

Alaska Association of REALTORS
Industry Issues Key Work Group
January 20, 2011
Minutes

The meeting was call to order at 10:00 am by Chairman Dave Somers.

Present:

Dave Somers	Helen Jarratt	Art Clark	Anita Bates
Errol Champion	Joni Schneider	Debra Leisek	Ruth Blackwell
Amy Krier	Paddy Coan	Glenda Feeken	Denny Dewitt
Wendy Chamberlain			

Dave Somers reviewed the legislation and regulation priorities for 2011.

Fire Sprinkler Bill – It was reported that Representative Kurt Olson would introduce this bill in 2011 in the House Labor & Commerce Committee. He has been talking to Representative Bob Herron and Senator Linda Menard who were the sponsors of the bill last session. The committee will work to get this legislation passed this session.

House Bill 40 – This bill was introduced by Representative Scott Kawasaki. This bill would give municipalities the ability to increase the amount of the exemption on residential property from the current amount of \$20,000 to \$100,000. The concern with this bill is that it could shift the tax burden to commercial and rental property. The committee agreed to take no action on this bill.

House Bill 90 – The bill was pre-fill by Representatives Neuman and Feige. This bill would increase the tax exemption from \$150,000 to \$200,000 for senior citizens and other named groups. This bill also changes the qualifications for the higher tax exemption, where there currently are no qualifications on the \$150,000 tax exemption. This could result in forcing more seniors to leave Alaska. This would also be a burden on the municipalities to verify the new qualifications. The committee agreed to oppose this bill.

Usury Rate – This issue was recently brought to the attention of the Committee. Currently if a seller wants to sell and land or real estate that carries a note of \$25,000 or less, they cannot charge an interest rate of more than 5% over the federal discount rate. With the rate currently being so low, this would not give the seller a fair market interest rate. The committee agreed to provide language that would either exempt real estate from this law or set a rate that is only effective if the rate goes to a certain amount.

Dave Somers will work with Wendy Chamberlain to provide language that might be submitted into an existing bill this session.

Temporary Absence of Broker – The Alaska Real Estate Commission is currently drafting language to address how a single broker office can supervise their office if they are not able to electronically while traveling. The committee will review the draft when it is available for public comment.

Errors & Omissions Insurance – The committee did submit two recommended provisions during the public comment period. We are waiting to hear if the provisions were accepted.

Illegal Contractors – Parts of Alaska are experiencing home builders that do not have a contractor's license. Anita Bates reported that the Alaska MLS included on their form that a builder needs to provide their license number.

The meeting was adjourned at 10:40 am.