

CS FOR HOUSE BILL NO. 207(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/15/00

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to home inspections."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 09.10 is amended by adding a new section to read:

4 **Sec. 09.10.065. Legal actions against home inspector.** (a) A person may
5 not bring an action against an individual based on the contents of or omissions in a
6 written home inspection report prepared by the individual unless the action is brought

7 (1) by the person who contracted and paid for the report; and

8 (2) within one year after the date of the written report.

9 (b) A contract provision that purports to limit the liability of a home inspector
10 to the cost of the home inspection report is contrary to public policy and void.

11 (c) In this section,

12 (1) "home inspection" means an inspection of the condition of a
13 residence or intended residence performed for compensation on behalf of a prospective
14 buyer, seller, or lender in a real estate transaction or on behalf of the owner of the
15 residence, except that "home inspection" does not include an activity of a pesticide

1 applicator licensed by the Department of Environmental Conservation if the activity
2 is within the scope of that license;

3 (2) "real estate transaction" means the transfer or attempted transfer of
4 an interest in a unit of real property or an act conducted as a result of or in pursuit of
5 a contract to transfer an interest in a unit of real property;

6 (3) "residence" means

7 (A) a single-family home;

8 (B) a duplex, triplex, or four-plex; or

9 (C) a residential townhouse or residential condominium unit.

10 * **Sec. 2.** AS 45.45 is amended by adding a new section to read:

11 **Sec. 45.45.920. Prohibited acts relating to home inspections.** (a) An
12 individual or company that performs a home inspection may not intentionally

13 (1) perform or offer to perform, for an additional fee, repairs to a
14 structure on which the individual or the company has prepared a home inspection
15 report in the past 12 months;

16 (2) inspect for a fee any property in which the individual or the
17 company has a financial interest or an interest in the transfer of the property;

18 (3) offer or deliver compensation, an inducement, or a reward to the
19 owner of the inspected property, the broker, or the agent, for the referral of business
20 to the individual or the company;

21 (4) without the written consent of the home inspection client or the
22 client's legal representative, disclose information from a home inspection report
23 prepared by the individual or the company unless the disclosure is made

24 (A) more than one year after the date of the report; or

25 (B) to a subsequent client who requests a home inspection of
26 the same premises;

27 (5) without the written consent of all interested parties, accept
28 compensation from more than one interested party for the same services;

29 (6) accept from a person who has other dealings with a home
30 inspection client a commission or allowance, directly or indirectly, for work for which
31 the individual or the company is responsible;

1 (7) accept an engagement to make an inspection or to prepare a report
2 in which the employment itself or the fee payable for the inspection is contingent upon
3 the conclusions in the report, preestablished findings, or the close of escrow.

4 (b) In this section,

5 (1) "home inspection" means an inspection of the condition of a
6 residence or intended residence performed for compensation on behalf of a prospective
7 buyer, seller, or lender in a real estate transaction or on behalf of the owner of the
8 residence, except that "home inspection" does not include an activity of a pesticide
9 applicator licensed by the Department of Environmental Conservation if the activity
10 is within the scope of that license;

11 (2) "intentionally" has the meaning given in AS 11.81.900(a);

12 (3) "real estate transaction" means the transfer or attempted transfer of
13 an interest in a unit of real property or an act conducted as a result of or in pursuit of
14 a contract to transfer an interest in a unit of real property;

15 (4) "residence" means

16 (A) a single-family home;

17 (B) a duplex, triplex, or four-plex; or

18 (C) a residential townhouse or residential condominium unit.

19 (c) A person who violates this section is guilty of a class A misdemeanor.