

Home General Obligation Bond Redemption Fund" shall be created, to the credit of which there shall be set aside such amounts of money as may be necessary to pay the principal of and interest on the outstanding bonds of the issue described in sec. 1 of this Act, and which fund shall be used for the sole purpose of paying and securing the payment of the principal and interest as they become due.

Sec. 6. The question of whether or not the bonds authorized herein shall be issued for the purposes herein provided shall be submitted to the qualified voters of the state at the next state general election to be held on November 3, 1964, in accordance with the provisions of the constitution and the laws of the state. The secretary of state shall fix the ballot title to be submitted to the qualified voters for their ratification of the state debt authorized by this Act, and shall do everything else necessary to place such proposition before said qualified voters at said next state general election.

Sec. 7. The proposition to be submitted to the qualified voters at said election shall read substantially as follows:

Proposition
State General Obligation Pioneers'
Home Construction Bonds
\$2,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed \$2,000,000 bearing interest not to exceed six per cent a year and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, and equipping a branch of the Alaska Pioneers' Home at Fairbanks?

Bonds	Yes	<input type="checkbox"/>
Bonds	No	<input type="checkbox"/>

Sec. 8. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 30, 1964

CHAPTER 95

AN ACT

Relating to licensing real estate brokers, associate real estate brokers, and real estate salesmen; and providing for an effective date.

(C.S.H.B. 313)

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 08.88 is amended by adding new sections to read:

Article 1. Real Estate Commission.

Sec. 08.88.011. **Creation and Membership of Commission.** There is created a Real Estate Commission. It consists of five members.

Sec. 08.88.021. **Appointment and Terms of Office.** The governor shall appoint the members of the commission, with the confirmation of the legislature, for staggered terms of four years. A member serves at the pleasure of the governor. The governor shall fill a vacancy by appointment for the unexpired term. A member serves until his successor is appointed.

Sec. 08.88.031. **Executive Secretary of Commission.** The commissioner of commerce is the executive secretary of the commission.

Sec. 08.88.041. **Qualifications of Commission Members.** (a) To be eligible for appointment as a member of the commission a person must be

(1) at least 26 years of age;

(2) a real estate broker who has been a licensed real estate broker in Alaska for at least five years before his appointment.

(b) No more than two members may be appointed from any one judicial district.

Sec. 08.88.051. **Commission Meetings and Officers.** (a) The commission

shall hold a regular annual meeting. It may hold a special meeting at the call of the chairman or at the request of three commission members.

(b) A majority of the commission is a quorum for conducting business.

(c) The commission shall elect its officers.

Sec. 08.88.061. Assistants. The commission, with the approval of the commissioner of commerce, may employ assistants to

(1) prepare questions on examinations;

(2) grade examinations;

(3) investigate alleged violations of this chapter.

Sec. 08.88.071. Duties of the Commission. The commission shall

(1) pass on qualifications of applicants for licenses and issue licenses to those who qualify;

(2) prepare and grade examinations;

(3) after hearing, have the authority to suspend or revoke the license of a licensee who

(A) with respect to a real estate transaction

(i) made a substantial misrepresentation;

(ii) made a false promise likely to influence, persuade, or induce;

(iii) in the case of a real estate broker, pursued a flagrant course of misrepresentation or made a false promise through an agent, associate real estate broker, or real estate salesman;

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

(v) violates sec. 391 of this chapter;

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

(C) has engaged in conduct of which the commission had no knowl-

edge at the time he was licensed demonstrating his unfitness to engage in the business for which he is licensed;

(D) knowingly authorizes, directs, connives at or aids in publishing, distributing, or circulating a material false statement or misrepresentation concerning his business or concerning real estate for sale in his business in this or any other state;

(E) if a real estate broker, willfully violates sec. 171(d) or sec. 291 of this chapter;

(F) if an associate real estate broker, claims to be a real estate broker, or, if a real estate salesman, claims to be a real estate broker or associate real estate broker;

(G) if a real estate broker, employs an unlicensed associate real estate broker or real estate salesman;

(H) if an associate real estate broker or real estate salesman, fails immediately to turn money collected in a real estate transaction over to the employing real estate broker;

(4) prosecute through the Department of Law for a violation of sec. 401 of this chapter.

Sec. 08.88.081. Commission Regulations. The commission shall adopt substantive regulations making more specific the general grounds for revoking or suspending a license.

Sec. 08.88.091. Education. The commission may conduct and assist in conducting real estate clinics, meetings, courses, or institutes. The commission may assist libraries and educational institutions in sponsoring studies and programs for the purpose of raising the standards of the real estate business and the competency of licensees.

Sec. 08.88.101. Administrative Duties of Department. (a) The department shall furnish the commission with administrative services, including collecting fees and issuing receipts; keeping records of receipts and disbursements; distributing and receiving application forms; notifying an applicant whether

or not the commission has accepted his application; designating the dates on which examinations are to be held; at least 30 days before an examination is to be held, publishing notice that it is to be held; printing examinations; providing space for holding examinations; proctoring examinations; notifying applicants of the results of the examination; printing and distributing uniform license certificates, duplicate certificates to replace lost ones, and pocket-sized recognition cards; sending notice, before December 1 of each year, that licenses must be renewed; keeping a current register of licensees; employing secretarial assistants; replying to routine requests for information; printing and distributing forms and informational bulletins; maintaining records and completed examinations; recording suspensions and revocations of licenses; and recording office registrations.

(b) The department shall allow members of the commission free access to its records concerning the commission's activities.

Sec. 08.88.111. Department Regulations. The department shall adopt procedural regulations describing

(1) how it conducts an examination;

(2) how a person applies to take an examination, applies for a license, and registers his office.

Sec. 08.88.121. Sale of Register. The department shall offer for sale to the public, publications containing the names, addresses, license classifications, and business associations of persons licensed by the commission. The department shall sell the publications at a price designed to recover costs of compilation, publication, and distribution.

Sec. 08.88.131. Applicability of the Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) applies to regulations and proceedings under this chapter.

Sec. 08.88.141. Compensation. A commission member is entitled to transportation expenses and per diem allowances specified in AS 39.20.180.

Article 2. Licensing.

Sec. 08.88.161. License Required. Unless he is licensed as a real estate broker, associate real estate broker, or real estate salesman, no person may

(1) sell, exchange, rent, lease, auction, or purchase real estate;

(2) list real estate for sale, exchange, rent, lease, auction, or purchase;

(3) collect rent for the use of real estate;

(4) as a business, buy, sell, or deal in

(A) options in real estate; or

(B) options in improvements to real estate;

(5) assist in or direct the procuring of prospective buyers or the negotiation of a transaction which results or is calculated to result in the sale, exchange, rent, lease, auction, or purchase of real estate;

(6) hold himself out to the public as being engaged in the business of doing any of the things listed in this section;

(7) attempt to offer to do any of the things listed in this section.

Sec. 08.88.171. Entitlement to License. (a) A person is entitled to a real estate broker license who passes the real estate examination and who is an owner of his real estate business or who is employed as a real estate broker by a corporation or a partnership. Unless he fails to pay the annual renewal fee or his license is suspended or revoked under sec. 71(3) of this chapter, a real estate broker's license continues in effect so long as he is an owner of his real estate business or he is employed as a real estate broker by a corporation or a partnership. If he stops being an owner of his real estate business, or stops being employed as a real estate broker by a corporation or partnership, his license is suspended from the time he stops until

(1) he again becomes an owner of his real estate business or is again employed as a real estate broker by a corporation or a partnership; or

(2) he is employed by a licensed real estate broker, in which case his real estate broker license is revoked, and the department issues him an associate real estate broker license.

(b) A person is entitled to an associate real estate broker license who passes the real estate examination and who is employed by a licensed real estate broker. Unless he fails to pay the annual renewal fee or his license is suspended or revoked under sec. 71(3) of this chapter, an associate real estate broker's license continues in effect so long as he is employed by a licensed real estate broker. If he stops being employed by a licensed real estate broker, his license is suspended from the time he stops until

(1) he again is employed by a licensed real estate broker; or

(2) he becomes an owner of a real estate business, in which case his associate real estate broker license is revoked, and the department issues him a real estate broker license.

(c) A person is entitled to a real estate salesman license who passes the real estate salesman examination and who is employed by a real estate broker. Unless he fails to pay the annual renewal fee or his license is suspended or revoked under sec. 71(3) of this chapter, a real estate salesman's license continues in effect so long as he is employed by a licensed real estate broker. If he stops being employed by a licensed real estate broker, his license is suspended from the time he stops until he again is employed by a licensed real estate broker.

(d) A licensee shall promptly inform the department of a change in his business association that affects the status of his license under this section.

Sec. 08.88.181. Content of Examination. (a) The real estate examination includes questions on business ethics; arithmetic; elementary principles of land economics and appraisal; the general principles in state statutes relating to deeds, mortgages, real estate contracts, subdivisions, legal descriptions, building restrictions, agency and brokerage; and the general provisions

in this chapter and in regulations of the commission.

(b) The real estate salesman examination covers the same subjects as the real estate examination, but is less difficult.

(c) The only purpose of an examination under this chapter is to disqualify those whose lack of ability to participate in real estate transactions would create a serious risk of serious financial loss to members of the public.

Sec. 08.88.191. Administration of Examination. (a) The department shall offer examinations prepared by the commission at least once a year and more frequently if more than two persons who are qualified to take an examination petition the department for an additional examination.

(b) Examinations shall be so administered that one who grades an examination does not know whose paper he is grading.

(c) The department shall maintain files of examination papers. A person, at any reasonable time within six months of the date he is notified of the results of the examination, is entitled to inspect his examination paper for the purpose of challenging the propriety of its questions, the method of grading, or the accuracy of grading.

(d) If a person fails to take an examination after he has paid the application fee, the department shall refund the fee.

Sec. 08.88.201. Re-examination. A person who fails an examination may apply for a subsequent examination, but shall pay the application fee each time he applies. He may not petition for an additional examination under sec. 191(a) of this chapter, but may take one if it is offered.

Sec. 08.88.211. Qualification for Examination. (a) A person is entitled to take a real estate examination if he

(1) has had at least 24 months of active and continuous experience as a real estate salesman;

(2) he has been a resident of the state for at least 90 days;

(3) is at least 21 years old;

(4) has not engaged in conduct that demonstrates that he is unfit to be a real estate broker;

(5) is a United States citizen;

(6) files a required bond.

(b) A person is entitled to take a real estate salesman examination if he

(1) is at least 19 years old;

(2) has been a resident of the state for 90 days;

(3) has not engaged in conduct that demonstrates that he is unfit to be a real estate salesman;

(4) is a United States citizen;

(5) files the required bond.

(c) In addition to the requirements of (a) or (b) of this section, to be qualified to take an examination a person must

(1) within the time specified by a department regulation, return application forms to the department showing information specified in regulations of the commission;

(2) pay the application fee.

Sec. 08.88.221. Fees. The application fee for a real estate broker is \$50. The application fee for an associate real estate broker and for a real estate salesman is \$25. The renewal fee for an active real estate broker is \$50. The renewal fee for an active associate real estate broker and for an active real estate salesman is \$25. The renewal fee for an inactive real estate broker, an inactive associate real estate broker, and an inactive real estate salesman is \$12.50. The fee for a duplicate license is \$1.

Sec. 08.88.231. Deposit in General Fund. The department shall deposit money collected under this chapter in the general fund.

Sec. 08.88.241. Annual Renewal. A person who passes the examination is licensed without payment of further fee. To remain licensed, a person must pay the renewal fee before February 1 of each year. The com-

mission shall renew a lapsed license when the licensee applies for renewal and pays accrued renewal fees. He is entitled to have it renewed without taking an examination unless his license has lapsed more than five years, in which case he is required to take an examination if the commission finds that additional evidence of his continued fitness to practice is required.

Sec. 08.88.251. Inactive License. A person licensed by the commission may become inactive by returning to the department his license certificate and a form provided by the department. In the form, he shall state the date on which he intends to become inactive. His inactive status begins on the date stated. The department shall issue him an inactive license certificate.

(b) An inactive licensee may not do any of the things sec. 161 of this chapter authorizes an active licensee to do, nor is he required to have a bond.

(c) A person who is inactive may become active by returning to the department his inactive license certificate, the renewal fee for the year, if he becomes active more than five months before February 1 following, and a form provided by the department. In the form he shall state the date on which he intends to become active. His active status begins on the date stated. The department shall send him a license certificate. A person is entitled to change from an inactive to an active status without examination if he has not been inactive more than five years. If he has been inactive more than five years, he is required to take an examination if the commission finds that additional evidence of his continued fitness to practice is required.

Sec. 08.88.261. Out-of-State Licensees. A person who holds a valid, active license from another state is entitled to a license of the kind he holds there without examination if he (1) meets the requirements of sec. 211 of this chapter; and (2) passed an examination in the other state at least as comprehensive as the Alaska examination.

Article 3. Miscellaneous Provisions.

Sec. 08.88.281. **Bonds.** Before issuing a license to an applicant under this chapter, the board shall determine that the applicant has a corporate surety bond acceptable to the commission. If the applicant is applying for a real estate broker license, the bond is for \$5,000; if he is applying for any other license, the bond is for \$1,000. The bond is made payable to the state, and is breached if the licensee injures another by a wrongful act or default in the conduct of the business for which his license is issued. A person injured by a wrongful act or default may sue in his own name. The aggregate liability of the surety to all persons insured by the bond does not exceed the amount of the bond. If the surety on the bond desires to cancel the bond, he may do so by giving the commission written notice of his intention to cancel. The cancellation is effective 30 days after the notice is delivered to the commission. The surety is not liable for any breach of condition occurring after the bond is canceled. The bond covers the principal office and all branch offices of a real estate broker.

Sec. 08.88.291. **Location.** A licensed real estate broker shall inform the commission of his principal office and of any branch offices he has. He and the associate real estate brokers and real estate salesmen he employs may do business only in or out of his principal office and his branch offices. The department shall print the location of the principal office and branch offices at which a person may do business in the person's license certificate.

Sec. 08.88.301. **Change of Location.** If a real estate broker changes the location of his principal office or of a branch office, he shall immediately notify the department and send to the department his and his employees' licenses. The department shall issue new licenses reflecting the change.

Sec. 08.88.311. **Branch Offices.** If a branch office is not in the same election district as the principal office, or if it is beyond the real estate broker's immediate supervision, the real estate broker shall employ an associate real estate broker to be in charge of it. No

real estate broker may place a real estate salesman in charge of a principal or branch office.

Sec. 08.88.321. **Possession and Display of License Certificates.** A real estate salesman or an associate real estate broker shall turn his license certificate over to the real estate broker who employs him. The employing real estate broker shall display his license certificate in his principal office and the license certificates of those he employs in the office where they do most of their work.

Sec. 08.88.331. **Making of Transactions.** A real estate salesman or associate real estate broker may make a real estate transaction only through the real estate broker who employs him. All money collected on behalf of the broker shall immediately be turned over to the broker or his agent. All transactions in real estate by a real estate salesman or associate real estate broker shall be processed through his employing real estate broker's office, whether the transactions are for the real estate salesman's or associate real estate broker's own use or the use of a client.

Sec. 08.88.341. **Listings.** All real estate listings must be in writing and must be signed by the seller or by an agent of the seller. All exclusive listings must have a definite expiration date.

Sec. 08.88.351. **Record of Transaction.** A real estate broker shall

(1) keep a complete record of all real estate transactions made by himself or persons in his employ for at least three years;

(2) make a closing statement showing disbursements and accounting for all money in the transaction;

(3) keep a separate trust account in a bank, into which he shall deposit all earnest money deposits and purchase money until it is proper for him to distribute the money to the proper persons.

Sec. 08.88.361. **When Commission is Earned.** A commission is earned when the real estate broker finds a buyer

willing and able to purchase at a price and on terms set by the seller, providing negotiations with the buyer were initiated during the term of a valid listing agreement and within the time limit of the listing.

Sec. 08.88.371. Conduct by Employee. For the purposes of sec. 71(3) of this chapter, the conduct of an employee is not attributable to a real estate broker unless the real estate broker has actual knowledge that the employee is going to engage in the conduct and agrees to the conduct, either actively or by remaining silent, or ratifies the conduct after it is engaged in.

Sec. 08.88.381. Signs. A licensed real estate broker shall maintain a sign at each of his offices, prominently showing the name of his business.

Sec. 08.88.391. Conflict of Interest. A licensed real estate broker, associate real estate broker, or real estate salesman who has a personal financial interest in a real estate transaction shall disclose that interest to every person involved in the transaction.

Sec. 08.88.401. Prohibited Conduct.
(a) No licensee may use the term "realtor" unless he is entitled to use it.

(b) No person, even though he is an obligor or escrow holder, may pay or deliver compensation to a person who is not licensed under this chapter for doing work for which a license is required under this chapter. A current license certificate or pocket recognition card issued by the commission is sufficient proof to relieve the person from criminal responsibility under this section.

(c) No person may

(1) knowingly authorize, direct, or aid in the publication of a false statement or misrepresentation concerning land or a subdivision offered for sale or lease;

(2) with knowledge that an advertisement, pamphlet, or letter concerning land or a subdivision contains a written statement that is false or fraudulent, issue, circulate, publish, or distribute it or cause it to be issued, circulated, published, or distributed.

(d) A person who violates a provision of this section or sec. 161 of this chapter is guilty of a misdemeanor.

Article 4. General Provisions

Sec. 08.88.421. Exceptions. This chapter does not apply to

(1) a person making a real estate transaction with respect to real estate he owns or on his own behalf;

(2) an attorney in fact under a power of attorney authorizing the consummation of a specific real estate transaction; an attorney in fact may not act as such for more than two transactions in a calendar year;

(3) a lawyer performing his duties as a lawyer;

(4) a public official in the conduct of his official duties;

(5) a person acting as receiver, trustee, administrator, executor, or guardian;

(6) a person acting under a court order;

(7) a person acting under the authority of a will or trust instrument;

(8) a person dealing in mineral-rights transactions.

Sec. 08.88.431. Definitions. In this chapter

(1) "real estate" means an interest or estate in land, corporeal or incorporeal;

(2) "commission" means the Real Estate Commission;

(3) "department" means the Department of Commerce;

(4) "lease" includes a lease that is part of another transaction.

Sec. 2. A person who was licensed to make a real estate transaction before the effective date of this Act is entitled to a license under AS 08.88 corresponding to the one he held before the effective date of this Act without examination and without meeting the other qualifications.

Sec. 3. AS 08.88.010 - 08.88.520 are repealed.

Sec. 4. This Act takes effect on the

day after its passage and approval or on the day it becomes law without such approval.

Law without signature May 1, 1964.

CHAPTER 96

AN ACT

Relating to rates of pay to be received by enlisted men of the Alaska Army National Guard when called into the active service of the state by the governor; and providing for an effective date.

(H.B. 450)

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 26.05.260(c) is repealed and re-enacted to read:

(c) Enlisted men of the Army National Guard and Air National Guard shall receive for each day of active service for the state, under orders of the governor, pay and allowances equal to those provided by

federal laws and regulations for enlisted men of like grades of the United States Army and United States Air Force. However, no enlisted man shall receive pay and allowances of less than \$6 a day.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved May 28, 1964

CHAPTER 97

AN ACT

Appropriating to the City of Kenai; and providing for an effective date.

(H.B. 452)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The purpose of this Act is to transfer and appropriate to the City of Kenai the unused portion of federal transitional grant funds allocated by the Federal Aviation Agency for the operation of the Kenai airport and which were returned to the State of Alaska when the City of Kenai assumed operation of the airport.

Sec. 2. The sum of \$17,882 is appropriated from the Federal Transitional Grants Account in the general fund to the City of Kenai for operation of the Kenai airport.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved May 28, 1964

CHAPTER 98

AN ACT

Relating to appraisal of land by the director of lands in certain areas.

(H.B. 306)