 a.m. 4. Investigations Hines  
    a) Statistical Report

5. Old Business Harris  
    a) FY 2024 Strategic Plan – update  
    b) Regulation Project – filed, eff 9/20/24  
        12 AAC 64.118, 119 and 930

6. New Business  
    a) Proposed Regulations –McConnochie/Schok, Div.& Work Mtg  
    b) Set date for 2<sup>nd</sup> Work Meeting  
    c) Elections – Vice Chairman and Education Liaison

7. Executive Administrator's Report Harris  
    a) Licensing/Education Report  
    b) Recovery Fund Report

8. Commission Member Comments and Questions

Adjournment

\* Next REC meeting December 18, 2024

# Statements of Conflicts of Interest



State of Alaska  
DEPARTMENT OF LAW

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

## Introduction

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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)

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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)

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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)**

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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](http://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)

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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)

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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](http://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)**

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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)**

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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)**

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

## **Agency Policies (AS 39.52.920)**

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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**

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### **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](http://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**

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### **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

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

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State of Alaska  
DEPARTMENT OF LAW

# ETHICS ACT PROCEDURES FOR BOARDS & COMMISSIONS

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

## Who Is My Designated Ethics Supervisor (DES)?

Every board or commission subject to the Ethics Act<sup>1</sup> 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.<sup>2</sup>

## 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?**

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

## **What Are The Disclosure Procedures for Board and Commission Members?**

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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.<sup>4</sup>
- 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.<sup>5</sup>
- 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.<sup>6</sup>

*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.<sup>7</sup>

*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**

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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?**

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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?**

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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.<sup>8</sup>
- 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?**

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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](mailto: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?**

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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.

<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

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

<sup>7</sup> 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.

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

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

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

**Alaska Department of Law**

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**ETHICS SUPERVISOR DETERMINATION FORM**  
(Board or Commission Member)

Board or Commission: \_\_\_\_\_

Member Disclosing Potential Ethics Violation: \_\_\_\_\_

I have determined that the situation described on the attached ethics disclosure form

- does or would violate AS 39.52.110 - .190. Identify applicable statute below.
- does not or would not violate AS 39.52.110 - .190.

\_\_\_\_\_  
Signature of Designated Ethics Supervisor (Chair)

\_\_\_\_\_  
Printed Name of Designated Ethics Supervisor

Date: \_\_\_\_\_

COMMENTS (Please attach a separate sheet for additional space):

**Note: Disclosure Form must be attached.** Under AS 39.52.220, if the chair or a majority of the board or commission, not including the disclosing member, determines that a violation of AS 39.52.110-39.52.190 will exist if the member participates, the member shall refrain from voting, deliberating, or participating in the matter. A member will not be liable under the Ethics Act for action in accordance with such a determination so long as the member has fully disclosed all facts reasonably necessary to the determination and the attorney general has not advised the member, chair, or board or commission that the action is a violation. Forward disclosures with determinations to the State Ethics Attorney as part of your quarterly report. Quarterly reports are submitted to Litigation Assistant, Opinions, Appeals & Ethics, Department of Law, 1031 W. 4<sup>th</sup> Avenue, Suite 200, Anchorage, AK 99501. Revised 2012



# Public Comment

# Meeting Minutes

August 2, 2024  
Meeting Minutes

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

**REAL ESTATE COMMISSION  
MEETING MINUTES**

**August 2, 2024**

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

**Friday, August 2, 2024**

**Agenda Item 1 - Call to Order**

Chairperson Cheryl Markwood called the meeting to order at 9:03 a.m., at which time a quorum was established.

Agenda Item 1(a) – Roll Call

Members Present via Zoom

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

Members Absent:

Chad Stigen, Associate Broker, Broker at Large

Staff Present:

Nancy Harris, Executive Administrator, REC, Anchorage  
Kerry Givens, Project Assistant, REC, Anchorage  
Dennis Hines, Investigator, REC/APR, Anchorage  
Jennifer Summers, Senior Investigator, Anchorage  
Melissa Dumas, Administrative Officer, CBPL, Juneau  
Marilynn Zimmerman, Paralegal, CBPL, Juneau  
Amy Kennedy, Paralegal, CBPL, Juneau

Guests Present via Zoom:

Errol Champion, Former Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau  
Francisca Tracy, Compliance Analyst, The CE Shop, CO  
Mark Masley, New Liaison for AAR and Salesperson with Realty One Group Aurora, Anchorage  
PeggyAnn McConnochie, Broker/Educator with ACH Consulting, Juneau  
Gabe Stephen, Broker with Jack White Real Estate, Anchorage  
Jerry Royse, Broker/Educator with Royse & Associates, Anchorage  
Svannah Melandez, Educator with AK Housing Finance Corporation (AHFC), Anchorage  
Susan Baker, public person

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Teresa Block, Associate Broker/Educator with Berkshire Hathaway HomeServices AK Realty, Anchorage

Yvette Maldonado, real estate educator with AK Housing Finance Corporation (AHFC), Anchorage

Victoria Roberts, Broker/Educator with EXP Realty, LLC, Anchorage

Michelle Scott, Salesperson, Anchorage

Amanda Davis, Associate Broker with EXP Realty, LLC, Anchorage

Paula Laird, Associate Broker with Real Broker Alaska, Anchorage

Agenda Item 1(b) - Approval of 8/2 Agenda

Commission members reviewed the agenda as presented.

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

**Resolved to approve the August 2, 2024, meeting agenda as presented.**

**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**

PeggyAnn McConnochie, a broker and educator with ACH Consulting addressed the Commission regarding her insights on the NAR settlement and stated that it effects all licensees throughout the US, whether licensees are Realtors or not.

She stated that starting on August 17, 2024, NAR agreed to the following:

- First, something that the commission does not have control over: All MLSs must put in place a new rule prohibiting offers of compensation in the MLS; and.
- NAR agreed to require all licensees working with buyers to enter into written agreements with their buyers before viewing a home.

She said these changes, for the most part, do not affect those in property management or commercial so long as, they do not post listings on a residential MLS and offer compensation to those working with buyers or tenants.

Ms. McConnochie said the reason why she is presenting this proposal to the Commission is because real estate commissions in several states have already made changes to provide additional protections to consumers because of multiple lawsuits.

She said this Commission has a unique opportunity to enhance consumer protection by adding a requirement to our regulations. This requirement would mandate licensees have a written agreement with buyers when representing consumers in purchasing real estate. This change strengthens consumer rights and ensures a more transparent and fair real estate market, benefiting the consumer.

She said she is not suggesting mandating a specific form, but she suggested adding in regulations the requirement to have a written contract with a buyer before showing a property.

Ms. McConnochie shared NAR's mandatory provisions of the written agreement which included:

- Specify and disclose the amount or rate of any compensation the licensee will receive from any source or how this amount will be determined.
- The amount of compensation must be objectively ascertainable and may not be open-ended.
- Include a statement that the licensee may not receive compensation from any source that exceeds the amount or rate agreed to with the buyer.
- Disclose in conspicuous language that broker commissions are not set by law and are entirely negotiable and
- Include any provisions required by state law.

Ms. McConnochie said that a regulation change could not add this specificity, and she cannot confidently say that a regulation change requiring a buyer contract will be allowed. However, if Commission does not attempt to make a regulation change, the consumer will be stuck between a disclosure form required by Alaska law (specifically not a contract) and then, outside our law, the requirement for a written buyer agreement to be used by all licensees due to the settlement.

Ms. McConnochie included suggested areas in the real estate regulation for changes under 12 AAC 64.117 Broker Written Policy and 12 AAC 64. 118 Consumer Disclosure.

Jerry Royse, broker and educator with Royse & Associates, gave his support to Ms. McConachie's comments regarding what is needed with regards to the NAR settlement. He said he thought it was a great idea and it makes sense for us to require that it be in writing, and he gave his wholehearted support to Ms. McConachie's position. He would love to get a copy of the document so that we all can teach licensees how to deal with these changes in the industry.

Errol Champion, former Liaison for AAR, and Broker of Coldwell Banker Race Realty said he is waiting for Governor Dunleavy to sign SB179 today. So hopefully that bill will be a law sometime today.

Mark Maisley, the new legislative liaison for AAR and salesperson with Realty One Group Aurora, said he did not have any comments for the Commission, but is also anxiously waiting for the Governor's signature of SB179.

Ms. Markwood closed public comment at 10:15 am.

### **Agenda Item 3 – Review of Meeting Minutes**

**June 27, 2024, Meeting Minutes – 3(a)**

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

**Resolved to approve the June 27, 2024, meeting minutes as presented.**

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

**Agenda Item 4 – Investigations**

**Agenda Item 4(a) – Statistic Report**

**Statistical Report – 4(a)**

Mr. Hines, Investigator for the Real Estate Commission, presented the investigation statistical report to the Commission. Mr. Hines said for the reporting period of March 05, 2024, through June 3, 2024 there were 20 complaints, 7 matters in intake, 5 matters under investigations, and 3 matter in litigation, and 4 matters were closed from the last report.

**License Actions –**

Commission members went into executive session to discuss investigative matters.

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

**Resolved to go into executive session to discuss investigative matters.**

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

*Commission went into executive session at 10:20 am.*

*Out of executive session at 11:38 am*

**Consent Agreement - Case No. 2022-000468 – 4(b)**

Ms. Markwood stated that the reviewing member for this case was Ms. Schok, and she was removed from executive session during the deliberations on this case.

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

**Resolved to deny the Consent Agreement in case No. 2022-000468.**

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

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

**Resolved to request that the consent agreement to be re-negotiated to reflect a \$2500 civil fine, and all other terms remain the same.**

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

**Revocation by Default, Case No. 2022-000394 – 4(b)**

Ms. Markwood stated that the reviewing member for this case was Ms. Heaton, and she was removed from executive session during any deliberations on this case.

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

**Resolved to adopt the final Order for Discipline by Default in Case No. 2022-000394.**

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

*The Commission adopted the Order for Discipline by Default in Case No. 2022-000394 to revoke Zachary Sisson's real estate salesperson license #127147.*

Imposition of Civil Fine, Case No. 2022-000921– 4(b)

Ms. Markwood stated that the reviewing member for this case was Ms. Heaton, and she was removed from executive session during the deliberations on this case.

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

**Resolved to deny the Imposition of Civil Fine, for Case No. 2022-000921.**

Roll call vote: Markwood- yes, Schok -yes; Doran – yes, Stigen -absent, Cash- yes. Ms. Heaton was recused.

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

**Resolved to convert the Imposition of Civil Fine, Case No. 2022-000921, to a Consent Agreement with the following terms: 5,000 civil fine, 2- years' probation, and 4 hours of additional continuing education, to include 2 hours in licensing relationships and 2 hours in prohibited conduct.**

Roll call vote: Markwood- yes, Schok -yes; Doran – yes, Stigen -absent, Cash- yes. Ms. Heaton was recused.

**Agenda Item 5 – Old Business**

Revisit Reinstatement of License -D Lorah 5(a)

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

**Resolved to un-table the reinstatement application of Dustin Lorah from the June 27, 2024, meeting.**

No opposition. Motion passed.



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

**Resolved to approve the reinstatement application of Dustin Lorah, license number RECS18205 and case no. 2022- 000981.**

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

*The Commission approved the reinstatement application for Dustin Lorah.*

The Commission recessed for break at 11:48 a.m.  
The Commission reconvened at 12:00 p.m.

Regulation Project – review public comments - 5(b)

Commission members reviewed and discussed the 2 written public comments received.

The first written comment asked that the in the Property Disclosure form if the word “defects” could be added to the Structural Components as well. in bold as “known defects or malfunctions”.

The Commission members reviewed and discussed the written comment and decided that no changes were needed with Structural Components.

The second written comment the Commission members took into consideration was also on the Property Disclosure form, page 7, item number 6, the person who made the comment asked if under “If yes, is there a recorded agreement?”, suggested to remove the word “recorded”. The person who made the comment said that if it is recorded it will turn up during the title search, but if it was not recorded, it could still be valid.

The Commission members reviewed and discussed the written comment and decided to make the suggested change and on page 7, item number 6, of the Property Disclosure form, and removed the word “recorded” and add the word “written”. The sentence for item number 6 will now read, “If yes, is there a written agreement?”

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

**Resolved to adopt the State of Alaska Residential Real Property Transfer Disclosure Statement form 08-4229 as amended, on page 7, item 6, change the word “recorded” to “written”, If yes, is there a written agreement?**

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

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

**Resolved to adopt 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.**

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

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

**Resolved to adopt the proposed changes to State of Alaska Residential Real Property Transfer Disclosure Statement form 08-4229 as amended.**

Roll call vote: Doran – yes, Stigen – absent, Cash – yes, Markwood – yes and Heaton – yes.

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

**Resolved to adopt the proposed regulation project, 2023200418, as publicly noticed and amended.**

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

FY 2023/2024 Strategic Plan- update – 5(b)

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

The Commission added 3 items to the 2024 strategic plan:

#8- committee to create a regulation with regards to the requirement from the NAR Settlement that licensees working with a buyer must have a buyers agreement completed and signed before showing a home.

#9- the disciplinary matrix – to review and make possible changes

#10 –review the length of time between application for reinstatement of license.

Ms., Markwood stated the strategic plan is a roadmap for the REC to move forward, and it helps us to keep focused on our tasks. It is a very useful tool to have to work through on a regular basis.

**Agenda Item 7 – New Business**

**Board of Trade Real Estate School – Course 16599 – 7(a)**

The Commission discussed and considered the retroactive approval for the students who completed the Pre-Licensing Salesperson course, #16599, that was given by The Board of Trade Real Estate School owned by David Pruhs. Mr. Pruhs thought this course was approved with a 4/1/2025 expiration date; however, that was the expiration date of his instructor certification. The course, 16599, was not renewed and was expired from 2/1/2022 through 1/31/2024. Mr. Pruhs' instructor certification was current. There were several students that completed the course between 2/1/22 and 1/31/2024.

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

**Resolved to retroactively approve course #16599, for April 2022 through December 2023 for all students.**

Roll call vote: Doran- yes, Stigen -absent, Cash- yes, Markwood- yes, Heaton-yes and, Schok -yes

**Agenda Item 6 – Division Update**

**Revenue/Expenditure Report, FY24/3rd 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 1<sup>st</sup> - 3<sup>rd</sup> Quarter, through March 2024. This report is showing 3 closed biennium, FY18 & 19, FY20 & 21, FY 22-23, and this biennium FY24-25. She stated through March 2024 the program brought in \$176,875 in licensing revenue. No general funds or 3<sup>rd</sup> party reimbursements monies were received during this time. Non-investigative expenditures received were \$142,721, and the investigative expenditures received were \$159,207 for a total of direct expenditures as \$301,928. The indirect expenditures, this includes administrative, Department and statewide costs) were \$152,326 with the total expenditures as \$454,254. The beginning cumulative surplus was \$960,070 and the annual decrease was 277,379 to give an ending cumulative surplus of \$682,691.

A fee analysis will be presented at the next meeting.

**Agenda Item 7 – New Business, cont'd**

**New Legislation, HB 134/SB179– 7(b)**

This information was for the Commission to see the final language for SB179 that passed this legislative session. SB179 was expected to be signed by the Governor today.

**Proposed Regulations from work meeting – 7(b)**

Mr. Givens went over some possible revisions of regulations from the topics that were discussed at the May 15, 2024, work meeting. Mr. Given also spoke about office requirements to include signage for possible regulation changes as well. The regulations that were created or revised were presented to the Commission for their consideration were:

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12 AAC 64.065, License Required for Employees, Directors, Agents and Officers, changing the word “corporations” to “entity” for clarification.

12 AAC 64.075- Employment and Transfer, adding a new section giving a time frame to work while waiting for a change of broker or associate broker in charge for an office change.

12 AAC64.078-Temporary Absence of Broker of Record, with some clarifying language for “persons” in (b) (2).

12 AAC 64.600- insurance required, adding language to require E & O Insurance with a transfer and inactivation of a license as well as initially and with renewal and to add a requirement to audit licensees for compliance of E & O Insurance.

12 AAC 64.610 Time for Filing Certification of Equivalent Coverage add language to require E & O Insurance with a transfer and inactivation of a license as well as initially and with renewal.

12 AAC 02.530 – Standards for Equivalent Coverage and 12 AAC 02.540- Notification required for Cancellation, these can only be recommendations because these are Division regulations.

Ms. Markwood suggested a second work meeting to review and work on signage, broker supervision requirement, advertising, virtual offices compared to principal offices, reinstatement Broker PLE, and NAR settlement.

Staff to provide Commission members a number of options for dates to choose from to schedule another work meeting after the September meeting.

ARELLO 2024 Annual Conference, Chicago, IL Sept 23-26, 2024 – 7(d)

Ms. Harris stated that the Commission no longer is required to approve staff to attend the ARELLO conference. The Commission would only need to approve if any of the Commission members would like to attend the ARELLO conference. The new Commission member Mr. Cash stated that he would be interested to attending the Commissioner College 101 course that is available at the 2024 ARELLO Conference.

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

**Resolved to approve for Commission member Jimi Cash to attend the 2024 ARELLO Conference and Commissioner College in Chicago, IL, September 23, 2024, through September 26, 2024, if approved by the Division.**

No opposition. Motion passed.

September 17, 2024, REC meeting – 7(e)

The Commission agreed to have the September 17, 2024, REC meeting via Zoom, not in person.

**Train the Presenter course – 7(f)**

The Anchorage Board of Realtors came to the Executive Administrator and asked if a Train the Trainer course could be approved for credit. The Executive Administrator misunderstood and

thought the course was sponsored through NAR which one of the sponsors listed in the regulation, 12 AAC 64.440(d), that can provide the Train the Trainer workshop that licensees can complete and receive credit. However, after the course was completed, the Executive Administrator realized the course was sponsored by Anchorage Board of Realtors and the instructor was not approved. The Executive Administrator heard from other education providers and students that it was an excellent course. Several individuals attended this course specifically to become an approved instructor and use the completion of the course in lieu of their teaching experience. Ms. Harris requested that the Commission consider retroactive approval for those individuals who completed the Train the Presenter course on 4/4/2024.

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

**Resolved to approve the Train the Presenter course offered by the Anchorage Board of Realtors,**

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

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

#### **Licensing/Education Report/ Statistics – 8(a)**

Mr. Givens presented the licensing report for to the Commission. He reported that between, March 5, 2024, through Jun 6, 2024, there were 81 new licenses issued; 284 active licensees, 2903 total number of licensees with an 1/31/2026 expiration date; 12 inactive licensees; 11 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 150 transfers; 69 licensees completed their PLE requirements and 22 licensees in a license returned status.

Mr. Givens presented the education report for June 19, 2024. He reported that as of 6/4/2024, there were 16 pre-licensing courses; 4 broker upgrade courses; 277 elective (ECE) and 62 designated (DCE) courses and 55 Post Licensing courses with a total of 414 approved courses. There were 10 initial courses approved between 3/6/24 and 6/4/2024.

There are a total of 110 instructors. There were 10 new instructors from the last report, and no temporary instructors.

#### **Recovery Fund Balance Report – 8(b)**

Ms. Harris presented the Recovery Fund Report ending March 31, 2024. The Commission received \$41,660 in revenue for license fees processed with a total revenue at \$47,165 and \$31,567 total expenditures for the year. The beginning year balance was \$380,792 and the end of year fund balance of \$396,389. The projected end of year balance for the fiscal year ended 6/30/24 is \$392,637.

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

Ms. Doran thanked everyone for all their hard work and said it was great getting business done. She said it is great to have Jimi on the Commission so we can have more votes and make progress. She is looking forward to working on the regulation project regarding the settlement

Ms. Schok said she echoed what Ms. Doran said. She said it is nice to get some business done and be able to check items off the strategic plan. She is excited about the new things that the Commission will be working on, and everyone's hard work is very much appreciated. She welcomed the new Commission member Jimi and said it is great to have him on the Commission.

Ms. Heaton welcomed the new Commission member Jimi. She said it is great to have more Commission members and hopefully the last seat will be filled. She said she is excited about the consumer disclosure moving forward and looks forward to using it once it is out of draft form.

Ms. Cash said thank you. He said it is a lot to take in since he was just appointed 2 days ago. He said it was nice to see so much knowledge in this group and how you really understand your industry. He said he is happy to be a part of this Commission.

Ms. Markwood said she would like to reiterate that it is huge that the Commission got the consumer disclosure alone completed. It has been a 3–4-year project! She said she is proud for all members for all their hard work on the regulation project and getting through it. She said that not only is the Commission addressing elections at the next meeting, but they also are going to make the schedule for the upcoming year, so please look at your calendars. She said it is great having Jimi on the Commission. The Commission appreciates Jimi being here with us and being a public member, to keep us in place because our goal is always to represent the consumers as well. Lastly, Ms. Markwood said the next project is going to be a huge undertaking. There have been a lot of components added to the next work session. However, this regulation project will be very, very beneficial to both our industry and the public. She thanked everyone for their time and energy moving forward.

Ms. Harris thanked all the Commission members for their time and hard work She said she knows it is a lot and staff appreciates all their time and work. She thanked and welcomed the new Commission member, Jimi, for jumping right in the meeting so quickly.

Ms. Givens welcomed Jimi on the Commission and let him know if there is anything staff could help him with, don't hesitate to reach out. He thanked the Commission members for listening to some of staff's thoughts on adding work to their plate. It is important information to look into an give the Commission the best tools we can.

Ms. Markwood asked that forms go out to the industry as soon as possible and that links are great but also make available the actual forms.

### **Adjournment**

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

**Resolved to adjourn the meeting.**

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

Meeting adjourned at 1:23 pm.

Next meeting: September 17, 2024.

Prepared and submitted by:  
Real Estate Commission Staff

Approved:

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Cheryl Markwood  
REC Chairperson  
Alaska Real Estate Commission

DRAFT

# Investigations



# Statistical Report



THE STATE  
of **ALASKA**

Department of Commerce, Community,  
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND  
PROFESSIONAL LICENSING

550 West Seventh Avenue, Suite 1500  
Anchorage, AK 99501-3567  
Main: 907.269.8160  
Fax: 907.269.8156

**MEMORANDUM**

DATE: September 04, 2024  
TO: Real Estate Commission  
THRU: Erika Priksat, Chief Investigator *BH*  
FROM: Dennis Hines, Investigator *DH*  
RE: Investigative Report for the September 17, 2024 Meeting

The following information was compiled as an investigative report to the Board for the period of June 04, 2024 thru September 04, 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 - 43**

<b><u>Case Number</u></b>	<b><u>Violation Type</u></b>	<b><u>Case Status</u></b>	<b><u>Status Date</u></b>
2024-000684	Violation of licensing regulation	Complaint	07/25/2024

**BROKER, MORTGAGE**

2024-000555	Violation of licensing regulation	Intake	06/05/2024
2024-000556	Violation of licensing regulation	Intake	06/05/2024

**BROKER-DEALER AGENT**

2024-000560	Violation of licensing regulation	Intake	06/05/2024
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**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**

2024-000613	Violation of licensing regulation	Intake	07/01/2024
2023-000278	Violation of licensing regulation	Complaint	04/11/2023
2023-001146	Violation of licensing regulation	Complaint	11/27/2023
2024-000250	Violation of licensing regulation	Complaint	03/19/2024
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
2024-000579	Violation of licensing regulation	Intake	06/17/2024
2024-000789	Violation of licensing regulation	Intake	08/29/2024
2024-000796	Continuing education	Intake	08/26/2024
2024-000797	Continuing education	Intake	08/26/2024
2024-000798	Continuing education	Intake	08/26/2024
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
2024-000712	Continuing education	Complaint	08/12/2024
2024-000713	Continuing education	Complaint	08/12/2024
2024-000762	Continuing education	Complaint	08/28/2024
2023-000309	Contested license denial	Monitor	01/04/2024
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 - 4**

<b><u>Case #</u></b>	<b><u>Violation Type</u></b>	<b><u>Case Status</u></b>	<b><u>Closed</u></b>	<b><u>Closure</u></b>
<b>REAL ESTATE BROKER</b>				
2024-000225	Violation of licensing regulation	Closed-Intake	06/11/2024	No Action - Lack of Jurisdiction
2024-000279	Violation of licensing regulation	Closed-Intake	06/12/2024	No Action - Lack of Jurisdiction
2024-000226	Violation of licensing regulation	Closed-Complaint	07/24/2024	Other (See Abstract)
<b>REAL ESTATE SALESPERSON</b>				
2022-000473	Violation of licensing regulation	Closed-Investigation	06/07/2024	Advisement Letter

***END OF REPORT***

# Old Business

# 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	Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
2. Commission Business/Inform Licensees	To review and revise 12 AAC 64.064 (g). Education requirements after initial licensure regarding broker/associate broker completion of post licensing education. Review regulations in other areas in the regulations that may also need revision, due to changes, endorsement and offices.	Commissioner Doran and Committee	In progress, Commissioner Doran 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.		Completed. The regulation changes were reviewed and approved by the Department of Law, signed and filed by the Office of the Lieutenant Governor on August 21, 2024, and are effective on September 20, 2024
6. Protect the Consumer/Inform Licensee	<ul style="list-style-type: none"> <li>• Broker Supervision to strengthen the standards within the real estate industry regarding broker supervision and offices.</li> <li>• To define and review the regulations pertaining to broker supervision.</li> <li>• To define and review brokerage offices. -to be completed in a committee.</li> </ul>	T Heaton- Committee Chair D Doran – Committee Co-chair	

Last Edited 8/29/24

# 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
7. Protect the Consumer/Inform Licensee	<p>Possible new/revised regulations. Topics to consider:</p> <ul style="list-style-type: none"> <li>• Office change process, including:</li> <li>• Change of broker and AB in an office</li> <li>• Change of office name</li> <li>• Change of ownership of an office</li> <li>• 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</li> <li>• Audit of E &amp; O Insurance</li> <li>• Broker supervision, licensees not responding to customers/clients.</li> <li>• Transaction coordinators</li> <li>• HOA/Community Associations</li> <li>• Trusts Accounts</li> <li>• Audit of offices – physical address/location</li> <li>• Advertising</li> </ul>	Commission to have work session meeting, open to public for public comment	<p><b>In progress.</b></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"> <li>• Termination of broker by owner</li> <li>• Office changes</li> <li>• Temporary B/AB of office with changes and no broker available</li> <li>• Audit of E &amp; O</li> </ul>
8. Protect the Consumer/inform Licensees	<p>Create regulations that will protect the public with regards to the NAR Settlement requirements.</p> <p>-Buyer Agreement completed before licensee shows property.</p>	Commission Member Elizabeth Schok/PeggyAnn McConnochie	<b>Review proposed changes at September 2024 meeting.</b>
9. Commission business/inform licensees	Disciplinary Matrix – Commission to review matrix and make changes as necessary.	Commission	
9. Commission business/inform licensees	Reinstatement License application – Review the length of time between application of license.	Commission member Doran to head this task.	

Last Edited 8/29/24

Nancy Dahlstrom  
Lieutenant Governor  
State Capitol  
Juneau, Alaska 99811  
907.465.3520  
WWW.LTGOV.ALASKA.GOV



530 West 7<sup>th</sup> Ave, Suite 1700  
Anchorage, Alaska 99501  
907.269.7460  
LT.GOVERNOR@ALASKA.GOV

**OFFICE OF THE LIEUTENANT GOVERNOR  
ALASKA**

**MEMORANDUM**

**TO:** Sara Chambers, Department of Commerce, Community and Economic Development

**FROM:** April Simpson, Office of the Lieutenant Governor   
465.4081

**DATE:** August 21, 2024

**RE:** Filed Permanent Regulations: Real Estate Commission

Real Estate Commission regulations re: Updates to consumer forms (12 AAC 64.118, 12 AAC 64.119, 12 AAC 64.930)

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Attorney General File:	2023200418
Regulation Filed:	8/21/2024
Effective Date:	9/20/2024
Print:	251, October 2024

cc with enclosures: Colleen Bailey, Department of Law  
Judy Herndon, LexisNexis  
Sylvan Robb, Division Director  
Stefanie Davis, Regulations Specialist





THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Law**

CIVIL DIVISION

P.O. Box 110300  
Juneau, Alaska 99811  
Main: 907.465.3600  
Fax: 907.465.2520

August 19, 2024

The Honorable Nancy Dahlstrom  
Lieutenant Governor  
State of Alaska  
P.O. Box 110015  
Juneau, AK 99811-0015

Re: *12 AAC 64.118, 12 AAC 64.119, 12 AAC 64.930: Real Estate Commission -  
Updates to consumer forms*  
Our file: 2023200418

Dear Lieutenant Governor Dahlstrom:

The Department of Law has reviewed the attached regulations of the Real Estate Commission against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This letter constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Real Estate Commission after the close of the public comment period.

The regulations update existing consumer forms, notably the *Residential Real Property Transfer Disclosure Statement*; adopt by reference additional forms, and amend the definition of "residential real property".

The November 7, 2023 public notice, the June 13, 2024 supplemental public notice, and the August 15, 2024 certification of adoption order all state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.060 is not required.

We have made some technical corrections to conform the regulations in accordance with AS 44.62.060. The corrections are incorporated into the attached copy of the regulations.

Sincerely,

TREG TAYLOR  
ATTORNEY GENERAL

By: **Rebecca C. Polizzotto**  
Digitally signed by  
Rebecca C. Polizzotto  
Date: 2024.08.19  
13:14:27 -08'00'  
Rebecca C. Polizzotto  
Chief Assistant Attorney General  
Legislation, Regulations, and  
Legislative Research Section

RCP/scw

CC w/enclosure: Stefanie Davis, Regulations Specialist 2  
Department of Commerce, Community and Economic Development

Harriet D. Milks, Assistant Attorney General  
Department of Law

Steven C. Weaver, Assistant Attorney General  
Department of Law

ORDER CERTIFYING THE CHANGES TO  
REGULATIONS OF THE REAL ESTATE COMMISSION

The attached three pages of regulations, dealing with the consumer disclosure form, the waiver of right to be represented form, and the property disclosure form which have been updated and are to be adopted by reference, are certified to be a correct copy of the regulation changes that the Real Estate Commission adopted at its June 27, 2024 meeting, under the authority of AS 08.88.071, AS 08.88.081, AS 08.88.171, AS 08.88.610, AS 08.88.615, AS 08.88.685 and AS 34.70.050, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

On the record, in considering public comments, the Real Estate Commission paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes described in this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

DATE: 8/15/2024

**Nancy Harris**

Digitally signed by Nancy Harris  
Date: 2024.08.15 13:37:39  
-08'00'

Nancy Harris, Executive Administrator  
Real Estate Commission

*April Simpson for*

FILING CERTIFICATION

I, Nancy Dahlstrom, Lieutenant Governor for the State of Alaska, certify that on August 21, 2024 at 1:15 p.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

*for* *April Simpson*  
Nancy Dahlstrom, Lieutenant Governor

Effective: September 20, 2024.

Register: 251, October 2024.

**FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY**

**I, NANCY DAHLSTROM, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employees to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:**

**April Simpson, Regulations and Initiatives Specialist**

**IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on May 15th, 2023.**



A handwritten signature in blue ink, reading "Nancy Dahlstrom", is written over a horizontal dotted line.

**NANCY DAHLSTROM  
LIEUTENANT GOVERNOR**

12 AAC 64.118 is amended to read:

**12 AAC 64.118. Consumer disclosure form.** Before a real estate licensee provides specific assistance to a person, or when entering into a contract with the person to provide specific assistance, the real estate licensee shall provide the person with a copy of the commission's *Alaska Real Estate Commission Consumer Disclosure*, dated **April 2024** [FEBRUARY 2015], and adopted by reference. (Eff. 1/1/2005, Register 172; am 11/18/2006, Register 180; am 6/20/2015, Register 214; am 9 / 20 / 2024, Register 251 )

**Authority:** AS 08.88.071 AS 08.88.171 AS 08.88.685  
AS 08.88.081

The editor's note that follows 12 AAC 64.118 is changed to read:

**Editor's note:** Copies of the *Alaska Real Estate Commission Consumer Disclosure*, adopted by reference in 12 AAC 64.118, may be obtained from the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, AK **99501**; **telephone** [99501-3567; PHONE]: **(907) 269-8168** [(907) 269-8162].

12 AAC 64.119 is amended to read:

**12 AAC 64.119. Waiver of right to be represented form.** A written consent that a neutral licensee obtains under AS 08.88.610 must be provided on the commission's form entitled *Alaska Real Estate Commission Waiver of Right to Be Represented*, dated **April 2024** [FEBRUARY 2015], and adopted by reference. (Eff. 1/1/2005, Register 172; am 11/18/2006, Register 180; am 6/20/2015, Register 214; am 9 / 20 / 2024, Register 251 )

**Authority:** AS 08.88.071 AS 08.88.171 AS 08.88.610  
AS 08.88.081

The editor's note that follows 12 AAC 64.119 is changed to read:

**Editor's note:** Copies of the *Alaska Real Estate Commission Waiver of Right to Be Represented*, adopted by reference in 12 AAC 64.119, may be obtained from the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, AK 99501; telephone [99501-3567; PHONE]: (907) 269-8168 [(907) 269-8162].

12 AAC 64.930 is amended to read:

**12 AAC 64.930. Property disclosure form.** (a) The forms titled *Residential Real Property Transfer Disclosure Statement*, dated May 2024 [DECEMBER 2021], *Residential Real Property Transfer Disclosure Statement – Exemption for First Sale, dated May 2024, and Residential Real Property Transfer Disclosure Statement – Waiver by Agreement, dated May 2024, are* [IS] adopted by reference. These forms [THIS FORM], prepared by the Real Estate Commission, present [PRESENTS] the information required by AS 34.70 that a transferor of an interest in residential real property must disclose to a prospective transferee of the property before the transferee makes a written offer. Use of these forms [THIS FORM] also complies with AS 34.70.050 regarding notice to the transferee to conduct investigations regarding convicted sex offenders residing in the neighborhood and whether there is an agricultural facility or operation in the vicinity.

(b) For the purposes of this section, "residential real property" has the meaning given to the term in AS 34.70.200 and AS 34.80.090. (Eff. 9/12/93, Register 127; am 2/12/99, Register 149; am 8/23/2001, Register 159; am 6/20/2003, Register 166; am 1/1/2005, Register 172; am 11/18/2006, Register 180; am 10/4/2008, Register 188; am 7/16/2022, Register 243;

Register 251, October 2024 PROFESSIONAL REGULATIONS

am 9 / 20 / 2024, Register 251 )

**Authority:** AS 08.88.071 AS 08.88.615 AS 34.70.050  
AS 08.88.081

The editor's note that follows 12 AAC 64.930 is changed to read:

**Editor's note:** Copies of the *Residential Real Property Transfer Disclosure Statement*, *Residential Real Property Disclosure Statement – Exemption for First Sale, and Residential Real Property Transfer Disclosure Statement – Waiver by Agreement*, adopted by reference in 12 AAC 64.930, may be obtained from the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, AK 99501; **telephone** **[PHONE]**: (907) 269-8168.

# New Business



Proposed Regulations –  
Work meeting  
PeggyAnn McConnochie and  
Elizabeth Schok  
Division CBPL

# ACH CONSULTING LLC

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## **This is where I believe changes could be made to the regulations.**

12 AAC 64.117. BROKER'S WRITTEN POLICY. A broker shall adopt a written policy manual that addresses guidelines and procedures

- (1) to determine the designated licensee;
- (2) that establish a policy for when the broker becomes a designated licensee;
- (3) for neutral licensees;
- (4) for a single real estate licensee representing one party in a transaction while providing specific assistance to an unrepresented party in the same transaction;
- (5) for maintaining confidentiality within the office for all transactions;
- (6) for the mandatory usage of a written buyer licensee contract with signatures prior to consumer viewing a property; and
- (7) for the supervision of teams, if applicable, to include a policy covering
  - (A) the usage of the consumer disclosure required under 12 AAC 64.118; and
  - (B) how consumers are represented within a team.

12 AAC 64.118. CONSUMER DISCLOSURE. Before a real estate licensee provides specific assistance to a person, or when entering into a contract with the person to provide specific assistance, the real estate licensee shall provide the person with a copy of the commission's *Alaska Real Estate Commission Consumer Disclosure*, dated February 2015, and adopted by reference. **Real estate license to provide a written buyer licensee contract to every buyer prior to buyer viewing a property.**

Under definitions, I believe it is already covered:

(d) In AS 08.88, "personal service contracts" include listings, fee agreements between brokers and buyers or sellers, management contracts with property owners, or other agreements by which a broker agrees to perform a duty with respect to real estate for an agreed upon fee or commission.

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

## Issues:

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

## Proposed Solutions for Issue #1 from Deputy Director Saviers:

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

*(2) a [BROKER] **registered principal office or branch office** employing [OTHER] real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance coverage with a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the [BROKER] **individual registered principal office or branch office** are covered. The insurance must be under the office name exactly as it appears on the license.*
- **Option 2:** Leave 12 AAC 02.530(2) as is, and the division will do an education campaign to let brokers and brokerages know when this will be enforced so they have time to make the necessary change.

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

- **12 AAC 02.530. STANDARDS FOR EQUIVALENT COVERAGE.**

An insurer issuing equivalent coverage under AS 08.88.172(c)(2) shall hold a certificate of authority issued under AS 21.09. All activities contemplated under AS 08.88.172 must be covered. The insurance must meet the minimum coverage standards of 12 AAC 02.510(a)(1) – (3), 12 AAC 02.510(b), and 12 AAC 02.510(c)(1) and (5), except that

  - (1) a policy with a higher deductible amount or self-insured retention will qualify as equivalent coverage for purposes of AS 08.88.172(c)(2) if, when applying to obtain, [OR] renew, **transfer, reinstate, or reactivate** the license, the insured licensee provides the Real Estate Commission with
    - (A) an affidavit certifying that the insured licensee has the financial resources in set-aside funds to pay the higher deductible amount or self-insured retention; and
    - (B) a certificate of insurance from the insured licensee's insurer; [AND]
  - (2) a broker employing other real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance with coverage of a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the broker are covered.
- **12 AAC 64.071. LICENSE RENEWAL.**
  - (a) Except as provided in (g) of this section, all licenses lapse January 31 of every even-numbered year unless renewed under this section and in accordance with AS 08.88.091, 08.88.171, and[,] 08.88.251.

A renewal reminder notice will be provided by the commission, either by electronic mail or regular United States mail, to each licensee with a current expiration date at least 60 days before the renewal date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Other Relevant Statutes & Regulations:**

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

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

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

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

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

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

(d) The commission may

- (1) solicit bids for a master errors and omissions insurance policy for licensees that meets the minimum terms and conditions established under (b) of this section using a competitive sealed bid process under AS 36.30 (State Procurement Code); and
- (2) charge a licensee a reasonable administration fee to recover costs incurred in connection with the solicitation made under (1) of this subsection.

(e) [Repealed, § 4 ch 39 SLA 2016.]

(f) A licensee seeking to obtain or renew a license shall certify to the commission that errors and omissions insurance has been obtained. A licensee who elects to independently obtain errors and omissions insurance shall provide a certificate of coverage with the application to obtain or renew a license.

- **12 AAC 02.510. MINIMUM STANDARDS.**

(a) The master errors and omissions insurance policy must provide to each individual licensee, at a minimum, the following terms of coverage:

- (1) not less than \$100,000 limit of liability for each licensee per covered wrongful act or per covered claim depending on the policy form used by the insurer; claims expenses including the cost for investigation or defense must be in addition to the limit of liability; if the limit of liability is on a
  - (A) covered wrongful act basis, two or more claims arising out of a single wrongful act or a series of related wrongful acts may be considered one claim;
  - (B) covered claim basis, two or more related wrongful acts may be considered one claim;
- (2) an annual aggregate limit of liability of not less than \$300,000 per licensee;
- (3) a deductible amount for each covered wrongful act of not more than \$5,000 for every \$300,000 annual aggregate limit of liability; an additional deductible for investigation and defense costs may be considered;
- (4) an extended reporting period of 90 days and an option to purchase an additional three years extended reporting period for a premium not to exceed 200 percent of the premium charged for the last year of the terminating coverage;
- (5) the ability of a licensee, upon payment of an additional premium, to obtain higher limits of coverage or to purchase additional coverages from the group insurer as may be available from the insurer;

- (6) the coverage provided under the master errors and omissions insurance policy must be individual and specific to the licensee and must cover the licensee regardless of changes in real estate broker or changes in the business relationship between a real estate broker and the licensee; and
  - (7) prior acts coverage must be offered to a licensee who has maintained the same or similar coverage, continually in-force until the date and the time that coverage begins under the master errors and omissions insurance policy coverage.
- (b) The master errors and omissions insurance policy must contain a provision requiring the consent of the insured to settle a claim except that the insured may not unreasonably withhold consent.
- (c) The insurer that is selected to provide the master errors and omissions insurance policy shall
- (1) maintain an A.M. Best rating of "B+" or better and financial size category of class VI or higher;
  - (2) maintain a certificate of authority issued under AS 21.09 by the director of insurance to transact insurance business in this state and be in compliance with AS 21;
  - (3) provide the master errors and omissions insurance policy after notification by the Real Estate Commission that it is the successful bidder of a competitive bidding process under AS 36.30;
  - (4) enter into contract to provide the master errors and omissions insurance policy in conformity with AS 08.88.172, 12 AAC 02.510 – 12 AAC 02.590, and AS 21; and
  - (5) collect premiums, maintain records, and report to the Real Estate Commission the names of those insured and prior claims experience if known, date of claim, amount paid, nature of claim, and claims information on a quarterly basis or an annual basis or on request by the Real Estate Commission.

12 AAC 64.065. LICENSE REQUIRED FOR EMPLOYEES, DIRECTORS, AGENTS, AND OFFICERS.

(a) Repealed 2/11/95.

(b) A broker acting on behalf of a business, ~~corporation~~ **entity**, or organization shall be authorized to act by a resolution of the policy making body of that business, ~~corporation~~ **entity**, or organization. The resolution must be a permanent part of the records of that business, ~~corporation~~ **entity**, or organization and must show that the broker has exclusive authority over and responsibility for

(1) employing and terminating the employment of licensees;

(2) maintaining and examining all trust accounts for real estate transactions;

(3) authorizing payment of all commissions, salaries, finder's fees, or other compensation for activities for which a license is required and indicating on the payment record the specific reason for the payment.

(4) maintaining the records of all real estate transactions and assuring their accessibility to the department; and

(5) directing and supervising all real estate business activities for which a license is required and all activities necessary for full compliance with AS 08.88 and this chapter.

(c) When a broker who is authorized to act on behalf of a business, ~~corporation~~ **entity**, or organization loses an active broker license for any reason, the business, ~~corporation~~ **entity**, or organization shall stop engaging in real estate transactions until the broker's license is renewed or reinstated, or until a new broker is employed.

**Authority:** AS 08.88.071 AS 08.88.161 AS 08.88.900  
AS 08.88.081

**12 AAC 64.075. EMPLOYMENT AND TRANSFER.**

(a) An individual may not be involved in activities requiring licensure under AS 08.88 until the individual's employing broker signs and delivers to the commission, either by electronic mail or regular United States mail, a notice of employment of the individual and the individual's completed broker notice to real estate commission of licensee termination form is delivered to the broker by the licensee or the commission.

(b) When a licensee requests a license transfer from one broker to another, the terminating broker must complete the broker notice to real estate commission of licensee termination form, provide a copy

of the completed form to the licensee, and submit the completed form to the commission, either by electronic mail or regular United States mail, not later than five days from the date of the licensee's request for a license transfer. The licensee shall provide the new employing broker with a copy of the completed broker notice to real estate commission of licensee termination form and provide the commission with a completed application for license transfer and the fees established in 12 AAC 02.360. The commission will mail an amended license certificate directly to the new employing broker.

(c) After applying for a license transfer, the licensee may work in the office of the new employing broker for not more than 30 days while waiting for an amended license certificate. The new employing broker shall keep a copy of the licensee's signed application for license transfer and a copy of the completed broker notice to real estate commission of licensee termination form described in (b) of this section until the amended license certificate is received.

(d) The commission's designee shall review and approve a license transfer if the transfer.

(1) allows a licensee to resume licensed practice under AS 08.88.171(a)(1), (a)(2), (b)(1), or (b)(2), or after being re-employed as a licensed real estate salesperson for purposes of AS 08.88.171(c); and

(2) does not require further review by the commission.

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after the commission's receipt, either by electronic mail or regular United States mail, of notice from the licensee's terminating broker interrupts the licensee's period of active and continuous experience.

**(f) After applying for an office change for a change of broker or associate broker in charge, the broker or associate broker may work in that office as the new broker or associate broker in charge for not more than 10 days while waiting for completed office changes and amended certificate. This applies to licensed brokers and associate brokers in an active or license return ~~license~~ status.**

**Authority:** AS 08.88.081 AS 08.88.171 AS 08.88.251

#### **12 AAC 64.077. BROKER AUTHORIZATION OF LICENSE APPLICATIONS.**

(a) Except as provided in of this section, only the registered broker of an office may employ or terminate a licensed associate broker or salesperson.

(b) An applicant applying to work in a branch office shall submit to the commission the Employing Broker Information form of the application signed by the registered broker and the associate broker in charge of the branch office. This form may be signed digitally and may be submitted either by electronic mail or regular United States mail.

(c) When the registered broker of an office notifies the commission office in advance of an absence from the office, the broker or an associate broker designated by the registered broker to supervise transactions or licensees during the broker of record's absence may sign for the broker of record on a license application.



**Authority:** AS 08.88.081 AS 08.88.291 AS 08.88.311  
AS 08.88.171

**12 AAC 64.078. TEMPORARY ABSENCE OF BROKER OF RECORD.** (a) When a broker of record is temporarily absent from an office, the broker of record may supervise transactions, trust accounts, or licensees by computer, modem, facsimile, or telephone communications.

(b) When a broker of record is temporarily absent from an office and is unable to supervise transactions, trust accounts, or licensees.

(1) in offices where an associate broker is available, the broker of record may designate an associate broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence.

(2) in offices where an associate broker is not available, the broker of record may enter into a written contract with another broker to supervise transactions, trust accounts, or licensees including creating and signing transaction documents during the broker of record's absence; the broker temporarily substituting for the broker of record shall remain employed at that the ~~person's~~ **substitute broker's currently registered office.**

(c) Under (b)(1) or (2) of this section, the broker of record shall notify the commission on a form approved by the commission, of the name of the associate broker or broker designated to supervise transactions, trust accounts, or licensees during the broker of record's absence. Both the broker of record and the designated associate broker or broker must sign this form.

**Authority:** AS 08.88.081 AS 08.88.331 AS 08.88.341

## **12 AAC 64.600. INSURANCE REQUIRED.**

(a) Subject to AS 08.88.172, a person licensed as a real estate broker, associate real estate broker, or real estate salesperson, as a condition of licensing, renewal, **transfer, reactivate**, or reinstatement of a license must submit proof of errors and omission insurance coverage through the master insurance policy made available by the commission under AS 08.88.172(d) or through certification of equivalent coverage.

“Equivalent coverage” has the meaning given in 12 AAC 02.590.

**(b) the commission may audit a real estate broker, associate broker, or salesperson for compliance of Error and Omission Insurance.**

**Authority:** AS 08.88.071 AS 08.88.171 AS 08.88.172 AS 08.88.081

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

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

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

(c) If the certification is not filed as required by this section, the commission will deny the application to obtain or renew a license, or suspend the existing license.

**Authority:** AS 08.88.071; AS 08.88.171; AS 08.88.172; AS 08.88.081;

**12 AAC 02.530. STANDARDS FOR EQUIVALENT COVERAGE.** An insurer issuing equivalent coverage under AS 08.88.172(c)(2) shall hold a certificate of authority issued under AS 21.09. All activities contemplated under AS 08.88.172 must be covered. The insurance must meet the minimum coverage standards of 12 AAC 02.510(a)(1) – (3), 12 AAC 02.510(b), and 12 AAC 02.510(c)(1) and (5), except that

(1) a policy with a higher deductible amount or self-insured retention will qualify as equivalent coverage for purposes of AS 08.88.172(c)(2) if, when applying to **obtain, or renew, transfer, reactivate, or reinstate the license**, the insured licensee provides the Real Estate Commission

with

(A) an affidavit certifying that the insured licensee has the financial resources in set-aside funds to pay the higher deductible amount or self-insured retention; ~~and~~ **or**

(B) a certificate of insurance from the insured licensee's insurer; ~~and~~ **or**

(2) a broker employing other real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance with coverage of a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the broker are covered.

**Authority:** AS 08.88.172

**12 AAC 02.540. NOTIFICATION REQUIRED FOR CHANGES OR CANCELLATION.** If equivalent insurance coverage obtained by a licensee under AS 08.88.172(c)(2) is to lapse, **has been changed**, or not be renewed, the insurer shall notify the Real Estate Commission of the intent to lapse or not to renew a minimum of 30 days before the expiration date of the term. It is the responsibility of the broker or licensee, as applicable, to instruct the insurer to provide the notice required by this section to the Real Estate Commission with named licensees covered.

**Authority:** AS 08.88.172

## **Office Location Requirements**

### **Sec. 08.88.291. Location; contact information.**

(a) A person licensed as a real estate broker shall, by registering with the commission, inform the commission of the person's principal office and of any branch offices of the person's real estate business and include in the information the names of the real estate licensees who are employed at each office. A real estate licensee may do real estate business only through a principal office or from a branch office registered by the broker by whom the licensee is employed. Failure of a real estate broker **to maintain a place of business in the state** or to inform the commission of its location and the names and addresses of all real estate licensees employed at each location by the broker is grounds for the suspension or revocation of the broker's license.

(b) Each licensee under this chapter is responsible for ensuring that the commission has current contact information for the licensee for two years after the lapse, expiration, surrender, suspension, or revocation of the license.

(c) In addition to the information provided under (a) of this section, a licensee shall provide the commission with a current mailing address and, if active, the address of the broker employing the licensee.

(d) The commission shall mail all notices pertaining to a license or recovery fund action taken under this chapter or a regulation adopted under this chapter to the current address or addresses of a licensee obtained under this section. Proof of notice provided under this subsection satisfies due process notice requirements.

## **12 AAC 64.110. REQUIREMENTS FOR ESTABLISHING AND MAINTAINING AN OFFICE.**

(a) A real estate broker holding an active license **shall establish and maintain a principal office in this state**. The office in which the broker works and maintains the broker's license is the principal office of the broker.

(b) A broker who maintains offices or branch offices other than the principal office or branch shall have an associate broker in charge of each branch office. If a broker has an associate broker in charge of an office, the broker is responsible for supervision of the associate broker. The operation of a branch office without licensed personnel or without an associate broker in charge is grounds for suspension or revocation of the

broker's license.

(c) Repealed 12/6/81.

(d) When a broker establishes a real estate office in a location not normally considered a business location, the commission may require the broker to submit evidence that the office is where the broker and the broker's employees transact business and receive business calls.

(e) A broker shall, before operating any office or branch office, register the office or branch office with the commission on a form provided by and approved by the commission. The information provided by the broker must include the

- (1) broker's name and license number;
- (2) business name under which the broker will operate and advertise as required by 12 AAC 64.112;
- (3) mailing address of the business and all branch offices;
- (4) physical location of the office and all branch offices;
- (5) bank account numbers of all real estate trust accounts maintained by the broker;
- (6) name and license number of all licensees employed by the broker at that office;
- (7) name of the associate broker in charge of each branch office;
- (8) telephone and facsimile number and, if available, an e-mail address of the office;
- (9) type of business organization, such as a sole proprietorship, corporation, partnership, limited partnership, or limited liability company;
- (10) all types of business activity practiced, such as sales, property management, community association management, and commercial sales.

(f) More than one licensed broker may operate an office at the same address; each broker shall maintain a clearly separate office identity.

(g) A real estate broker holding an active license shall

(1) maintain within this state one or more trust accounts and records of all real estate transactions conducted in this state as required by AS 08.88.351 and 12 AAC 64.220; and

(2) provide for acceptance of legal service at the business address registered with the commission.

**Authority:** AS 08.88.081 AS 08.88.311 AS  
AS 08.88.291 AS 08.88.321 08.88.351

## **Sign requirements**

### **Sec. 08.88.381. Signs.**

A real estate broker shall **maintain a sign at each of the broker's** registered **real estate offices prominently showing the name of the real estate business as registered with the commission**. The required size, content, and location of signs under this section may be determined by the commission under regulations. The regulations must allow signs in offices located on premises with more restrictive sign requirements than would otherwise be applicable under the commission's regulations to be considered to be in compliance with the regulations if the signs meet the requirements of the premises and the licensee submits a copy of the sign requirements of the premises to the commission.

### **12 AAC 64.127. OFFICE SIGNS.**

- (a) **The physical address of the office** of a licensed real estate broker **must be clearly identifiable to the public from outside the office.**
- (b) A real estate broker shall **prominently display a sign** showing the name of the real estate business **at the entrance to the real estate office.**

**Authority:** AS 08.88.081 AS 08.88.381

Set Date for 2<sup>nd</sup> Work Meeting-  
a few options below

Wednesday, October 16, 2024, 10 am

Thursday, October 17, 2024, 10 am

Wednesday, November 13, 2024, 10 am

Thursday, November 14, 2024, 10 am

The Commission can also choose the  
meeting dates for 2025.

# 2024 STATE CALENDAR

## 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			

## 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		

## 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						

## 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				

## 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	

## 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						

## 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			

## 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

## 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					

## 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		

## 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

## DECEMBER

S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Holiday       Payday

### State Holidays

Date	Holiday
01/01/24	New Year's Day
01/15/24	MLK Jr.'s Birthday
02/19/24	Presidents' Day
03/25/24	Seward's Day
05/27/24	Memorial Day
07/04/24	Independence Day

### State Holidays

Date	Holiday
09/02/24	Labor Day
10/18/24	Alaska Day
11/11/24	Veterans' Day
11/28/24	Thanksgiving Day
12/25/24	Christmas Day

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



# State of Alaska

## 2025 HOLIDAY

### CALENDAR

#### State Holidays

Date	Holiday
01/01/2025	New Year's Day
01/20/2025	MLK Jr.'s Birthday
02/17/2025	Presidents' Day
03/31/2025	Seward's Day
05/26/2025	Memorial Day
06/19/2025	Juneteenth Day
07/04/2025	Independence Day
09/01/2025	Labor Day
10/18/2025	Alaska Day (observed 10/17/2025)
11/11/2025	Veterans' Day
11/27/2025	Thanksgiving Day
12/25/2025	Christmas Day

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

**XX** 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	

#### 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				

#### 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			

Elections –  
-Vice Chair  
-Education Liaison

# Executive Administrator's Report

LICENSING REPORT

June 19th, 2024

New Licensees: 6/6/2024 - 9/1/2024	45
Total Number of <u>Active</u> Licensees with 1/31/2026 exp	2892
Total Number of Licensees with 1/31/2026 exp	2956

Transfers:	Mar-24	Jun-24	Sep-24
	119	150	87

ACTIVE: 1/31/26 exp	Mar-24	Jun-24	Sep-24	Change
Broker	382	396	398	2
Associate Broker	383	386	387	1
Salesperson	2,007	2,072	2,107	35
<b>Total Active:</b>	<b>2,772</b>	<b>2,854</b>	<b>2,892</b>	<b>38</b>

PLE Completed:	Mar-24	Jun-24	Sep-24
	56	69	35

Upgrades:	Endorsement:
4	1

INACTIVE: 1/31/26 exp	Mar-24	Jun-24	Sep-24	Change
Broker	0	0	0	0
Associate Broker	2	2	3	1
Salesperson	3	10	13	3
<b>Total Inactive:</b>	<b>5</b>	<b>12</b>	<b>16</b>	<b>4</b>

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

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/26	Mar-24	Jun-24	Sep-24	Change
Broker	0	0	0	0
Associate Broker	0	1	1	0
Salesperson	30	10	1	-9
<b>Total:</b>	<b>30</b>	<b>11</b>	<b>2</b>	<b>-9</b>

INACTIVE: 1/31/24 exp	Mar-24	Jun-24	Sep-24
Broker	1	5	5
Associate Broker	3	10	10
Salesperson	13	62	62
<b>Total Inactive:</b>	<b>17</b>	<b>77</b>	<b>77</b>

LAPSED: 1/31/24 exp	Mar-24	Jun-24	Sep-24
Broker	31	24	23
Associate Broker	22	22	21
Salesperson	307	298	302
<b>Total Lapsed:</b>	<b>360</b>	<b>344</b>	<b>346</b>

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

Sept. 17<sup>th</sup>, 2024

(as of 9/4/2024)

<b>Course Type</b>	<b>Currently Approved</b>
Pre-Licensing (SPL)	16
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	315
Designated Continuing Education (DCE)	78
Post Licensing Education (PLE)	55
<i>(363)</i>	<b>Total: 468</b>
Initial courses approved between 6/5/2024 and 9/4/2024	48
<b><u>Approved Instructors expiring 4/1/2025</u></b>	
Permanent	122
<u>New Instructors</u>	5

Earnest-Tilton, Peyton	ANCHORAGE
SCHLEGEL, JOHN TODD	ANCHORAGE
Patrick, Sheron Kyle	ANCHORAGE
Brown , Jasmine Alyssa	ANCHORAGE
Masterson, Talon Rain	ANCHORAGE

Temporary Instructor

0

Recovery Fund Report –  
if available

Statement of Net Positions  
Real Estate Recovery Fund  
June 30, 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	For the Fiscal Year Ending June 30, 2026
<b>ASSETS</b>												
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 365,691	\$ 361,514
Total Assets	454,264	465,770	392,207	394,514	277,675	334,205	264,101	317,389	384,741	380,564	365,691	361,514
<b>LIABILITIES</b>												
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	17,778	17,614	17,778
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	19,380	17,614	17,778	17,614	17,778
<b>FUND BALANCES</b>												
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	362,785	348,077	343,736
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	329,348	245,972	298,008	367,126	362,785	348,077	343,736
Total Liabilities and Fund Balances	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 334,205	\$ 264,101	\$ 317,389	\$ 384,741	\$ 380,564	\$ 365,691	\$ 361,514
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	Average of 6/30/25 & 6/30/26
		\$ 460,017	\$ 428,988	\$ 393,361	\$ 336,095	\$ 305,940	\$ 299,153	\$ 290,745	\$ 351,065	\$ 382,652	\$ 373,127	\$ 363,602

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 FY25 Liabilities projected using FY23

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Real Estate Recovery Fund  
Actual for Years Ended June 30, 2015 through June 30, 2024  
and  
Projected for Fiscal Years Ending June 30, 2025 and June 30, 2026

	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	For the Fiscal Year Ended 6/30/26
<b>REVENUES</b>																
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	12,010	90,520 (1)	46,705 (1)	90,520
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	7,191	21,727 (2)	12,475 (2)	21,727
Prior Year Adjustments								(150)		-	-			0	0	0
General Fund Contributions								-	82,225					0 (3)	0	0
<b>TOTAL REVENUES</b>	<b>40,589</b>	<b>129,443</b>	<b>41,548</b>	<b>137,780</b>	<b>39,429</b>	<b>200,783</b>	<b>55,374</b>	<b>96,530</b>	<b>141,404</b>	<b>14,084</b>	<b>31,797</b>	<b>47,165</b>	<b>19,201</b>	<b>112,247</b>	<b>59,180</b>	<b>112,247</b>
<b>EXPENDITURES</b>																
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	34,998	116,395 (3)	74,020 (3)	116,395
Travel	0	-	-	-	-	-	0	0	0					0	0	0
Commodities	0	89	-	617	-	-	0	0	0					0	0	0
Services - Non-claims	732	5,085	13	10	5,000	497	9	2	32				29	29	32	29
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	0	0	0					0	0	0
<b>TOTAL EXPENDITURES</b>	<b>113,877</b>	<b>117,937</b>	<b>115,110</b>	<b>135,473</b>	<b>156,268</b>	<b>144,253</b>	<b>125,477</b>	<b>43,243</b>	<b>74,052</b>	<b>22,859</b>	<b>26,970</b>	<b>31,567</b>	<b>35,027</b>	<b>116,424</b>	<b>74,052</b>	<b>116,424</b>
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	(15,826)	(4,177)	(14,873)	(4,177)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-		-				0	-	-
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	(15,826)	(4,177)	(14,873)	(4,177)
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	384,741	369,868
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	380,564	\$ 380,564	\$ 369,868	\$ 365,691

(1) For FY25, licenses and permits revenue projected to be the same as FY23.

(2) Projecting through FY25 based on FY23 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 SLA2022SEC1PGSLN24-28.



**Statement of Cash Flows**  
**Real Estate Recovery Fund**  
**June 30, 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	For the Fiscal Year Ended 6/30/26
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 <sup>(1)</sup>	\$ 133,550 <sup>(1)</sup>	\$ 29,465 <sup>(1)</sup>	\$ 193,865 <sup>(1)</sup>	\$ 55,065 <sup>(1)</sup>	\$ 101,260 <sup>(1)</sup>	\$ 46,705 <sup>(1)</sup>	\$ 90,520 <sup>(1)</sup>	\$ 46,705	\$ 90,520
GF Contributions								\$ 82,225			\$ -	\$ -
Payments to Employees	(113,145)	(112,763)	(115,097) <sup>(2)</sup>	(134,846) <sup>(2)</sup>	(126,366) <sup>(2)</sup>	(118,457) <sup>(2)</sup>	(125,468) <sup>(2)</sup>	(43,240) <sup>(2)</sup>	(74,020) <sup>(2)</sup>	(116,395) <sup>(2)</sup>	(74,020)	(116,395)
Payments for Services/Claims	-	-	-	- <sup>(3)</sup>	(24,902) <sup>(3)</sup>	(25,300) <sup>(3)</sup>	\$ - <sup>(3)</sup>	\$ - <sup>(3)</sup>	\$ - <sup>(3)</sup>	\$ - <sup>(3)</sup>	\$ -	\$ -
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	(2)	(32)	(29)	(32)	(29)
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	(25,904)	(27,347)	(25,904)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Interest and Dividends on Investments	2,164	2,533	3,178 <sup>(3)</sup>	4,230 <sup>(3)</sup>	9,964 <sup>(3)</sup>	6,918 <sup>(3)</sup>	309 <sup>(3)</sup>	(4,730) <sup>(3)</sup>	12,475 <sup>(3)</sup>	21,727 <sup>(3)</sup>	12,475	21,727
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	309	(4,730)	12,475	21,727	12,475	21,727
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	56,530	(70,104)	53,287	67,352	(4,177)	(14,873)	(4,177)
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	380,564	365,691
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	\$ 380,564	\$ 365,691	\$ 361,514

(1) For FY25, licenses and permits revenue projected to be the same as FY23.

(2) Projecting through FY25 based on FY23 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 SLA2022SEC1PG5LN24-28.

# Commission Member Comments and Questions