

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

March 2, 2009

3:19 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Vice Chair
Representative John Coghill
Representative Bob Lynn
Representative Robert L. "Bob" Buch
Representative Lindsey Holmes

MEMBERS ABSENT

Representative Kurt Olson, Chair
Representative Mike Chenault

COMMITTEE CALENDAR

HOUSE BILL NO. 129

"An Act providing authority to the Real Estate Commission to revoke real estate salesperson licenses of persons convicted of certain crimes."

- MOVED HB 129 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 129

SHORT TITLE: REVOKING REAL ESTATE SALESPERSON LICENSES

SPONSOR(S): REPRESENTATIVE(S) RAMRAS

02/13/09	(H)	READ THE FIRST TIME - REFERRALS
02/13/09	(H)	L&C
03/02/09	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE JAY RAMRAS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 129.

ART CLARK
Alaska Association of Realtors (AAR)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 129.

SHARON WALSH, Administrator
Real Estate Commission
Division of Corporations, Business and Professional Licensing,
Department of Commerce, Community, & Economic Development
(DCCED)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
HB 129.

ACTION NARRATIVE

[3:19:07 PM](#)

VICE-CHAIR NEUMAN called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Buch, Coghill, Holmes, and Neuman were present at the call to order. Representative Lynn arrived as the meeting was in progress.

[3:19:17 PM](#)

HB 129-REVOKING REAL ESTATE SALESPERSON LICENSES

VICE CHAIR NEUMAN announced that the only order of business would be HOUSE BILL NO. 129, "An Act providing authority to the Real Estate Commission to revoke real estate salesperson licenses of persons convicted of certain crimes."

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REPRESENTATIVE JAY RAMRAS, Alaska State Legislature, testifying as prime sponsor of HB 129, stated that this bill 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 the person is convicted of a felony or other crime of forgery, theft, extortion, conspiracy to defraud creditors, or fraud. While licensed brokers and associate brokers can be removed from the profession, this law does not currently apply to real estate salespersons. This bill is by the request of the Real Estate Commission. The Association of Realtors brought this matter to the attention of the Real Estate Commission (REC) when a real estate salesperson was indicted on five counts of bribery, money laundering, and importing a controlled substance. While the real estate salesperson did plead guilty to drug trafficking, the REC had no power to revoke the salesperson's license.

Representative Ramras stated that this compromised the industry and the faith and trust the public places in what is otherwise a very noble profession. He stated that HB 129 will help the real estate profession by allowing it to police its licensees.

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REPRESENTATIVE LYNN stated he wished to declare a conflict of interest. He stated he is a licensed Alaska real estate broker acting as an associate broker. He offered that his license is currently in referral status.

REPRESENTATIVE HOLMES inquired as to whether Representative Lynn could describe which category of real estate license he holds.

REPRESENTATIVE LYNN reiterated that he is currently an associate broker, but also mentioned he has functioned in all the real estate licensee categories.

[3:24:20 PM](#)

ART CLARK, Alaska Association of Realtors (AAR), stated that he is representing the AAR. He offered his belief that HB 129 is a clarification in the real estate law. He offered his belief that the language for salespersons was inadvertently omitted. He stated the AAR is in favor of the change that HB 129 addresses.

[3:25:13 PM](#)

SHARON WALSH, Administrator, Real Estate Commission, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community, & Economic Development (DCCED), stated she is available to answer questions.

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REPRESENTATIVE BUCH inquired as to the department's position on HB 129.

MS. WALSH stated the Division of Corporations, Business and Professional Licensing, Department of Commerce, Community, & Economic Development (DCCED) is in support of HB 129. She also added that the investigative unit is in support of the bill.

REPRESENTATIVE COGHILL referred to page 3, paragraph 10 of HB 129, which addresses revocation of real estate licenses. He

inquired as to whether a salesperson holds a real estate license.

MS. WALSH agreed that a salesperson holds a real estate license. She explained that licenses are issued to a real estate broker, an associate broker, and a salesperson.

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REPRESENTATIVE HOLMES asked if MS. Walsh could explain the differences between the licensees.

MS. WALSH explained that the minimum qualifications for a real estate salesperson is to acquire 40 hours of pre-licensing, pass an examination for real estate license, apply for licensure, and pay the fees for licensure. After 24 months, the salesperson is eligible to take a 15-hour broker upgrade training, and sit for the real estate broker's examination. The person can become either an associate broker or to open an office as a real estate broker. She related that only one real estate broker is allowed per office, and the remaining real estate brokers wishing to work for his/her firm are associate brokers by default.

REPRESENTATIVE HOLMES related her understanding that real estate salespersons are those persons in the field meeting with clients and showing houses which is typically considered work as a "real estate agent".

MS. WALSH agreed. She reiterated that all real estate salespersons works under a broker, but only one real estate broker is allowed per office.

[3:29:36 PM](#)

VICE CHAIR NEUMAN related his understanding that HB 129 would add real estate salespersons to the law governing real estate brokers and associate brokers.

MS. WALSH agreed.

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REPRESENTATIVE COGHILL inquired as to why the real estate salesperson is currently being added. He further inquired as to whether this is a new licensee, or the reason that this licensee was not previously covered under the law.

MR. CLARK offered that he believes that not including real estate salespersons was an inadvertent oversight. He explained that the statutes governing real estate underwent a major revision in mid-90s. He explained that the type of licensees for the profession has not changed. He stressed that the AAR want to add real estate salespersons to the statutes so that the licensees can have their licenses revoked under the circumstances Representative Ramras mentioned earlier.

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MR. CLARK, in response to Vice Chair Neuman, explained that the real estate professional starts as a salesperson, formerly called a real estate agent, and when he/she can qualify, the person can take a test to become an associate broker. Once the person is an associate broker, he/she can open a real estate office. However, all licensees must operate under a real estate broker, he said.

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VICE CHAIR NEUMAN, after first determining no one wished to testify, closed public testimony on HB 129.

[3:32:13 PM](#)

REPRESENTATIVE COGHILL moved to report HB 129 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 129 was reported from the House Labor and Commerce Standing Committee.

[3:32:46 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:32 p.m.