AN ACT

Relating to the educational requirements for certain real estate brokers, associate brokers, and salespersons with new or suspended licenses; relating to review of real estate transactions by attorneys or associate brokers; relating to the requirements for a real estate broker license and an associate real estate broker license; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1
AN ACT

Relating to the educational requirements for certain real estate brokers, associate brokers, and salespersons with new or suspended licenses; relating to review of real estate transactions by attorneys or associate brokers; relating to the requirements for a real estate broker license and an associate real estate broker license; and providing for an effective date.

* Section 1. AS 08.88.071(b) is amended to read:

(b) When an award is made from the real estate surety fund under this chapter, the commission may suspend the license of the real estate licensee whose actions formed the basis of the award. A suspension ordered under this subsection shall be lifted if the licensee reaches an agreement with the commission on terms and conditions for the repayment to the real estate surety fund of the money awarded to the claimant and the costs of hearing the claim under AS 08.88.465 and if the licensee
satisfies the requirements of AS 08.88.095. The suspension shall be reimposed if the licensee violates the terms of a repayment agreement entered into under this subsection.

* Sec. 2. AS 08.88.091(e) is amended to read:

(e) Except for a course described in (f)(1) or (3) of this section, in order for an educational course to be recognized for credit under this section, AS 08.88.095, or 08.88.098, the course outline and the instructor of the course shall [MUST] have been approved by the commission or the commission's designee before the course is [WAS] conducted. A course outline or instructor is considered approved if the commission or the commission's designee does not disapprove the outline or instructor within 45 days after the date on which complete application was made for approval. Each approved contact hour of a submitted course outline constitutes one credit hour of [CONTINUING] education under (d) of this section, AS 08.88.095, or 08.88.098. The fee for continuing education course certification under AS 08.88.221 and for course certification under AS 08.88.221 to satisfy the educational requirements of AS 08.88.095 and 08.88.098 must [SHALL] be based on the hours approved for credit, not on the hours submitted.

* Sec. 3. AS 08.88.091(f) is amended to read:

(f) The commission shall establish by regulation the educational and continuing educational requirements for licenses issued by the commission. The regulations for continuing education requirements and for educational requirements under AS 08.88.095 and 08.88.098 must allow the following types of courses to qualify for the appropriate number of credit hours, as determined by the commission:

(1) courses that are developed by national organizations, as identified for the purpose of this paragraph in the commission's regulations, that are delivered by nationally certified instructors and that are required in order to earn professional designations from a national organization in specialized areas of licensed real estate practice; notwithstanding other provisions of this chapter, the commission may not charge a fee for these courses;

(2) technology courses directly related to real estate practice that are designed to enhance the skills and performance of a real estate licensee; and
(3) courses offered by an accredited college or university as part of a real estate curriculum that are available for at least one quarter-hour or one-half semester-hour of academic credit; the commission may not charge a fee for these courses.

* Sec. 4. AS 08.88 is amended by adding new sections to read:

Sec. 08.88.095. Educational requirements after initial license. (a) In addition to the continuing educational requirements of AS 08.88.091(d), within one year after the date that the commission issues an initial license under this chapter, the licensee shall complete 20 hours of education approved by the commission under AS 08.88.091.

(b) On the document representing an initial license, the commission shall include clear and prominent language stating that the license is subject to the licensee's completion of the educational requirements within one year after the date of the issuance of the license.

(c) Within 30 days after the end of the one-year period, the licensee shall submit, on a form provided by the commission, a certification that the licensee has completed the educational requirements.

(d) After a licensee submits the completed form under (c) of this section and pays the required fee, the commission shall issue a new license document to the licensee that does not contain the language required by (b) of this section.

(e) If a licensee fails to complete the educational requirements within the one-year period or to provide the certification required by (c) of this section, the license automatically lapses 30 days after the end of the one-year period. However, the commission may reinstate the license under AS 08.88.241.

(f) Notwithstanding the other provisions of this section, an individual who is issued an initial license as a real estate broker is not required to satisfy the educational requirements for that initial license if, immediately before the issuance, the individual is licensed as an associate real estate broker under this chapter.

(g) In this section, "educational requirements" means the educational requirements of (a) of this section.

Sec. 08.88.098. Educational requirements after suspension. (a) In addition
to the continuing educational requirements of AS 08.88.091(d) and the educational
requirements of AS 08.88.095(a), if the commission suspends a license under
AS 08.01.075, the licensee shall complete the education required by the commission
before the commission may reinstate the suspended license.

(b) After completing the educational requirements of (a) of this section, the
licensee shall submit, on a form provided by the commission, a certification that the
licensee has completed the educational requirements.

(c) The educational requirements of (a) of this section are in addition to any
other conditions that the commission sets for reinstating a suspended license under this
chapter.

* Sec. 5. AS 08.88.171(a) is amended to read:

(a) A natural person qualifies for a real estate broker license if the person
passes the brokers examination, applies for a license within six months after passing
the examination, furnishes satisfactory proof of successful completion of the education
requirements of AS 08.88.091, has had at least 24 months of active and continuous
experience as a [LICENSED] real estate licensee [SALESPERSON] within the 36
months immediately preceding application for the broker license, is not under
indictment for, or seven years have elapsed since the person has completed a sentence
imposed upon conviction of, forgery, theft, extortion, conspiracy to defraud creditors,
or any other felony involving moral turpitude, and is an owner of a real estate business
or employed as a real estate broker by a foreign or domestic corporation, partnership,
limited partnership, or limited liability company. Unless the broker fails to satisfy the
educational requirements of AS 08.88.095 or renew the license, or [UNLESS] the
broker's license is suspended or revoked, the broker's license continues in effect as
long as the broker's license is active. If the broker stops being an owner of a real
estate business or stops being employed as a real estate broker by a foreign or
domestic corporation, partnership, limited partnership, or limited liability company,
the broker's license is suspended from the time the broker stops until the broker
satisfies the educational requirements of AS 08.88.098 and

(1) [THE BROKER] again becomes an owner of a real estate business
or is again employed as a real estate broker by a foreign or domestic corporation,
partnership, limited partnership, or limited liability company; or

(2) [THE BROKER] is employed by another broker as an associate broker, in which case the real estate broker license shall be returned to the commission by the broker, and the commission shall issue the broker an associate real estate broker license.

* Sec. 6. AS 08.88.171(b) is amended to read:

(b) A natural person qualifies for an associate real estate broker license if the person passes the brokers examination, applies for the license within six months after passing the examination, submits satisfactory proof of successful completion of the education requirements of AS 08.88.091, has had at least 24 months of active and continuous experience as a [LICENSED] real estate licensee [SALESPERSON] within the 36 months immediately preceding application for the license, is not under indictment for, or seven [FIVE] years have elapsed since the person has completed a sentence imposed upon conviction of, forgery, theft, extortion, conspiracy to defraud creditors, or any other felony involving moral turpitude, and is employed by a licensed real estate broker as an associate real estate broker. Unless the associate broker fails to satisfy the educational requirements of AS 08.88.095 or renew the license, or [UNLESS] the associate broker's license is suspended or revoked, the associate broker's license continues in effect as long as the associate broker is employed by a licensed real estate broker as an associate broker. If the associate broker stops being employed by a licensed real estate broker, the associate broker's license is suspended from the time the associate broker stops until the associate broker satisfies the educational requirements of AS 08.88.098 and

(1) [THE ASSOCIATE BROKER] again is employed by a real estate broker as an associate broker; or

(2) [THE ASSOCIATE BROKER] becomes an owner of a real estate business or is employed as a real estate broker by a foreign or domestic corporation, partnership, limited partnership, or limited liability company, in which case the associate broker's license shall be returned to the commission by the associate broker, and the commission shall issue the licensee a broker's license.

* Sec. 7. AS 08.88.171(c) is amended to read:
(c) A natural person qualifies for a real estate salesperson license if the person passes the real estate salesperson examination, applies for the license within six months after passing the examination, submits satisfactory proof of successful completion of the education requirements of AS 08.88.091, is at least 19 years of age [OLD], is not under indictment for forgery, theft, extortion, conspiracy to defraud creditors, or any other felony involving moral turpitude, or, if convicted of such an offense, the person has completed the sentence imposed upon conviction, and is employed by a real estate broker. Unless the salesperson fails to satisfy the educational requirements of AS 08.88.095 or renew the license; or [UNLESS] the real estate salesperson's license is suspended or revoked, a real estate salesperson's license continues in effect as long as the salesperson is employed as a salesperson by a licensed real estate broker. If the salesperson stops being employed as a real estate salesperson, the real estate salesperson's license is suspended from the time the salesperson stops until the salesperson satisfies the educational requirements of AS 08.88.098 and again is employed as a real estate salesperson by a licensed real estate broker.

* Sec. 8. AS 08.88.221 is amended to read:

Sec. 08.88.221. Fees. The Department of Commerce, Community, and Economic Development shall set fees under AS 08.01.065 for a real estate broker, associate broker, or salesperson licensee or applicant for the following:

(1) examination;
(2) initial license;
(3) renewal of an active license;
(4) renewal of an inactive license;
(5) amending or transferring a license;
(6) publications offered by the commission;
(7) seminars offered by the commission;
(8) reinstatement of a lapsed license;
(9) changes to registered office information;
(10) course certification and recertification; [AND]
(11) instructor approval and renewal of approval; and
issuance of a new license document under AS 08.88.095(d).

* Sec. 9. AS 08.88.241(a) is amended to read:

(a) A person whose real estate license has lapsed less than 24 months is eligible for reinstatement of the license if the person provides the required application, license fees, proof of continuing education as required by AS 08.88.091 for licensing periods during which the license was inactive or lapsed, proof of completion of the educational requirements under AS 08.88.095(a), if applicable, and any fee required under AS 08.88.221(12).

* Sec. 10. AS 08.88.251(a) is amended to read:

(a) A real estate licensee who intends to become inactive shall return to the commission the person's license certificate and a completed inactivation form provided by the commission along with any applicable fees. The commission shall issue the person an inactive license certificate. A real estate licensee whose license lapses under AS 08.88.095(e) is not eligible for an inactive license under this subsection unless the license is reinstated under AS 08.88.241.

* Sec. 11. AS 08.88.263 is amended to read:

Sec. 08.88.263. License by endorsement. A person who holds a valid active real estate license issued by another state shall be granted an equivalent Alaska real estate license if that person [:]

(1) passes the portion of the real estate examination which examines on Alaska law; [AND]

(2) meets the requirements of AS 08.88.171; and

(3) satisfies the educational requirements under AS 08.88.095(a) if the person has not held the license issued by the other state for one year or more.

* Sec. 12. AS 08.88 is amended by adding a new section to read:

Sec. 08.88.403. Review of transactions. A real estate broker may contract with and pay an attorney or associate broker to assist the broker to review a real estate transaction before the transaction closes.

* Sec. 13. AS 08.88.990 is amended by adding a new paragraph to read:

(12) "initial license"

(A) means the first
(i) real estate broker license that the commission issues to a person, even if the person previously received an associate real estate broker license or real estate salesperson license under this chapter;

(ii) associate real estate broker license that the commission issues to a person, even if the person previously received a real estate broker license or a real estate salesperson license under this chapter;

(iii) real estate salesperson license under this chapter that the commission issues to a person, even if the person previously received a real estate broker license or an associate real estate broker license under this chapter;

(iv) issuance of a license to an individual after the individual's license has been revoked under AS 08.01.075;

(B) does not include the reinstatement of a license under AS 08.88.241(b).

* Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to read:

**APPLICABILITY.** AS 08.88.095 and 08.88.098, enacted by sec. 4 of this Act, and AS 08.88.071(b), 08.88.091(e), 08.88.091(f), 08.88.171(a), 08.88.171(b), 08.88.171(c), 08.88.221, 08.88.241(a), 08.88.251(a), 08.88.263, and 08.88.990, as amended by secs. 1 - 3, 5 - 11, and 13 of this Act, do not apply to

1. an initial license unless the initial license is issued on or after the effective date of secs. 1 - 11 and 13 of this Act; in this paragraph, "initial license" has the meaning given in AS 08.88.990(12)(A)(i) - (iii);

2. an initial license issued after a license revocation, unless the license revocation occurs on or after the effective date of secs. 1 - 11 and 13 of this Act; in this paragraph, "initial license" has the meaning given in AS 08.88.990(12)(A)(iv); or

3. a suspended license unless the license is suspended on or after the effective date of secs. 1 - 11 and 13 of this Act.

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

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may proceed to adopt regulations necessary to implement secs. 1 - 11, 13, and 14 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 - 11, 13, and 14 of this Act.

* Sec. 16. Sections 12 and 15 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 17. Sections 1 - 11, 13, and 14 of this Act take effect January 1, 2006.