

HOUSE BILL NO. 340

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES MEYER, Anderson

Introduced: 1/12/04

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to damages in an action for a defect in the design, construction, and**
2 **remodeling of certain dwellings; and providing for an effective date."**

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

4 *** Section 1.** AS 09.45.895 is repealed and reenacted to read:

5 **Sec. 09.45.895. Limitation on damages; collateral sources.** (a) In an action
6 covered under AS 09.45.881 - 09.45.899, a claimant may recover only the following
7 damages caused by a defect:

8 (1) the reasonable cost of repairs necessary to cure a defect, including
9 reasonable and necessary engineering or consulting fees required to evaluate and cure
10 the defect, that the construction professional is responsible for repairing;

11 (2) the reasonable expenses of temporary housing reasonably
12 necessary during the repair period;

13 (3) the reduction in market value, if any, to the extent that the
14 reduction is due to the defect; and

1 (4) reasonable and necessary attorney fees.

2 (b) The total damages awarded for an action covered under AS 09.45.881 -
3 09.45.899 may not exceed the greater of the claimant's purchase price for the
4 residence or the current fair market value of the residence without the defect.

5 (c) In an action under AS 09.45.881 - 09.45.899, a court shall deduct from the
6 compensation awarded to a claimant any compensation paid to the claimant under a
7 homeowner's warranty contract or a homeowner's insurance policy as compensation
8 for the defects that are the subject of the action. The amount of this deduction does
9 not include any compensation paid by the construction professional to the claimant to
10 satisfy the claim or any compensation paid under an insurance policy issued to the
11 construction professional to satisfy the claim.

12 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **APPLICABILITY.** This Act applies to an action covered under AS 09.45.881 -
15 09.45.899 that accrues on or after the effective date of this Act.

16 * **Sec. 3.** This Act takes effect July 1, 2004.