

HB

169

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAY 5 2005

SENATE FINANCE
COMMITTEE

DATE: 5/4/05

FURTHER:

DATE TURNED
IN TO OFFICE: 5 May 2005

Finance Committee considered CS FOR HOUSE BILL NO. 169(FIN)

HB 169 REAL ESTATE LICENSEES

"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 real estate broker license; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
DCCED	4/4/05			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>		✓		

FISCAL NOTE

REPORTED OUT

MAY 5 2005

SENATE FINANCE
COMMITTEE

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

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Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

SPONSOR STATEMENT FOR CSIB 169(FIN)

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.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

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 CSIB 169(FIN)

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.

- Section 1:** Requires a real estate licensee comply with education requirements before a suspended license can be reinstated.
- Section 2:** Makes conforming amendments.
- Section 3:** Makes a conforming amendment.
- 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"

Creates AS 08.88.098, educational requirements after suspension:

- (a) If a license is suspended for six months or more, the licensee shall complete 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

- Section 5: Makes conforming amendments.
- Section 6: Makes conforming amendments.
- Section 7: Makes conforming amendments.
- 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).
- Section 9: Makes conforming amendments.
- 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.
- 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.
- Section 12: Allows a real estate broker to hire an attorney or associate broker to review a real estate transaction before the transaction closes.
- Section 13: Defines "initial license."
- Section 14: Sets forth the applicability of the new educational requirements on "initial licenses."
- Section 15: Allows the Department of Commerce, Community and Economic Development to proceed with adopting regulations regarding the new educational requirements.
- Section 16: Provides an immediate effective date for the section on use of experts and adoption of regulations.
- Section 17: Provides an effective date of January 1, 2000, for the sections on post-licensing education.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

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 CSIB 169(FIN) with changes from the original version 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 complete 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: 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." The last sentence was deleted from the original bill.

Section 13: Defines "initial license."

No changes made by CS.

Section 14: Sets forth the applicability of the new educational requirements on "initial licenses."

Deleted references to "effective date of this Act" and inserted the correct corresponding sections. This was a technical amendment requested by legal.

Section 15: 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 16: Provides an immediate effective date for the sections on use of experts.

No changes made by CS.

Section 17: Provides an effective date of January 1, 2006 for the sections on post-licensing education.

No changes made by CS.

Sections 12, 13 and 15 of the original bill were deleted.

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: 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-V/OOD (9663)

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THE WOOD HOME TEAM
Prudential Jack White/Vista Real Estate

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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: 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

331 E Pioneer #101 Homer Alaska 907-235-6183

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

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HOMER, AK 99603

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907 235-5223 FAX

907 299-1514 CELL

angienewby@alaska.com

<http://www.homerrealestate.com/>

Janet Seitz

From: Denny Wood [denny@akhomes.com]
Sent: Friday, April 15, 2005 3:33 PM
To: Rep. Norman Rokeberg
Subject: HB 169

Representative Rokeberg,

Please pass on my thoughts about allowing brokers to hire attorneys or associate brokers to review files to fulfill HB 29 requirements. In a large office such as ours, allowing only the Broker to review files would set us up for having an overworked broker and would cause possible mistakes to occur in the review. The broker is sometimes out of the office and would need assistance. Having the possibility of an attorney to review files is sometimes necessary to ward off possible legal problems. Please pass HB 169 as written.

Denny Wood, CRS
(907)337-WOOD(9663)
denny@akhomes.com
www.akhomes.com
THE WOOD HOME TEAM
Prudential Jack White/Vista Real Estate

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4/18/2005

SENATE COMMITTEE REPORT

DATE: 4/22/05

FURTHER: Finance

DATE TURNED IN TO OFFICE: 5/3/05

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 169(FIN)

HB 169 REAL ESTATE LICENSEE EDUC

"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 real estate broker license; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#
FIN (D)	4/6/05			v	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEN'
Davis <i>Betty Davis</i>	X			
B. Skens <i>Ben Skens</i>	✓			
CHAIR: <i>Ralph Perkins</i>	✓			

Davis
B. Skens

Perkins