

Real Property Transactions/Licensees

Sponsor Statement for SCS CSSH B 29(JUD)

by: Representative Norman Rokeberg

Alaskan consumers and our state's commerce have not been well served by the agency provision of the real estate statute enacted in 1992 by the legislature. Practical application of this statute has become unworkable.

At issue is the interpretation of AS 08.88.396, Disclosure of Agency to Prospective Buyers and Sellers. As we take a closer look at agency, one thing is clear: this law, as currently written, is vague, confusing and results in a large number of differing views on how a license is to comply with the statute.

In order to address the confusion, the real estate industry formed an Agency Task Force. The task force worked incredibly hard over the last two years to develop suggested changes to the regulations and statutes that would give real estate licensees some guidelines, standard operating procedures and better protections to the home buying and selling public. HB 29 is the product of their hard work.

This legislation sets forth the duties and responsibilities that a real estate licensee owes when representing a buyer and/or seller. It also provides a framework for the different types of relationships that might exist between a real estate licensee and a buyer and/or seller. These relationships can vary from providing assistance to a customer to representation of a client. HB 29 eliminates "dual agency" and provides the real estate licensee with a neutral framework when helping both a buyer and a seller in a real estate transaction. The Real Estate Commission will help create a pamphlet setting forth each of the possible relationships that a real estate licensee might have with a buyer and/or seller, including the duties and responsibilities.

This legislation strengthens consumer protection and clarifies the duties owed by real estate licensees to the public. I urge your support of this legislation.