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# Alaska State Legislature House of Representatives



While in Session  
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Representative Jay Ramras  
District 10

## Sponsor Statement

### CS for HB 129 (RLS) Revoking Real Estate Salesperson Licenses

CS for House Bill 129 (RLS) makes a simple, but needed, correction to existing law. Under current law, the Alaska Real Estate Commission must revoke the license of a real estate broker or associate broker if that person is convicted of a felony or other crime committed while licensed that, in the judgment of the commission, affects the ability of that person to practice as a broker or associate broker competently and safely or who is convicted of forgery, theft, extortion, conspiracy to defraud creditors, or fraud. Unfortunately this current law does not apply to real estate *salespersons*.

HB 129 simply adds "salesperson" to the statute and thereby enables the Real Estate Commission to likewise revoke the license of a salesperson who commits the same listed crimes. HB 129 also clarifies that the Alaska Real Estate Commission has the authority not only to revoke, but also to refuse to grant or renew the license of a salesperson who was convicted of the listed offenses at a time before the effective date of HB 129.

The need for this legislation came to the attention of the Real Estate Commission after a licensed real estate salesperson was indicted on five counts of bribery, money laundering, and importing a controlled substance. After reaching a plea agreement, all but the drug trafficking charges were dropped. After the guilty plea was entered on the drug trafficking charge, the Real Estate Commission discovered that they had no power to revoke this real estate salesperson's license and after serving the sentence imposed, the real estate salesperson continued to work in a field where customers place faith in their agent's trustworthiness and ability to follow the laws of the State of Alaska to the letter.

As of November 2008 there were 1460 real estate salespersons licensed in Alaska; compared to only 411 associate brokers and 483 brokers. With so many real estate salespersons licensed in Alaska, the urgency and need for this bill is clear. HB 129 empowers the Real Estate Commission to appropriately regulate its profession – including revoking a salesperson's license – and it protects the public interest.

Representative\_Jay\_Ramras@legis.state.ak.us

**CS FOR HOUSE BILL NO. 129(RLS)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RULES COMMITTEE**

**Offered: 3/25/09**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVES RAMRAS, Lynn, Johnson, Tuck,**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the authority of the Real Estate Commission to revoke licenses of**  
2 **persons convicted of certain crimes."**

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

4 **\* Section 1.** AS 08.88.071(a) is amended to read:

5 (a) The commission shall

6 (1) determine whether applicants meet requirements for licenses under  
7 this chapter and issue licenses to those who qualify;

8 (2) prepare and grade examinations;

9 (3) after hearing, have the authority to suspend or revoke the license of  
10 a licensee or impose other disciplinary sanctions authorized under AS 08.01.075 on a  
11 licensee who

12 (A) with respect to a real estate transaction

13 (i) made a substantial misrepresentation;

14 (ii) made a false promise likely to influence, persuade,

1 or induce;

2 (iii) in the case of a real estate broker, pursued a  
3 flagrant course of misrepresentation or made a false promise through  
4 another real estate licensee;

5 (iv) has engaged in conduct that is fraudulent or  
6 dishonest;

7 (v) violates AS 08.88.391;

8 (vi) violates AS 08.88.396;

9 (B) procures a license by deceiving the commission, or aids  
10 another to do so;

11 (C) has engaged in conduct of which the commission did not  
12 have knowledge at the time the licensee was licensed demonstrating the  
13 licensee's unfitness to engage in the business for which the licensee is licensed;

14 (D) knowingly authorizes, directs, connives at or aids in  
15 publishing, distributing, or circulating a material false statement or  
16 misrepresentation concerning the licensee's business or concerning real estate  
17 offered for sale, rent, or lease, or managed in the course of the licensee's  
18 business in this or any other state or concerning the management of an  
19 association in the course of a licensee's business in this or another state;

20 (E) if a real estate broker, wilfully violates AS 08.88.171(d) or  
21 08.88.291;

22 (F) if an associate real estate broker, claims to be a real estate  
23 broker, or, if a real estate salesperson, claims to be a real estate broker or  
24 associate real estate broker;

25 (G) if a real estate broker, employs an unlicensed person to  
26 perform activities for which a real estate license is required;

27 (H) if an employed real estate licensee of a real estate broker,  
28 fails immediately to turn money or other property collected in a real estate  
29 transaction over to the employing real estate broker; or

30 (I) fails to carry and maintain errors and omissions insurance  
31 with terms and conditions established by the commission under AS 08.88.172;

(4) prosecute, through the Department of Law, violations of the provisions of this chapter or lawful regulations adopted under this chapter;

(5) release for publication in a newspaper of general circulation in the locale of the offending person's principal office registered with the commission notice of disciplinary action taken by the commission against a person licensed under this chapter;

(6) issue a temporary permit to the personal representative of the estate of a deceased real estate broker or to another person designated by the commission with the approval of the personal representative of the estate in order to secure proper administration in concluding the affairs of the decedent broker's real estate business;

(7) issue a temporary permit to the personal representative of a legally incompetent real estate broker or to another person designated by the commission with the approval of the personal representative of the broker in order to secure proper administration in temporarily managing the real estate business of the broker;

(8) establish and periodically revise the form of the seller's property disclosure statement required by AS 34.70.010;

(9) have the authority to levy civil fines as established in this chapter;

(10) revoke the license of a broker, [OR] associate broker, or real estate salesperson who is convicted of a felony or other crime committed while licensed under this chapter that, in the judgment of the commission, affects the ability of that person to practice as a broker, [OR] associate broker, or real estate salesperson competently and safely or who is convicted of forgery, theft, extortion, conspiracy to defraud creditors, or fraud; notwithstanding AS 08.88.171, a person whose license is revoked under this paragraph is not qualified to obtain or renew [FOR] a license under AS 08.88.171(a) - (c) [AS 08.88.171(a) OR (b)] until seven years have elapsed since the person completed the sentence imposed for the conviction.

\* Sec. 2. The uncoded law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Section 1 of this Act applies to criminal convictions for offenses occurring before, on, or after the effective date of this Act.

# FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

Fiscal Note Number:

Bill Version:

HB 129

( ) Publish Date:

Identifier (file name): HB 129-CED-CBPL-02-26-09

Title: Revoking Real Estate Salesperson License

Dept. Affected: DCCED

RDU: Corp., Bus., & Prof. Licensing

Sponsor: Representative Ramras

Component: Corp., Bus., & Prof. Licensing

Requester: House Labor and Commerce

Component Number: 2360

## Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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## FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2009) cost:

0.0

## POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HB 129 allows the Real Estate Commission to revoke a real estate salesperson license if the individual is convicted of certain crimes. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Chief

Division: Corporations, Business & Professional Licensing

Approved by: Emil Notti, Commissioner

Commerce, Community and Economic Development

Phone: (907) 465-2144

Date Time: 2/26/09 1:28 PM

Date: 2/26/2009

February 19, 2009

Dear Legislators:

The Alaska Real Estate Commission would like to express support for HB129. The current statute AS 08.88.071(10) only provides for a Broker or an Associate Broker to have their license revoked if convicted of a felony or other crime while licensed.

The Commission, through the Division of Corporations, Business and Professional Licensing issues three types of licenses: Broker, Associate Broker and Salesperson.

This proposed legislation would complete the process that would allow the Commission to also pursue the revocation of the salesperson license. The majority of the licensees are salespersons and therefore, an increased probability would exist that a felony would be committed by a licensed salesperson.

The Commission is tasked with the duty to provide for real estate practice that is conducted competently and safely. All licensees (Broker, Associate Broker and Salespersons) convicted of a felony should be licensed at the discretion of the Real Estate Commission in order to practice in Alaska.

We ask that you consider making the change by adding the license type, Salesperson, to the existing list of licenses in AS 08.88.071(10).

Sincerely,

  
Brad Cole  
Chairman  
Alaska Real Estate Commission