

Offered: 5/17/83
Referred: Rules

Original sponsor: Furnace

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 389 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to the regulation of real estate
brokers and salesmen."

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

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* Section 1. AS 08.88.071(a)(3) is amended to read:

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(3) after hearing, have the authority to reprimand a li-

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icensee or suspend or revoke the license of a licensee who

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(A) with respect to a real estate transaction

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(i) made a substantial misrepresentation;

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(ii) made a false promise likely to influence,

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persuade, or induce;

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(iii) in the case of a real estate broker, pursued

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a flagrant course of misrepresentation or made a false

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promise through an agent, associate real estate broker, or

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real estate salesman;

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(iv) has engaged in conduct that is fraudulent or

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dishonest;

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(v) violates AS 08.88.391;

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(B) procures a license by deceiving the commission, or

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aids another to do so;

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(C) has engaged in conduct in which the commission had

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no knowledge at the time the licensee was licensed demonstrating

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the licensee's unfitness to engage in the business for which the

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licensee is licensed;

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(D) knowingly authorizes, directs, connives at or aids

1 in publishing, distributing, or circulating a material false
2 statement or misrepresentation concerning the licensee's business
3 or concerning real estate for sale in the licensee's business in
4 this or any other state;

5 (E) if a real estate broker, wilfully violates AS 08.-
6 88.171(d) or 08.88.291;

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

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

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

15 * Sec. 2. AS 08.88.071(a)(3) is amended by adding a new subparagraph to
16 read:

17 (I) violates a provision of this chapter;

18 * Sec. 3. AS 08.88.081 is amended to read:

19 Sec. 08.88.081. COMMISSION REGULATIONS. The commission shall
20 adopt regulations to carry out the purposes of this chapter, including
21 regulations pertaining to the responsibilities of persons licensed
22 under this chapter and the grounds for revoking or suspending a li-
23 cense.

24 * Sec. 4. AS 08.88.091 is amended by adding a new subsection to read:

25 (b) The commission may charge a fee for informational material
26 published under this section to a person or organization that obtains
27 more than five copies of the publication. The charge may not exceed
28 the cost of publishing the copies and no charge may be required for
29 the first five copies obtained.

1 * Sec. 5. AS 08.88.161 is amended by adding a new paragraph to read:

2 (9) for compensation, manage a commercial or residential
3 homeowner's association, condominium association, or similar organiza-
4 tion.

5 * Sec. 6. AS 08.88.251(a) is amended to read:

6 (a) A licensee with active status [PERSON LICENSED BY THE COM-
7 MISSION] may obtain [BECOME] inactive status by completing [RETURNING
8 TO THE COMMISSION THE PERSON'S LICENSE CERTIFICATE AND] a form pro-
9 vided by the commission and submitting the form with the required fee
10 to the commission. In the form, the licensee [PERSON] shall state the
11 date on which the licensee [PERSON] intends to become inactive. The
12 licensee's [PERSON'S] inactive status begins on the date stated. [THE
13 COMMISSION SHALL ISSUE THE PERSON AN INACTIVE LICENSE CERTIFICATE.]

14 * Sec. 7. AS 08.88.251(c) is amended to read:

15 (c) A licensee with [PERSON WHO IS] inactive status may obtain
16 [BECOME] active status by applying for [AN] active status with the
17 commission [LICENSE] and paying the required fees. In the application
18 form the licensee [PERSON] shall state the date on which the licensee
19 [PERSON] intends to become active. The licensee's [PERSON'S] active
20 status begins on the date stated. [THE COMMISSION SHALL SEND THE
21 PERSON A LICENSE CERTIFICATE.] A licensee [PERSON] is entitled to
22 change from an inactive to an active status without examination if the
23 licensee [PERSON] has not been inactive more than three years. If the
24 licensee [PERSON] has been inactive more than three years, the li-
25 cencee [PERSON] is required to take an examination.

26 * Sec. 8. AS 08.88.291 is amended to read:

27 Sec. 08.88.291. LOCATION. A licensed real estate broker shall
28 register with [INFORM] the commission [OF] the broker's principal
29 office and [OF] any branch offices the broker maintains by completing

1 and submitting a form provided by the commission [HAS]. The broker
2 and each person with a license issued under this chapter who [THE
3 ASSOCIATE REAL ESTATE BROKERS AND REAL ESTATE SALESMEN] the broker
4 employs may do business only from [IN OR OUT OF] the broker's princi-
5 pal or branch [OFFICE AND THE BROKER'S BRANCH] offices. Failure of a
6 real estate broker to maintain a place of business or inform the
7 commission of its location and the names and addresses of all licens-
8 ees employed by [UNDER] the broker [BROKER'S JURISDICTION] at the
9 location are grounds for the suspension or revocation of the broker's
10 license.

11 * Sec. 9. AS 08.88.331 is amended to read:

12 Sec. 08.88.331. MAKING OF TRANSACTIONS. A real estate salesman
13 or associate real estate broker may make a real estate transaction
14 only through the real estate broker who employs the real estate sales-
15 man or associate real estate broker. All money collected on behalf of
16 the broker shall immediately be turned over to the broker or the
17 broker's agent. All transactions in real estate by a real estate
18 salesman or associate real estate broker shall be processed through
19 the real estate salesman's or the associate real estate broker's
20 employing real estate broker's office and shall be supervised by the
21 real estate broker, whether the transactions are for the real estate
22 salesman's or associate real estate broker's own use or the use of a
23 client.

24 * Sec. 10. AS 08.88.351 is amended by adding a new subsection to read:

25 (b) The records required under this section of transactions that
26 are for the broker or an employee of the broker shall be similar to
27 and as complete as records of transactions for clients.

28 * Sec. 11. AS 08.88.421 is amended by adding new paragraphs to read:

29 (11) the developer of a commercial or residential

1 condominium when acting as manager of the condominium;

2 (12) a member of the board of directors of a homeowner's
3 association, condominium association, or similar organization when
4 managing the real estate in the course of performing duties as a
5 member of the board of directors.

6 * Sec. 12. AS 08.88.455(a) is amended to read:

7 (a) A licensed real estate broker, [OR] associate broker, or
8 salesman when obtaining or renewing a real estate license, in lieu of
9 obtaining a corporate surety bond, shall pay to the commission in
10 addition to the license fee, a bond fee not to exceed \$125 [, AND A
11 LICENSED SALESMAN, WHEN OBTAINING OR RENEWING A LICENSE, IN LIEU OF
12 OBTAINING A CORPORATE SURETY BOND, SHALL PAY TO THE COMMISSION IN
13 ADDITION TO THE LICENSE FEE, A BOND FEE NOT TO EXCEED \$40]. After the
14 fund reaches \$250,000 the commission shall by regulation adjust the
15 bond fees so that, taking into account anticipated expenditures for
16 claims against the fund and real estate educational purposes, the fund
17 is maintained at a level not less than \$250,000.

18 * Sec. 13. AS 08.88.460 is amended by adding a new subsection to read:

19 (c) A claimant under this section shall pay a filing fee of \$100
20 to the commission at the time the claim is filed. The filing fee
21 shall be refunded if the commission makes an award to the claimant
22 from the real estate surety fund.

23 * Sec. 14. AS 08.88.261 is repealed.