

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

**REAL ESTATE COMMISSION  
MEETING MINUTES**

**September 17, 2024**

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 September 17, 2024, at 550 W 7<sup>th</sup> Avenue, Ste 1560, Anchorage, AK, via Zoom.

**Tuesday, September 17, 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 (excused):

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

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  
Jerry Royse, Broker/Educator with Royse & Associates, Anchorage  
Victoria Roberts, Broker/Educator with EXP Realty, LLC, Anchorage  
Michelle Scott, Salesperson, Anchorage

Agenda Item 1(b) - Approval of 9/17 Agenda

Commission members reviewed the agenda as presented.

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

**Resolved to approve the September 17, 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**

Errol Champion, former Liaison for AAR, and Broker of Coldwell Banker Race Realty presented the report from the AK Realtors for Mark Maisley. Mr. Champion stated that Governor Dunleavy signed SB179 on August 13, 2024, which is great news. The AK Association of Realtors have been working on this bill for some time. SB 179 precludes cities, state, and boroughs from levying a transfer fee, or excise tax, or any other taxes on the proceeds of a real estate transaction. AK remains one of 11 states that does not allow for transfer fees to be assessed by local government. Mr. Champion said they are pleased to have it on the books.

Ms. Harris read 2 public comments received by email into the record. The first public comment received by email was from Gene DuVal, an associate broker. Mr. DuVal commented about the “NAR Settlement” (Sitzer-Burnett) and stated a few points and his recommendation for the REC.

The second public comment received by email was from PeggyAnn McConnochie, Broker and Educator with ACH Consulting, LLC. Ms. McConnochie presented a question to the REC also related to the NAR Settlement regarding if buyer-broker agreements are exclusive contracts and therefore, the broker’s property? She said once this is defined the next steps would be to make changes to regulations.

Ms. Markwood closed public comment at 9:11 am.

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

August 2, 2024, Meeting Minutes – 3(a)

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

**Resolved to approve the August 2, 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 for the reporting period of June 4, 2024, through September 4, 2024. He reported 4 closed cases, 43 opened cases, 11 cases in intake, 23 complaints, 5 cases under investigation, 1 case being monitored and 3 matter in litigation, from the last report.

**Agenda Item 5 – Old Business**

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

Ms. Harris gave an update of the current items on the 2024 REC strategic plan.

- Review and revise regulation 12 AAC 64.064(g), regarding associate broker/broker Post Licensing Education (PLE) completion.
- Payment of commission /EM through title companies
- Review of upcoming licensing renewal fees (fee analysis) for 2024-2026 at the December meeting
- Broker Supervision
- Possible new or revisions to regulations under several topics
- Create regulations that will protect the public with regards to the NAR Settlement requirements
- Review and possible revisions to the REC Disciplinary Matrix
- Review the reinstatement application process and length of time to license

Ms. Doran asked questions to clarify what was needed for changes to regulation 12 AAC 64.064(g), regarding PLE requirements for brokers and associate brokers in charge. She proposed to not allow a licensee who holds a salesperson license to upgrade their license to a broker or associate broker-in-charge of a branch office until the licensee has completed their PLE. The intent that the licensee would not jeopardize licensees that would be under their supervision if they did not complete their PLE within their required period.

The Commission also discussed what is consequence to a licensee's who upgraded to a broker or associate broker but did to complete their PLE, and their license revert to a salesperson license. Licensees that were a broker or associate broke -in -charge who did not complete their PLE, now a salesperson, would be required to complete all broker requirements, (30 hours broker education, broker exam, etc) and reapply for their broker's license.

Staff asked Ms. Doran to email the language for the proposed revisions and they would take to the next work meeting.

#### Regulation Project – filed, eff 9/20/24, 12 AAC 64.118, 119, and 930 – 5(b)

Ms. Harris said she had included filed/completed regulation project information in the packet for the Commissioner in case they did not receive it. The forms will be effective on September 20, 2024. All previous forms are no longer effective and should not be used after 9/20/2024.

#### **Agenda Item 6 – New Business**

##### Proposed Regulations – McConnochie/Schok, Div, & Work Mtg – 6(a)

Ms. Schok and real estate educator Ms. McConnochie worked on revisions to some regulations as the result of the NAR Settlement. The revisions Ms. Schok, and Ms. McConnochie recommended regulation revisions were:

12 AAC 64.117, Broker's Written Policy, with an addition of a #6, "for the mandatory usage of a written buyer licensee contract with signatures prior to consumer viewing a property"; and....

12 AAC 64.118 Consumer Disclosure with adding a sentence to read: Real estate licensee to provide a written buyer licensee contract to every buyer prior to buyer viewing a property.

The definition of personal services contracts that is currently in regulation was included with their presentation. The definition speaks to the inclusion of listings, fee agreements between broker and buyers or sellers...

Also recommended to revise throughout regulations where it reads "commission" regarding a fee paid for personal services to replace with "compensation".

Some Commission members were concerned with moving forward with these changes with all the uncertainty and misunderstanding in the real estate industry and the settlement not yet finalized.

Ms. Heaton asked if the REC has ever considered providing state forms for purchase and sale agreements. She said she would like to see consistency throughout the state.

Ms. Schok also stated that for both recommended revisions, the statement should read,

12 AAC 64.117, #6, "for the mandatory usage of a written buyer licensee contract with signatures prior to consumer viewing a property *unless that buyer is an unrepresented party*"; and....

12 AAC 64.118 Consumer Disclosure with adding a sentence to read: "Real estate licensee to provide a written buyer licensee contract to every buyer prior to buyer viewing a property *unless that buyer is an unrepresented party.*"

*Ms. Markwood thanked Ms. Schok and Ms. McConnochie for their work on these regulations.*

Ms. Harris spoke to the recommended revision to E & O from Deputy Director Glenn Saviers. Currently the regulation as written that E & O Insurance should be under the broker and not the brokerage.

#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.

Ms. Harris stated the other recommended revisions in the meeting packet were presented at the May 15, 2024, work meeting.

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.

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 64.071- License Renewal. Adding a requirement that applicant submit certification to verify that the E & O requirement has been satisfied and verbiage to allow an audit of E& O compliance.

Regulations discussed at the August 2, 2024, work meeting.

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. Revise with clarifying language for “persons” in (b) (2).

These recommendations will be brought back to the December meeting in a final form for the Commission’s consideration.

Set date of 2<sup>nd</sup> Work Meeting – 6(b)

Commission member set the next work meeting date as November 14, 2024, to begin at 10 am.

Commission members set the meeting dates for 2025.

March 20

June 12

September 18

December 11

Elections – Vice Chairman and Education Liaison 6(c)

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

**Resolved to nominated Ms. Traci Heaton to continue as Vice Chair for REC.**

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

Election for Education Liaison –

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

**Resolved to nominated Ms. Devon Doran to continue as Education Liaison for the REC.**

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

**Agenda Item 7 – Executive Administrator’s Report**

Licensing /Education Report – 7(a)

Mr. Givens presented the licensing report to the Commission for dates between, June 6, 2024, through September 1, 2024. Mr. Given stated there were 45 new licenses issued; 2892 active licensees, 2956 total number of licensees with an 1/31/2026 expiration date; 4 inactive licensees; 2 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 87 transfers; 35 licensees completed their PLE requirements, 4 upgrades from salesperson to associate broker, 1 license by endorsement, 22 licensees in a license returned status, 77 inactive license with an 1/31/2024 expiration date and 346 a lapsed licenses with a 1/31/2024 expiration date.

Mr. Givens presented the education report for June 19, 2024. He reported that as of 9/4/2024, there were 16 pre-licensing courses; 4 broker upgrade courses; 315 elective (ECE) and 78 designated (DCE) courses and 55 Post Licensing courses with a total of 468 approved courses. There were 48 initial courses approved between 6/5/24 and 9/4/2024.

There are a total of 122 instructors. There were 5 new instructors from the last report, and no temporary instructors.

Recovery Fund Report – 7(b)

Ms. Harris presented the Recovery Fund Report ending June 30, 2024. The Commission received \$90,250 in revenue for license fees processed for the fiscal year ending 6/30/24 with a total revenue for the year of \$112,247. The total expenditures for the fiscal year ending 6/30/24 was \$116,424. The beginning year balance was \$384,741 and the end of year fund balance of \$380,564. The Commission will review the fees at their December meeting.

**Agenda Item 8 – Commission Member Comments & Questions**

Ms. Doran thanked everyone for all their hard work. She appreciates everyone taking their time to work on all that is needed.

Ms. Schok said she echoed what Ms. Doran said. She said she appreciates everyone's hard work and said the Commission is doing good work.

Ms. Cash said he is appreciative to be on the Commission and that he is learning a lot.

Ms. Heaton said she echoed the previous comments and appreciates everyone's time. She said she enjoyed working on the Commission and is looking forward to next year.

Ms. Markwood said she would like to reiterate what everybody has said and that the Commission is doing some great work. She said in the next couple of days we will continue to champion the new forms that are coming out and make sure that our local industry receives that information and get those forms out to the public. She said the state convention is this weekend and for those Commission members that are attending to have a great time. She said she looks forward to the next REC work meeting November 14<sup>th</sup> for continued dialogue and conversations regarding regulatory changes and issues we face in our state. She thanked Ms. Schok and Ms. McConnochie for their work on the regulations. She stated the next REC meeting is December 18, 2024. She said it is the end of the year and the Commission has gotten a lot accomplished. She thanked the Commission members and staff for all their time, effort and their hard work. She said she is glad when we can get everyone together so that we can move things forward.

**Adjournment**

**On a motion made by Devon, seconded by Cash, it was,**

**Resolved to adjourn the meeting.**

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

Meeting adjourned at 10:17 a.m.

Next meeting: December 18, 2024.

Prepared and submitted by:  
Real Estate Commission Staff

Approved:



Cheryl Markwood  
REC Chairperson  
Alaska Real Estate Commission