



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALASKA REAL ESTATE COMMISSION

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January 15, 2016

Mr. Errol Champion, Chairman Industry Issues
Alaska Association of Realtors
PO Box 33066
Juneau, AK 99803

Mr. Champion,

The Alaska Real Estate Commission(REC) is seeking a change to the eligibility requirements for broker licensure, specifically, AS 08.88.171(a) and (b). The REC heard from numerous licensees over the past few years at various Commission meetings and most notably at the September 2, 2015 meeting during the Public Comment period, regarding increasing education hours for brokers as well as concern over the lack of experience by new brokers coming in to the business. This was completely unsolicited by the Real Estate Commission and was then elevated as an action item for the Real Estate Commission to pursue.

The REC considered what other states and jurisdictions require of real estate licensees and found that Alaska ranks in the bottom tier for broker requirements. I have attached the spreadsheet from the Association of Real Estate License Law Officials (ARELLO) 2015 Digest, showing the breakdown of each states requirements for obtaining a Broker's license. You will note that the column titled, "# of Hours Pre-License Education" is for education requirements to obtain a Salesperson license and the additional hours needed and experience to obtain a Broker license are provided in the column, "Hours/experience required for Broker". The combinations of those two columns will provide you with a Broker's license in each of the respective states.

In Alaska, only the registered Broker of an office may employ or terminate a licensed associate broker or salesperson. All real estate licenses are sent to the Broker for display to the public. If a licensee is terminated or leaves that office then the Broker will return that license, signed and dated, to the Real Estate Commission. A real estate licensee is tied to a Broker and must work for a Broker or an Associate Broke in Charge of a Branch office. As you know, real estate licenses are not portable and make responsibility of a Broker essential. The Broker is responsible for the real estate Brokerage trust account(s) which includes earnest money deposits, security deposits, collected rental money, rental receipts, or any other money

collected in trust until it is appropriate for the broker to distribute the money to the proper persons.

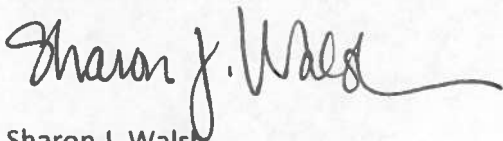
The REC has determined that Broker education and the length of experience need to be changed as a way to protect the Alaska real estate consumer. They have seen numerous trust account cases, 15 of which have led to a license action by the Investigation Unit of the Division of Corporations, Business and Professional Licensing. The uptick in cases and the number of calls and complaints to the REC has pushed the need to consider an increase in education and experience to make a broker more adept at fulfilling the highest level of a professional license in real estate.

It is through communication conveyed over the years that the REC is now requesting assistance from the Alaska Association of Realtors in supporting a change to the Broker eligibility requirements.

Please find attached a letter to the Alaska Association of Realtors, dated October 27, 2015, the ARELLO Broker education/experience spreadsheet of all jurisdictions, excerpts from the September 2, 2015, December 2, 2015 meeting minutes of the REC and a roster of the current REC members.

Thank you for your consideration in this matter. If you have any questions or need additional information provided, please contact me.

Cordially,



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Alaska Real Estate Commission
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cc: Dave Somers, President, AK Association of Realtors
Bob Manwaring, CEO, AK Association of Realtors