

CSSB

39

HOUSE COMMITTEE REPORT

5/16
Rules

(11)

Date referred: 5/15/87

FURTHER REFERRALS:

DATE: 5-16-87

The Finance Committee has considered CSSB 39(L&C)

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

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

 Chairman's signature

245

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SSSB 39(200)
Publish Date: 4/7/87

REQUEST: _____
Revision Date: _____
Title: An Act relating to the
Real Estate Commission.
Sponsor: Senator Zharoff
Requestor: _____

Agency Affected: Commerce and Economic Dev.
BRU: Real Estate Commission/Occupational
Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	[62.0]	0	0	0	0
TRAVEL	0	[15.1]	0	0	0	0
CONTRACTUAL	0	[75.7]	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	[152.8]	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	[152.8]	0	0	0	0
TOTAL	0	[152.8]	0	0	0	0

POSITIONS:

FULL-TIME	0	[1]	0	0	0	0
PART-TIME	0	1	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS :

(See Attached)

Prepared by: Kathy Marshall
Division: Occupational Licensing

Phone: 465-2534
Date: April 9, 1987

Approved by Commissioner: J. [Signature]
Agency: Commerce and Economic Development

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor-
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

es SSSB 39 (LAC)

SSSB 39 amends the statutes to transfer the semiautonomous Real Estate Commission within the Department of Commerce and Economic Development to the Division of Occupational Licensing within the same department. As a result, the reorganization will create a cost savings of \$152,800.00 as a one-time impact in FY 88.

The decrement of \$62,000.00 in personal services result through reclassification of certain positions currently providing support to the Real Estate Commission. In addition, one position is being reduced from full-time to part-time.

The attached forms document the costs associated with the transfer.

Original sponsor: Zharoff

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 39 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Real Estate Commission; and

7

providing for an effective date."

8

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

9

* Section 1. AS 08.01.010 is amended by adding a new paragraph to read:

10

(27) Real Estate Commission (AS 08.88.011).

11

* Sec. 2. AS 08.01.050(a) is amended to read:

12

(a) The department shall perform the following administrative
and budgetary services when appropriate:

14

(1) collect fees and issue receipts;

15

(2) maintain records and files;

16

(3) issue and receive application forms;

17

(4) notify applicants of acceptance or rejection of appli-

18

cants as determined by the board or as determined by the department

19

under AS 08.11 for audiologists, under AS 08.45 for naturopaths, or

20

under AS 08.55 for hearing aid dealers;

21

(5) designate dates examinations are to be held and notify

22

applicants;

23

(6) publish notice of examination;

24

(7) arrange space for holding examinations;

25

(8) notify applicants of results of examinations;

26

(9) issue licenses and certificates or temporary licenses

27

or certificates as authorized by the board or as authorized by the

28

department under AS 08.11 for audiologists, under AS 08.45 for naturo-

29

paths, or under AS 08.55 for hearing aid dealers;

1 (10) issue duplicate licenses or certificates upon proof by
2 the licensee of loss of the original and payment by the licensee of a
3 fee of \$2 except as otherwise provided in this title;

4 (11) notify licensees of renewal dates at least 30 days
5 before the expiration date of their licenses;

6 (12) compile and maintain current a register of licenses;

7 (13) answer routine inquiries;

8 (14) maintain files relating to individual licensees;

9 (15) arrange for printing and advertising;

10 (16) purchase supplies;

11 (17) employ secretarial help when needed;

12 (18) perform other services that may be requested by the
13 board;

14 (19) provide investigative services to the boards estab-
15 lished under AS 08.04, AS 08.20, AS 08.36, AS 08.64, AS 08.68, AS 08.-
16 70, AS 08.71, AS 08.72, AS 08.80, AS 08.84, [AND] AS 08.86, and
17 AS 08.88, for the purpose of assisting those boards in matters of
18 professional discipline and in responding to consumer complaints.

19 * Sec. 3. AS 08.01.065(a) is amended to read:

20 (a) The department shall adopt regulations that establish the
21 amount and manner of payment of application fees, examination fees,
22 license fees, registration fees, permit fees, investigation fees, and
23 all other fees as appropriate for the occupations covered by this
24 chapter [AND FOR REAL ESTATE BROKERS AND SALESMEN UNDER AS 08.88].

25 * Sec. 4. AS 08.03.010(c)(18) is amended to read:

26 (18) Real Estate Commission (AS 08.88.011) -- June 30, 1991
27 [1987].

28 * Sec. 5. AS 08.88.031 is repealed and reenacted to read:

29 Sec. 08.88.031. EXECUTIVE SECRETARY OF COMMISSION. The

1 department shall, after consultation with the commission, employ a
2 person, who is not a member of the commission, to serve as executive
3 secretary for the commission. The executive secretary shall perform
4 duties as assigned by the commission.

5 * Sec. 6. AS 08.88.037 is amended to read:

6 Sec. 08.88.037. INVESTIGATION AND INJUNCTION. (a) The commis-
7 sion may request the department to [, UPON ITS OWN MOTION,] conduct
8 investigations to determine whether a person has violated a provision
9 of this chapter or a regulation adopted under it, or to secure infor-
10 mation useful in the administration of this chapter.

11 (b) If it appears to the department [EXECUTIVE DIRECTOR] that a
12 person has engaged in or is about to engage in an act or practice in
13 violation of a provision of this chapter or a regulation adopted under
14 it and that action is warranted in the public interest, the department
15 [EXECUTIVE DIRECTOR] shall notify all commission members by telephone
16 or telegraph of a proposed order or action, and, if a majority of the
17 members of the commission approve, the department [EXECUTIVE DIRECTOR]
18 may

19 (1) after reasonable notice of and an opportunity for a
20 hearing is given to the person, issue an order directing the person to
21 stop the act or practice; the department [EXECUTIVE DIRECTOR] may
22 issue a temporary order before a hearing is held; a temporary order
23 remains in effect until a final order affirming, modifying, or revers-
24 ing the temporary order is issued or until 15 days have elapsed after
25 the person receives the notice and has not requested a hearing; a
26 temporary order becomes final if the person to whom the notice is
27 addressed does not request a hearing within 15 days after receiving
28 the notice; if a hearing is requested, a hearing shall be conducted by
29 a hearing officer within 30 days; the commission shall issue a final

1 order within 10 days after the hearing;

2 (2) bring an action in superior court to enjoin the act or
3 practice and to enforce compliance with this chapter, a regulation
4 adopted under it, or an order issued under it;

5 (3) examine or have examined the books and records of a
6 person whose business activities require licensure under this chapter
7 and the department [EXECUTIVE DIRECTOR] may require the person to pay
8 the reasonable costs of the examination; and

9 (4) issue subpoenas for the attendance of witnesses, and
10 the production of books, records, and other documents.

11 * Sec. 7. AS 08.88.061 is amended to read:

12 Sec. 08.88.061. ASSISTANTS. The commission may use [EMPLOY]
13 assistants to

14 (1) prepare questions on examinations;

15 (2) grade examinations [;

16 (3) INVESTIGATE ALLEGED VIOLATIONS OF THIS CHAPTER].

17 * Sec. 8. AS 08.88.191(b) is amended to read:

18 (b) If the commission authorizes the department to contract
19 [CONTRACTS] with a national testing service to prepare, administer and
20 grade examinations,

21 (1) the commission shall review the examination and approve
22 its contents;

23 (2) application for the examination, accompanied by the
24 proper filing fee, may be transmitted by the applicant directly to the
25 national testing service.

26 * Sec. 9. AS 08.88.034, 08.88.101, 08.88.121, and 08.88.231 are re-
27 pealed.

28 * Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

SSSB 39: An Act relating to the Real Estate Commission.

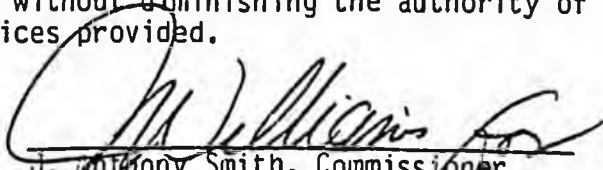
SSSB 39 transfers the Real Estate Commission in the Department of Commerce and Economic Development to the Division of Occupational Licensing, also within the Department of Commerce and Economic Development, and extends the commission to June 30, 1991. In September 1985, Legislative Audit issued a performance report on the commission which recommended it be reestablished.

The department maintains its support for continuation of the Real Estate Commission and recognizes the important functions it provides. However, the department concurs with the proposal to reestablish the commission within the Division of Occupational Licensing.

There are a number of advantages to the plan for both the State of Alaska and licensed realtors.

1. The regulation of the occupation would be more cost effective. The number of licensed realtors has decreased by approximately 50% since the Real Estate Commission became semiautonomous which has increased the cost of service provided per licensee while decreasing the commission's ability to be self-supporting. The commission was unable to generate sufficient program receipts for FY 87 to maintain its current level of expenditures. The department believes the commission can be as effectively administered under the Division of Occupational Licensing at a much lower cost. The transfer of the commission to the Division of Occupational Licensing would save approximately \$150,000.00 per year and would enable the commission to be supported by the licensing fees.
2. As indicated in the Legislative Audit, the Real Estate Commission is in dire need of regulatory and statutory revision. The Division of Occupational Licensing employs both a legislative and a regulations specialist who could more effectively assist the commission in its efforts to improve regulations and statutes.
3. The transfer of administrative responsibilities, such as budget preparation and fiscal monitoring, to the division would enable the commission and staff to concentrate their efforts on increasing services to licensees including auditing of trust accounts, recovering surety fund claims, coordinating with the Real Estate Association, and improving functions.

In summary, the department believes the transfer of the Real Estate Commission will increase efficiency without diminishing the authority of the commission or the level of services provided.


J. Anthony Smith, Commissioner
Department of Commerce & Economic
Development

DATE: 4/9/87

STATE OF ALASKA
Office of Management & Budget
Division of Budget Review

REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

CATEGORY Public Protection
PROGRAM Consumer Protection
AGENCY Commerce & Economic Dev
DIVISION Real Estate Commission
BRU Real Estate Commission
COMPONENT

	FY '88 REQUEST	SSSB 39 Note	ADJUSTED AUTH	ADN	ADJUSTED AUTH	ADN	ADJUSTED AUTH	ADN	ADJUSTED AUTH	ADN	ADJUSTED AUTH
70010 UNALLOCATED											
71000 PERS SVCS	300.5	-300.5	0.0								
72000 TRAVEL	36.1	-36.1	0.0								
73000 CONT SVCS	166.9	-166.9	0.0								
74000 SUPPLIES	10.3	-10.3	0.0								
75025 LAND/STRCT											
75090 EQUIPMENT											
77000 GRANTS											
78000 DEBT SVC											
TOTAL	513.8	-513.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
66515 GEN FUND											
66510 GF MATCH											
51010 FED REC											
51015 IA REC											
51020 PROG REC	513.8	-513.8	0.0								
51260 CIP REC											
FULL TIME	6.0	-6.0	0.0								
PART TIME	2.0	-2.0	0.0								
TEMPORARY MONTHS	82.0	-82.0	0.0								

STATE OF ALASKA
Office of Management & Budget
Division of Budget Review

REVISED PROGRAM SUMMARY
by
BUDGET COMPONENT

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PROGRAM Consumer Protection
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DIVISION Occupational Licensing
BRU Occupational Licensing
COMPONENT Administration

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70010 UNALLOCATED											
71000 PERS SVCS	713.3	271.5	984.8								
72000 TRAVEL	14.1	21.0	35.1								
73000 CONT SVCS	311.9	91.2	403.1								
74000 SUPPLIES	10.4	10.3	20.7								
75025 LAND/STRCT											
75090 EQUIPMENT											
77000 GRANTS											
78000 DEBT SVC											
TOTAL	1049.7	394.0	1443.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
60515 GEN FUND											
60510 GF MATCH											
51010 FLD REC											
51015 TA REC											
51000 PROG REC	1049.7	394.0	1443.7								
51200 CIP REC											
FULL TIME	19.0	5.0	24.0								
PART TIME	1.0	3.0	4.0								
TEMPORARY MONTHS	234.0	76.0	310.0								

Original sponsor: Zharoff

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2
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4 IN THE LEGISLATURE OF THE STATE OF ALASKA
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BY THE LABOR AND
COMMERCE COMMITTEE

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