

**HB**

**169**

**HFIN**

**FILE**

4-13-05

Adopted

24-LS0424X.1  
Bannister  
4/11/05

AMENDMENT 1

OFFERED IN THE HOUSE

TO: CSHB 169(L&C)

- 1 Page 9, line 26, following "date":
- 2       Insert "of secs. 1 - 11 and 16"
- 3
- 4 Page 9, line 29, following "date":
- 5       Insert "of secs. 1 - 11 and 16"
- 6
- 7 Page 10, line 1, following "date":
- 8       Insert "of secs. 1 - 11 and 16"

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
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Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 7, 2005

**SUBJECT:** CSHB 169(L&C) relating to real estate transactions  
(Work Order No. 24-LS0424X)

**TO:** Representative Tom Anderson  
Chair, House Labor and Commerce Committee  
Attn: Josh

**FROM:**  Theresa Bannister  
Legislative Counsel

This memo accompanies a final version of the bill described above.

Applicability section (bill sec. 17). In this section, the references in (1), (2), and (3) to "effective date of this Act" need to be replaced with "effective date of secs. 1 - 3, 5 - 11, and 16 of this Act." This replacement is necessary because there are two different effective dates for the provisions in the Act (see secs. 19 and 20). Since your committee has already taken action on this bill, I would appreciate it if you would pass this memo along to the next committee of referral for its consideration.

If I may be of further assistance, please advise.

TLB:med  
05-238.med

Enclosure

AMENDMENT 3

*withdrawn*

OFFERED IN THE HOUSE FINANCE COMMITTEE  
BY REPRESENTATIVE CROFT

TO: CS HB 169 (L&C)

Page 8, line 22:

DELETE: "attorney or"

*Amendment 4*

*adopted*

*3:32:45*

*Page 8 lines 22-24*

*Remove:*

*Page 8 delete Sec. 15*

Amendment 4

HB 169

Rep. Kelly

Adopted

Delete:

Beginning on line 22 page 8 all through line 30:

- 22       The broker may pay the attorney or associate  
23       broker from a fee, commission, or other compensation received by the broker in a real  
24       estate transaction payment.
- 25   \* Sec. 15. AS 08.88.900(b) is amended to read:
- 26       (b) Notwithstanding that, under this section, a person is exempt from this  
27       chapter, AS 08.88.401(d)(1) prohibits, except as provided in AS 08.88.403, a  
28       licensee from knowingly paying to that person any part of a fee, commission, or other  
29       compensation received by the licensee in buying, selling, exchanging, leasing,  
30       auctioning, or renting real estate.



# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 169(L&C)  
 (H) Publish Date: 4/8/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Real Estate Licensee RDU Occupational Licensing (117)  
Education Component Occupational Licensing  
 Sponsor Rokeberg  
 Requester Labor & Commerce Component No. 2360

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 169 amends several statutory requirements to the educational requirements for real estate licensees. New funds are not required to implement these changes.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 4/6/05 1:44 PM  
 Approved by: Edgar Blatchford, Commissioner Date 4/6/2005  
 Agency: Commerce, Community, and Economic Development

THE  
FOLLOWING  
DOCUMENT(S)  
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**DIVISION OF OCCUPATIONAL LICENSING**

Frank E. Marblewski, Governor

April 13, 2005

RE: HB169 (b)

Members of the Finance Committee:

I am writing this letter on behalf of the Alaska Real Estate Commission and its concerns with regard to specific language in HB169. The Commission, at its March 14 and 15 meeting in Juneau, reviewed and discussed the latest version of HB169 (a).

As you know, HB169 (a) was introduced to deal specifically with post-licensing issues for real estate professionals. In addition, language has been introduced which would allow for the Review of Transactions by an attorney who may not be a licensed real estate professional.

As the entity that must implement this law once it becomes effective, we have grave concerns regarding this Commission's ability to regulate unlicensed real estate professionals.

The current language reads that, "a real estate broker may contract with and pay an attorney or associate broker to assist the broker to review a real estate transaction before the transaction closes. The broker may pay the attorney or associate broker from a fee, commission, or other compensation received by the broker in a real estate transaction payment".

The Commission takes issue with this language, as it does not address the following:

- No requirement that the individual be licensed as an attorney in Alaska
- No requirement that the attorney have a working knowledge of Real Estate Law
- No ability to supervise an individual not regulated by the Real Estate Commission

The Commission would like the Finance Committee to consider our concerns regarding Section 14 and address them at your April 13<sup>th</sup> meeting. Ideally, the Commission would like to see that the entire Section 14 be eliminated from consideration. However, if that is not the case and if the language remains as introduced then the Commission requests that Section 14 be included to the list of sections for which we can then draft regulations.

The Commission takes seriously its duty to protect the public and ensure that they receive the highest level of professional excellence in real estate. We appreciate your consideration in this matter. If you have any questions, please contact me at 261.7553 or Sharon Walsh, Executive Administrator of the Real Estate Commission, at 269.8197.

Respectfully,

Barbara Ramsey, Chair  
Alaska Real Estate Commission

Cc: Rep. Rohrborg, sponsor HB169

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# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS

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LABOR & COMMERCE COMMITTEE, MEMBER  
LEGISLATIVE COUNCIL, MEMBER  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
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JUNEAU, AK 99801-1182  
PHONE (907) 465-4969  
FAX (907) 465-2640

## Representative Norman Rokeberg

e-mail: [Representative\\_Norman\\_Rokeberg@legis.state.ak.us](mailto:Representative_Norman_Rokeberg@legis.state.ak.us)

### SPONSOR STATEMENT FOR CSIB 169(L&C)

By: Representative Norman Rokeberg

**Title:** An Act relating to the educational requirements for certain real estate brokers, associate brokers, and salespersons with new or suspended licenses; relating to review of real estate transactions by attorneys or associate brokers; relating to the requirements for a real estate broker license and an associate broker license; and providing for an effective date.

HB 169 has been introduced at the request of the Alaska Association of Realtors. The legislation addresses changes to post-licensing education and broker supervision.

#### Post-Licensing Education

HB 169 requires a real estate licensee take 20 hours of post-licensing education within one year of receiving his/her initial license. The Education Task Force will develop the 20 hours of education. The classes will be devoted to practical applications on such topics as contracts and agreements, agency and disclosures, paperwork and risk management, evaluating, pricing and marketing, and financing to closing. Newly licensed associate brokers/brokers will also be required take 20 hours of post-licensing education. Their classes will be directed towards practical topics important for associate brokers/brokers. This post-licensing education requirement will help protect the public and real estate licensees through practical information vital to the practice of real estate.

#### Broker Supervision

Current law requires a real estate broker supervise every transaction. This is not practical in large real estate firms. In Anchorage, for example, 60% of the real estate transactions occur within three firms, with a total of four brokers. There is not enough time in the day for the four brokers to supervise every transaction and conduct all the other necessary duties of business ownership. HB 169 will allow brokers to employ associate brokers or attorneys to assist in the orderly review of real estate transactions prior to the closing of the transaction.

I urge your support of this legislation.

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 169  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction):  
Title Real Estate Licensee  
Education  
Sponsor Rokeberg  
Requester Labor & Commerce

Dept. Affected: Commerce  
RDU Occupational Licensing (117)  
Component Occupational Licensing  
Component No. 2360

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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<b>CAPITAL EXPENDITURES</b>						
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Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 169 amends several statutory requirements to the educational requirements for real estate licensees. New funds are not required to implement these changes.

Prepared by: Jennifer Stuckler, Administrative Manager  
Division: Occupational Licensing  
Approved by: Edgar Blatchford, Commissioner  
Agency: Commerce, Community, and Economic Development

Phone (907) 465-2144  
Date/Time 3/6/05 1:44 PM  
Date 3/6/2005

# ALASKA STATE LEGISLATURE

## House of Representatives

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RULES COMMITTEE, CHAIRMAN  
LABOR & COMMERCE COMMITTEE, MEMBER  
LEGISLATIVE COUNCIL, MEMBER  
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## Representative Norman Rokeberg

e-mail: Representative\_Norman\_Rokeberg@legis.state.ak.us

### SECTIONAL ANALYSIS FOR CSHB 169(L&C)

By: Representative Norman Rokeberg

**Title:** An Act relating to the educational requirements for certain real estate brokers, associate brokers, and salespersons with new or suspended licenses; relating to review of real estate transactions by attorneys or associate brokers; relating to the requirements for a real estate broker license and an associate broker license; and providing for an effective date.

Changes made by the CS are indicated below in BOLD.

**Section 1:** Requires a real estate licensee comply with education requirements before a suspended license can be reinstated.

No changes made by CS.

**Section 2:** Makes conforming amendments.

Page 2, Line 8: Deleted "was" and inserted "is"

**Section 3:** Makes a conforming amendment.

No changes made by CS.

**Section 4:** Creates AS 08.88.095, new education requirements for a licensee after initial license:

- (a) An initial licensee has one year from the date of the initial license to complete 20 hours of education
- (b) The initial license shall state that license is subject to education requirements
- (c) Within 30 days after end of one-year period, licensee shall submit certification of education to Real Estate Commission
- (d) After education requirements met, new license is issued without language in subsection (b)
- (e) If licensee fails to complete education or submit certification, the license automatically lapses 30 days after the end of the one-year period
- (f) An individual who is issued an initial broker license does not have to complete the post-licensing education requirements if they had an associate broker license immediately before the broker license.
- (g) Defines "educational requirements"

Subsection (f) was rewritten in order to clarify that if you have an associate brokers license, and then you move up to a broker's license, you don't have to repeat the post-licensing education requirements, as they will be the same for both associate broker and broker licenses.

Deleted subsection (g), which prohibited the Commission for setting limits on a two-day education course.

Creates AS 08.88.098, educational requirements after suspension:

- (a) If a license is suspended for six months or more, the licensee shall the education required by the commission
- (b) The licensee shall submit certification that the educational requirements have been met
- (c) These education requirements are in addition to any other conditions for reinstating the license

Page 4, Line 3: Deleted "for six months or more" and "20 hours of". This allows the Commission to set the required education in cases of suspended licenses.

Page 4, Line 4: Deleted "cancel the suspension" and inserted "reinstate the suspended license"

Page 4, Line 9: Deleted "canceling the suspension of a license" and inserted "reinstating a suspended license"

Subsections (d) and (e) were deleted.

Section 5: Makes conforming amendments.

Page 4, Line 16: Deleted "licensed real estate salesperson" and inserted "real estate licensee"

Section 6: Makes conforming amendments.

Page 5, Line 11: Deleted "licensed real estate salesperson" and inserted "real estate licensee"

Page 5, Line 13: Changed "five" to "seven."

Section 7: Makes conforming amendments.

No changes made by CS.

Section 8: Allows the Department of Commerce, Community and Economic Development to set a fee for the new license under AS 08.88.095(d).

No changes made by CS.

Section 9: Makes conforming amendments.

No changes made by CS.

- Section 10:** Provides that a real estate licensee, whose initial license lapses due to failure to complete the education requirements, is not eligible for an "inactive" license until the license is properly reinstated.
- No changes made by CS.
- Section 11:** Requires a real estate licensee, who has not held a license issued by another state for more than one year, to complete the post-education requirements before an Alaska license will be issued.
- No changes made by CS.
- Section 12:** Makes a conforming amendment.
- No changes made by CS.
- Section 13:** Makes a conforming amendment.
- No changes made by CS.
- Section 14:** Allows a real estate broker to hire an attorney or associate broker to review a real estate transaction before the transaction closes.
- Title of section was changed from "Use of Experts" to "Review of Transactions."
- Section 15:** Makes conforming amendment.
- No changes made by CS.
- Section 16:** Defines "initial license."
- No changes made by CS.
- Section 17:** Sets forth the applicability of the new educational requirements on "initial licenses."
- No changes made by CS.
- Section 18:** Allows the Department of Commerce, Community and Economic Development to proceed with adopting regulations regarding the new educational requirements.
- No changes made by CS.
- Section 19:** Provides an immediate effective date for the sections on use of experts.
- No changes made by CS.
- Section 20:** Provides an effective date of January 1, 2006 for the sections on post-licensing education.
- No changes made by CS.

Rep. Norman Rokeberg

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From: Debra Leisek [debral@ptialaska.net]  
Sent: Thursday, March 10, 2005 12:41 PM  
To: Rep. Norman Rokeberg  
Subject: education of realtors

I ask you to please realize the importance of additional education requirements for Real Estate licensees and Brokers. I feel it is essential to have new licensees be required to take post licensing classes. Brokers should also have to take post licensing classes and be held to a higher standard if they are going to be responsible to train new licensees.

I am a Broker and have had my license for 14 years. I was fortunate to start out my career in an office that had high standards and realized the importance of working closely with new licensees to teach them the rules, regulations and laws of Real Estate. Not everyone has this opportunity.

I feel Brokers should be held to a higher standard of education and learning. Alaska has no real broker classes. They should mandate and provide better education. When the Real Estate market is good, more people get their license. They think Real Estate is simple and anyone can do it. With only a pre-license class of 20 hours and a test, it does make it pretty darn easy to get a license and hit the road. No matter what you believe, there is much more to Real Estate than what can be learned in 20 hours.

I strongly urge you to mandate more education for the new licensee, the old licensee, the associate Brokers and the Brokers. Alaska has the least requirements in education of almost any state. In Colorado the new agent has to take 90 hours within 2 years of getting their license. Kansas requires 40 hours per license period. In Texas you must take 120 hours before getting a license! We need more education.

However, once you mandate these new education requirements you have to provide the ability for people to take the classes. It isn't fair to make them travel and spend money to take classes. People in Kodiak should not have to fly to Anchorage to take classes.

Classes should be provided locally and often enough to allow the licensee to be able to attend and afford.

I appreciate your consideration in this matter,

Debra Leisek  
Broker  
Bay Realty

3/15/2005

**Rep. Norman Rokeberg**

---

**From:** Dave Somers [dsomers@alaska.net]  
**Sent:** Friday, March 11, 2005 4:02 PM  
**To:** Rep. Norman Rokeberg  
**Subject:** HB169

Dear Representative Rokeberg,  
Thank you for sponsoring HB169. Surveys from within the industry show strong support, and the public will clearly benefit by improving the caliber of licensees in our state.  
Dave Somers

**Rep. Norman Rokeberg**

---

**From:** Errol Champion [Errol.Champion@acsalaska.net]  
**Sent:** Thursday, March 10, 2005 4:23 PM  
**To:** Rep. Tom Anderson  
**Cc:** Rep. Norman Rokeberg; Rep. Pete Kott; Rep. Gabrielle LeDoux; Rep. Bob Lynn; Rep. Harry Crawford; Rep. David Guttenberg  
**Subject:** HB 169 Support

I wish to voice my support for the passage of HB 169. I am a newly licensed realtor (August 2004) and readily appreciated the importance of good classes and the benefits of continuing education courses. One is never too old to learn.

Sincerely,

Errol D. Champion  
Licensee  
Coldwell Banker Race Realty  
Juneau, AK 99801

Rep. Norman Rokeberg

---

From: angie newby [angienewby@alaska.com]  
Sent: Thursday, March 10, 2005 9:33 AM  
To: Rep. Norman Rokeberg  
Subject: HB 169: Real Estate Licensee Education Bill

Dear Representative Rokeberg,

As a Homer Realtor for over 22 years, I strongly support the current HB169, and I have sent emails to Representative Anderson, Kott, Lynn, and LeDoux encouraging them to do the same.

Sincerely,

*Angie Newby*, CCIM, CRS  
OWNER/BROKER  
HOMER REAL ESTATE  
PO BOX 997  
HOMER, AK 99603  
907 235-5294 OFFICE  
907 235-5223 FAX  
907 299-1514 CELL  
angienewby@alaska.com  
<http://www.homerrealestate.com/>

**Rep. Norman Rokeberg**

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**From:** Denny Wood [denny@akhomes.com]  
**Sent:** Tuesday, March 08, 2005 5:26 PM  
**To:** Rep. Norman Rokeberg  
**Subject:** HB169

Dear Representative ,  
Please support HB 169 to pass this session. The Alaska Association of Realtors is solidly behind this bill requiring post licensing education for our new licensees. We have always been firmly behind increasing the professionalism of our own and this bill would enhance that greatly.

Norm, I've sent this to all the committee members. Thanks.

Sincerely  
Denny Wood, CRS  
President  
Alaska Association of Realtors

denny @akhomes.com  
(907) 337-WOOD (9663)

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