

**SENATE CS FOR CS FOR HOUSE BILL NO. 418(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 5/6/04**

**Referred: Rules**

**Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act extending the termination date of the Real Estate Commission; relating to real**  
2 **estate; relating to home inspectors; relating to real estate licensees; and providing for an**  
3 **effective date."**

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

5 \* **Section 1.** AS 08.03.010(c)(19) is amended to read:

6 (19) Real Estate Commission (AS 08.88.011) - June 30, **2008** [2004];

7 \* **Sec. 2.** AS 08.18.022(a) is amended to read:

8 (a) The department shall issue a certificate of registration as a home inspector  
9 for new homes, existing homes, or both, as appropriate, to an individual who

10 (1) passes the appropriate home inspection examination; for purposes  
11 of this paragraph, the appropriate home inspection examination for an individual who  
12 applies to be registered for inspection of

13 (A) existing homes is the examination offered by the American  
14 Society of Home Inspectors, [AMERICAN HOME INSPECTORS

1 TRAINING INSTITUTE,] or National Association of Home Inspectors;

2 (B) new homes or for a joint registration is the examination  
3 offered by the International Code Council;

4 (2) meets the educational and experience requirements adopted by the  
5 department in regulations for the type of registration applied for;

6 (3) submits a complete application for registration **either**  
7 **(A)** within **three years** [ONE YEAR] after passing the  
8 examination required under (1) of this subsection; **or**

9 **(B) accompanied by documentation that the applicant has**  
10 **completed continuing education requirements established by the**  
11 **department;**

12 (4) within the seven years preceding the date of application, has not  
13 been under a sentence for an offense related to forgery, theft in the first or second  
14 degree, extortion, or defrauding creditors or for a felony involving dishonesty;

15 (5) has not had the authority to perform home inspections revoked in  
16 this state or in another jurisdiction;

17 (6) is not the subject of an unresolved criminal complaint or  
18 unresolved disciplinary action before a regulatory authority in this state or in another  
19 jurisdiction related to real estate or home inspection matters; and

20 (7) pays the appropriate fees.

21 \* **Sec. 3.** AS 08.18.071(a) is amended to read:

22 (a) **Except as provided in (d) and (e) of this section, each** [EACH] applicant  
23 shall, at the time of applying for a certificate of registration, file with the  
24 commissioner a surety bond running to the state conditioned upon the applicant's  
25 promise to pay all

26 (1) taxes and contributions due the state and political subdivisions;

27 (2) persons furnishing labor or material or renting or supplying  
28 equipment to the applicant; and

29 (3) amounts that may be adjudged against the applicant by reason of  
30 negligent or improper work or breach of contract in the conduct of the contracting  
31 business or home inspection activity, as applicable, or by reason of damage to public

1 facilities occurring in the course of a construction project.

2 \* **Sec. 4.** AS 08.18.071 is amended by adding new subsections to read:

3 (d) A general contractor or specialty contractor who is in compliance with the  
4 surety bond or deposit requirements of (a) and (b) of this section is not required to file  
5 another surety bond or increase a deposit with the commissioner when the general  
6 contractor or specialty contractor applies to be a registered home inspector. However,  
7 if the general contractor or specialty contractor subsequently is neither a general  
8 contractor nor a specialty contractor and becomes only a registered home inspector,  
9 the home inspector shall provide a surety bond or deposit in lieu of the bond in the  
10 manner and amount required for registered home inspectors under this section.

11 (e) An applicant for, or holder of, a certificate of registration as a home  
12 inspector may, in lieu of filing with the commissioner a surety bond or deposit that  
13 meets the requirements of this section, file evidence satisfactory to the commissioner  
14 that the applicant is employed by a registered home inspector who is in compliance  
15 with the surety bond or deposit requirements of this section.

16 \* **Sec. 5.** AS 08.18.101 is amended by adding a new subsection to read:

17 (b) Proof of insurance coverage for an applicant under (a) of this section may  
18 be satisfied by providing evidence that the applicant is covered by a policy in effect  
19 for the applicant's employer at least to the extent required under (a) of this section.

20 \* **Sec. 6.** AS 08.88.251 is amended by adding new subsections to read:

21 (d) A licensee may, subject to the approval of the commission, renew an  
22 inactive license for 24 months from the anniversary date of the issuance of the initial  
23 inactive license certificate under (a) of this section.

24 (e) An active license that has been converted from inactive status under (c) of  
25 this section shall be issued for the remainder of the current 24-month period of the  
26 inactive license.

27 \* **Sec. 7.** AS 08.88.291 is amended by adding new subsections to read:

28 (b) Each licensee under this chapter is responsible for ensuring that the  
29 commission has current contact information for the licensee for two years after the  
30 lapse, expiration, surrender, suspension, or revocation of the license.

31 (c) In addition to the information provided under (a) of this section, a licensee

1 shall provide the commission with a current mailing address and, if active, the address  
2 of the broker employing the licensee.

3 (d) The commission shall mail all notices pertaining to a license or surety fund  
4 action taken under this chapter or a regulation adopted under this chapter to the current  
5 address or addresses of a licensee obtained under this section. Proof of notice  
6 provided under this subsection satisfies due process notice requirements.

7 \* **Sec. 8.** AS 08.88.470 is amended to read:

8 **Sec. 08.88.470. Findings and payment.** At the conclusion of the  
9 commission's consideration of a claim made under AS 08.88.460, it shall make written  
10 findings and conclusions on the evidence. If the commission finds that the claimant  
11 has suffered a loss in a real estate transaction as a result of fraud, misrepresentation,  
12 deceit, or the conversion of trust funds or the conversion of community association  
13 accounts under the control of a community association manager on the part of a real  
14 estate licensee, the commission may award a claimant reimbursement from the real  
15 estate surety fund for the claimant's loss up to **\$15,000** [\$10,000]. Not more than  
16 **\$15,000** [\$10,000] may be paid for each transaction regardless of the number of  
17 persons injured or the number of parcels of real estate involved in the transaction.

18 \* **Sec. 9.** The uncodified law of the State of Alaska enacted in sec. 44(a), ch. 134, SLA  
19 2003, is amended to read:

20 (a) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the  
21 Department of Community and Economic Development shall issue a certificate of  
22 joint registration that is valid until January 1, 2006, to an individual who submits to  
23 the department satisfactory evidence of being in the business of home inspection in the  
24 state at the time of application for registration under this subsection and of having

25 (1) been in the business of home inspection in the state on October 1,  
26 2002; and

27 (2) passed the building inspector examination, [OR] property  
28 maintenance and housing inspector examination, **or the residential combination**  
29 **examination** given by the International Code Council.

30 \* **Sec. 10.** The uncodified law of the State of Alaska enacted in sec. 44(c), ch. 134, SLA  
31 2003, is amended to read:

1 (c) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the  
 2 Department of Community and Economic Development shall issue a certificate of  
 3 registration to practice home inspection of new construction that is valid until  
 4 January 1, 2006, to an individual who submits to the department satisfactory evidence  
 5 of being in the business of home inspection in the state at the time of application for  
 6 registration under this subsection and of having passed the combination inspector  
 7 examination, [OR] the combination dwelling inspector examination, or the  
 8 residential combination examination given by the International Code Council.

9 \* **Sec. 11.** The uncodified law of the State of Alaska enacted in sec. 44(f), ch. 134, SLA  
 10 2003, is amended to read:

11 (f) A [EXCEPT AS PROVIDED IN (e) OF THIS SECTION, A] certificate of  
 12 registration as a home inspector or associate home inspector issued under this section  
 13 is considered to be a certificate of registration as a home inspector or associate home  
 14 inspector issued under AS 08.18.022, added by sec. 7 of this Act.

15 \* **Sec. 12.** The uncodified law of the State of Alaska as enacted in sec. 44, ch. 134, SLA  
 16 2003, is amended by adding new subsections to read:

17 (h) Notwithstanding provisions of this section that provide that a certificate  
 18 issued under this section is valid until January 1, 2006, a certificate issued under this  
 19 section is not valid for more than two years from the date of issuance unless the  
 20 certificate holder has provided evidence to the Department of Community and  
 21 Economic Development that the certificate holder has completed continuing education  
 22 requirements established by the department. The department may require a person  
 23 who must show completion of continuing education under this subsection to meet the  
 24 same continuing education requirements that would be applicable to license renewal  
 25 under AS 08.18.031(c).

26 (i) The fee for a license issued under this section is \$200. The department  
 27 shall adopt regulations for the collection of this fee.

28 \* **Sec. 13.** Sections 41, 42, 44(e), and 47, ch. 134, SLA 2003, are repealed.

29 \* **Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).