

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 6, 2012

3:23 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Craig Johnson, Vice Chair
Representative Mike Chenault
Representative Steve Thompson
Representative Lindsey Holmes

MEMBERS ABSENT

Representative Dan Saddler
Representative Bob Miller

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 92(FIN)

"An Act relating to dental hygienists, dentists, dental assistants, dental hygiene, and dentistry."

- MOVED HCS CSSB 92(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 267

"An Act relating to the Real Estate Commission; and providing for an effective date."

- MOVED CSHB 267(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 92

SHORT TITLE: DENTISTS/DENTAL HYGIENISTS/ASSISTANTS

SPONSOR(s): SENATOR(s) EGAN

02/21/11	(S)	READ THE FIRST TIME - REFERRALS
02/21/11	(S)	L&C, FIN
02/24/11	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/24/11	(S)	Heard & Held
02/24/11	(S)	MINUTE(L&C)
03/01/11	(S)	L&C AT 2:00 PM BELTZ 105 (TSBldg)
03/01/11	(S)	Moved CSSB 92(L&C) Out of Committee
03/01/11	(S)	MINUTE(L&C)
03/07/11	(S)	L&C RPT CS 3DP SAME TITLE

03/07/11 (S) DP: EGAN, DAVIS, PASKVAN
03/30/11 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/30/11 (S) Heard & Held
03/30/11 (S) MINUTE(FIN)
04/04/11 (S) FIN RPT CS 6DP 1NR SAME TITLE
04/04/11 (S) DP: HOFFMAN, STEDMAN, THOMAS, EGAN,
MCGUIRE, ELLIS
04/04/11 (S) NR: OLSON
04/04/11 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/04/11 (S) Moved CSSB 92(FIN) Out of Committee
04/04/11 (S) MINUTE(FIN)
04/07/11 (S) TRANSMITTED TO (H)
04/07/11 (S) VERSION: CSSB 92(FIN)
04/08/11 (H) READ THE FIRST TIME - REFERRALS
04/08/11 (H) L&C, FIN
01/27/12 (H) L&C AT 3:15 PM BARNES 124
01/27/12 (H) Heard & Held
01/27/12 (H) MINUTE(L&C)
02/06/12 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 267

SHORT TITLE: REAL ESTATE SALES LICENSEES
SPONSOR(s): REPRESENTATIVE(s) MUNOZ, OLSON

01/17/12 (H) PREFILE RELEASED 1/13/12
01/17/12 (H) READ THE FIRST TIME - REFERRALS
01/17/12 (H) L&C
02/06/12 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

DANA OWEN, Staff

Senate Labor & Commerce Committee, Senator Dennis Egan, Chair
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of Senator Dennis Egan,
Chair, Senate Labor & Commerce Committee, during the discussion
of SB 92.

REPRESENTATIVE CATHY MUNOZ

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 267 as prime sponsor of the
bill.

ERROL CHAMPION, President

Southeast Alaska Board of Realtors;
Member, Board of Directors

Alaska Association of Realtors
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 267.

DON HABEGGER, Director
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community, & Economic Development
(DCCED)
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions during the discussion of HB 267.

KONRAD JACKSON, Staff
Representative Kurt Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the amendment to HB 267 on behalf of the prime bill sponsor, Representative Kurt Olson.

ACTION NARRATIVE

[3:23:24 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:23 p.m. Representatives Johnson, Thompson, Holmes, and Olson were present at the call to order. Representative Chenault arrived as the meeting was in progress.

[3:23:41 PM](#)

SB 92-DENTISTS/DENTAL HYGIENISTS/ASSISTANTS

[3:23:48 PM](#)

CHAIR OLSON announced that the first order of business would be CS FOR SENATE BILL NO. 92(FIN), "An Act relating to dental hygienists, dentists, dental assistants, dental hygiene, and dentistry."

CHAIR OLSON stated that this bill was previously heard and public testimony is closed. He reported that the bill had been held in committee to obtain clarification on the repealers in the bill. He said he was satisfied that everything is in order.

[3:24:52 PM](#)

DANA OWEN, Staff, introduced himself and said he was available for questions.

REPRESENTATIVE HOLMES asked for clarification that the committee previously adopted two amendments to SB 92.

CHAIR OLSON answered yes.

[3:25:35 PM](#)

The committee took an at-ease from 3:25 p.m. to 3:28 p.m.

[3:28:20 PM](#)

REPRESENTATIVE HOLMES moved to report CSSB 92(FIN), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, the HCS CSSB 92(L&C) was reported from the House Labor & Commerce Standing Committee.

The committee took an at-ease from 3:28 p.m. to 3:30 p.m.

HB 267-REAL ESTATE SALES LICENSEES

[3:30:35 PM](#)

CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 267, "An Act relating to the Real Estate Commission; and providing for an effective date."

[3:30:43 PM](#)

REPRESENTATIVE CATHY MUNOZ, Alaska State Legislature, explained HB 267 would clarify the statutes that pertain to real estate practice. She stated that she has collaborated with the Alaska Association of Realtors in drafting this bill. This bill would accomplish three things. First, Section 1 of the bill would amend AS 08.88.071 (a), to require the Real Estate Commission issue a temporary permit to a licensee designated by the commission to administer, manage, or conclude the affairs of a broker's real estate business if: (1) an investigation produces substantial evidence that the broker has misappropriated trust funds; (2) the license of the broker is suspended; or (3) the broker is incapacitated because of a traumatic event or medical condition. Under current law, the Real Estate Commission (REC) would appoint another broker; however, in some areas of the state, a limited number of brokers practice. This provision would also allow the commission to issue a temporary agreement

to a real estate agent to step in and conclude the business affairs. This provision would apply in instances in which only one or two brokers in an area would be called on to step in and conclude the business when the practice is in jeopardy due to health issues or issues that pertain to the actual practice of the specific brokerage.

[3:33:04 PM](#)

REPRESENTATIVE MUNOZ stated that second, this bill would clarify language regarding the role of a licensed real estate salesperson or licensed real estate broker. It would limit licensed assistants to only work for one brokerage, which is unclear in current law; however, it is very important to have a licensed assistant be limited to work for only one brokerage to ensure that proprietary information is kept confidential and to ensure that information about a real estate transaction cannot be shared with more than one brokerage. Third, this bill would allow a licensee to use a portion of an agent's commission to donate to a charitable organization. She characterized this as a housekeeping provision.

[3:34:16 PM](#)

REPRESENTATIVE HOLMES referred to Section 2 of HB 267, which adds one new subsection. She referred to page 4, line 4, and noted that she did not see an "and" or an "or" between paragraph 4 and 5. She asked whether the list is meant to be inclusive and all five paragraphs would need to be met.

REPRESENTATIVE MUNOZ asked for clarification on the specific language.

REPRESENTATIVE HOLMES referred to Section 2, page 4, line 4, and read, "A licensed real estate salesperson or licensed associate real estate broker may act as a licensed assistant to another licensed salesperson or associate real estate broker if..." She added that the "if" was followed by paragraphs (1),(2),(3),(4),(5). She inquired as to whether the condition would apply to all paragraphs: (1), (2), (3), (4), and (5); or if the condition of only paragraph (1) or (2) or (3) or (4) or (5) needed to be met. She reiterated her question by asking whether the condition of only one paragraph in Section 2 needed to be met or if all five conditions must be met by the licensed real estate salesperson or licensed associate real estate broker.

REPRESENTATIVE MUNOZ offered her belief that all five paragraphs were necessary, but deferred to the Alaska Association of Realtors to confirm.

[3:36:37 PM](#)

ERROL CHAMPION, President, Southeast Alaska Board of Realtors; Member, Board of Directors, Alaska Association of Realtors, thanked the chair for sponsoring the bill.

CHAIR OLSON reported that all of his questions had been addressed before he signed on as joint prime sponsor of the bill.

MR. CHAMPION mentioned that he has also submitted written comments to the committee.

CHAIR OLSON asked him to confirm Representative Holmes's question pertaining to Section 2.

MR. CHAMPION responded that Section 2 would require all five paragraphs to be met. He said, "If you don't cross over the threshold of (1), you can't make it to (2), to (3), to (4), to (5)"

[3:38:04 PM](#)

DON HABEGER, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, & Economic Development (DCCED), introduced himself.

[3:38:40 PM](#)

REPRESENTATIVE CHENAULT referred to the zero fiscal note in members' packets. He asked for the number of incidents for misappropriation of trust accounts or medical reasons that have arisen with brokers.

MR. HABEGER said the current executive administrator of the REC indicated only one incident against a broker has occurred in seven years. Thus, the division felt any necessary work could easily be absorbed in the current work load.

REPRESENTATIVE CHENAULT asked for the average cost of an investigation.

MR. HABEGER recalled a recent incident in Ketchikan, which he characterized as a litmus test. He explained that it was necessary to investigate a broker and licensees paid for the investigation. He related that due to the investigation costs, in part, the division suggested increases in licensee fees for the next renewal period. He offered that the one incident did not represent a huge impact to licensees.

[3:40:34 PM](#)

REPRESENTATIVE HOLMES inquired as to whether the department was comfortable with the bill.

MR. HABEGER answered yes.

[3:41:34 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, Alaska State Legislature, introduced himself. He referred to an amendment in members' packet. He stated that the proposed amendment would correct a minor drafting error.

[3:42:19 PM](#)

REPRESENTATIVE HOLMES moved to adopt Amendment 1, labeled 27-LS1111\M.1, Martin, 1/24/12, which read:

Page 3, line 16:
Delete "board"
Insert "commission"

There being no objection, Amendment 1, was adopted.

[3:43:01 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 267.

[3:43:12 PM](#)

REPRESENTATIVE HOLMES moved to report HB 267, as amended out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, the CSHB 267(L&C) was reported from the House Labor and Commerce Standing Committee.

[3:43:35 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:43 p.m.