

SB

158

<TARGET><BILL>SB 158</BILL><SUBJECT>SB
158</SUBJECT><COMM>SFIN27</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/1/12

FURTHER:

DATE TURNED
IN TO OFFICE: 2/9/12

Finance Committee considered SENATE BILL NO. 158

SB 158-REAL ESTATE SALES LICENSEES

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

and recommends:

- be replaced with CS SB 158 (LAC) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CCED			X	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	Thomas	✓			
	EGAC	✓			
	McGuire			✓	
	Olson			✓	
	Ellis	X			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 158(L&C)
Fiscal Note Number 1
(S) Publish Date 2/1/12

Identifier (file name) SB158-DCCED-CBPL-01-21-12 Dept. Affected DCCED
Title Real Estate Sales Licensees Appropriation Corps, Bus & Professional Licenses
Allocation Corps, Bus & Professional Licenses
Sponsor Senator Egan
Requester Senate Labor and Commerce Committee OMB Component Number 2360

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required,
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required;
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Don Habeger, Director
Division Corporations, Business and Professional Licensing
Approved by Susan K. Bell, Commissioner
Commerce, Community, and Economic Development

Phone 465-2536
Date/Time 1/21/2012 9:00am
Date 1/21/2012

FISCAL NOTE #1

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 158(L&C)

Analysis

SB 158 allows the Alaska Real Estate Commission to designate a licensee to administer closing down a real estate brokerage for misappropriation of the trust account(s), medical reasons such as broker incapacitation, or suspension of the broker's license. SB 158 clarifies the intent of the statute that licensed assistants may only work for the brokerage in which they are licensed.

This bill has zero fiscal impact.

Alaska State Legislature

State Capitol, Room 510
Juneau, Alaska 99801
Phone: (907) 465-4947
Fax: (907) 465-2108



Committee Members:
Senator Dennis Egan, Chair
Senator Joe Paskvan, V. Chair
Senator Bettye Davis
Senator Linda Menard
Senator Cathy Giessel

Senate Labor and Commerce Committee

Senate Bill 158 Sponsor Statement

Senate Bill 158 aims to address several weaknesses in current law pertaining to real estate brokers.

The bill would allow the real estate commission to appoint an overseer to temporarily manage a brokerage in the event a broker is unable to for certain reasons, including a traumatic or medical event, having a license suspended, or upon an investigative finding that substantial evidence points to misappropriation of funds. This assures that trust accounts and other sensitive business affairs are handled responsibly.

The bill would also clarify that a licensed assistant can only work for the brokerage in which they are licensed. Ambiguity in current law has been interpreted to allow an assistant licensed in a brokerage to work in any other brokerage or in multiple brokerages. The intent of current law was to limit an assistant to one brokerage.

SB 158 would also allow a licensee to donate a portion of a commission to charity. It would also allow a licensee to advertise that some of their commission would be donated to a charity.

I urge your support of this clean-up measure to the real estate brokerage and licensing statutes.



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January 20, 2012

The Honorable Dennis Egan
Alaska State Legislature
120 4th Street
State Capitol, Room 3
Juneau, Alaska 99801-1182

RE: Senate Bill 158 - An Act relating to the Real Estate Commission; and providing for an effective date.

Dear Senator Egan,

The Alaska Association of Realtors® with over 1,600 members statewide would like to express our appreciation for your sponsoring Senate Bill 158 to address issues of concern to our members. Senate Bill 158 resolves three problems identified by our members.

First, SB 158 provides the Alaska Real Estate Commission (AREC) to designate a licensee to administer closing down a real estate brokerage for medical reasons or for violation of law. This allows the AREC to designate a licensed Realtor to manage the closing of the brokerage if there is no licensed broker available to perform the task.

Next, SB 158 clarifies the intent of the statute that licensed assistants may only work for the brokerage in which they are licensed. This resolves an untended oversight in current law that could be interpreted to permit a licensed assistant to work in multiple brokerages, which was never intended to be allowed.

Finally, this bill would allow a realtor to share a portion of their commission with a charity. This would allow a realtor to waive their commission if they are selling property of a charity or to donate a portion of their commission to a charity and not violate AS 08.88.401.

We believe these three changes will help clarify the intent of the law and promote charitable giving.

Thank you for your assistance in resolving these issues.

Sincerely,

A handwritten signature in cursive script that reads 'Joni Schneider'.

Joni Schneider, ABR, GRI
2012 President



BATES & ASSOCIATES, REALTORS



"Integrity in Real Estate"

January 24, 2012

The Honorable Dennis Egan
Alaska State Legislature
120 4th Street
State Capitol, Room 510
Juneau, Alaska 99801-1182

RE: SB 158 - "An Act relating to the Real Estate Commission; and providing for an effective date."

Dear Senator Egan,

I want to personally thank you for introducing SB 158, which effectively addresses three problem areas as identified by the Alaska Association of Realtors, and the real estate brokerage community.

The bill you introduced allows the Alaska Real Estate Commission the authority to designate a licensee to manage the affairs of a broker who is unable to conduct business either due to medical reasons, or for violation of the statutes and regulations.

It also clearly defines statute, allowing licensed assistants to work only in the brokerage where they are licensed.

Finally, the proposed bill allows licensees to make charitable contributions from their commissions without violating AS 0.88.401.

I know your efforts on behalf of the real estate licensees of the State of Alaska are greatly appreciated. Thank you so much!

Sincerely,

Anita Bates

Anita Bates, CRS, GRI
Broker
907-244-6188

P. O. Box 241163, Anchorage, Alaska 99524

1/23/2012

The Honorable Senator Egan
Alaska State Legislature
120 4th Street
State Capitol
Juneau, Alaska 99801

Re: SB 158- "An act relating to the Real Estate Commission; and providing for an effective date."

Dear Senator Egan,

I am writing in support of SB 158 and wish to thank you for sponsoring this important bill. I have been a real estate broker in this state for over 25 years and completed 9 years of service on the Alaska Real Estate Commission within the past year. I have experienced the need for these changes from both perspectives.

SB 158 allows for the real estate commission to appoint a temporary licensee to oversee the affairs of a real estate brokerage if certain events occur. In the recent past a broker in our state misappropriated a large amount of trust funds. The Real Estate Commission was forced to leave the broker who violated our laws in charge of the trust account and other business affairs due to their lack of ability to do otherwise. This bill will close this hole in our system.

SB 158 also clarifies a law that was written specifically to allow a licensee to pay another licensee that works for them as an assistant. Previous law mandated that only the broker could pay a licensee. This revision to the law was only intended to simplify the process inside of an office. Some in the industry are trying to interpret this change to mean it is ok to ignore other laws already in place that prohibit a licensee from performing licensed activities for another brokerage.

SB 158 will also allow a licensee to donate part of their commission to a charitable organization. Statute does not allow for a licensee to pay anyone without a license fees earned from licensed activity. While I agree with the intended purpose of this law, I feel that the many charitable organizations around our state can benefit from the sensible change offered in this bill.

Respectfully Submitted,

David B. Somers

Broker