

HB

207

HFIN

FILE

AMENDMENT 1

Adopted

OFFERED IN THE HOUSE

TO: CSHB 207(JUD)
Version "C"

Page ~~6~~ line ~~5~~ 5

Page 6, Line 5

After "without"

Delete "alleging and"

AMENDMENT

Adopted

2

OFFERED IN THE HOUSE

TO: CSHB 207(JUD)
Version "C"

Page 2, line 7:

After "education of"

Insert "licensed"

Page 4, line 15:

After "licensed"

Insert "or registered"

Page 4, line 18:

After "inspector"

~~Delete~~ Insert "or associate home inspector"

Page 4, line 20:

After "license"

Insert "or registration"

Page 5, line 1:

After "applicant"

Insert "for licensure"

Page 6, line 4:

After "license"

Insert "or registration"

Page 6, line 21:

After "licensee"

Insert "or an associate home inspector"

AMENDMENT

3

Adopted

OFFERED IN THE HOUSE

TO: CSHB 207(JUD)
Version "C"

Page 3, line 26:

After "AS 08.57.060."

Insert "No license may be reinstated if the license has been lapsed for more than five years."

1-LS0132/C.1
Lauterbach
4/7/00

AMENDMENT

~~old~~
Adopted
→
not amended

OFFERED IN THE HOUSE
TO: CSHB 207(JUD)

- 1 Page 7, line 12:
- 2 Delete "or"
- 3 Page 7, line 14, following "premises;":
- 4 Insert "or
- 5 (C) by the home inspector in [an administrative or judicial proceeding in] which
- 6 disclosure of the home inspection report is relevant to resolution of the legal issues .
- 7 [in the proceeding;]

OFFERED IN THE HOUSE 5 Adopted

TO: CSHB 207(JUD)
Version "C"

Page 8, after line 23:

Insert new subsection (8)

"(8) certified to demonstrate that a building complies with the thermal and lighting energy standards required by AS 46.11.040 and is performing only activities that are authorized under that certification."

OFFERED IN THE HOUSE

6

A do rted

TO: CSHB 207(JUD)
Version "C"

Page 9, line 13:

After "June 30,"

Delete "2004"

Insert "2003"

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 29, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/7/00

The FINANCE Committee considered:

HB 207

HOUSE BILL NO. 207

LICENSE HOME INSPECTORS

"An Act relating to the registration of persons who perform home inspections; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 207 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) DCED fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Gene Therriault</u> Therriault			✓	
<u>Carl Bunde</u> Bunde			✓	
<u>Alan Auster</u> Auster			X	
<u>Ben Gussendorf</u> Gussendorf			X	
<u>Tom Davis</u> Davis			X	
<u>W.K. Williams</u> Williams			X	
<u>Phil Phillips</u> Phillips			✓	
<u>Ed Mulder</u> Mulder	X			
<u>Bob Foster</u> Foster	X			

CHAIR'S SIGNATURE Gene Therriault Ed Mulder

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 207 (JUD)

Revision Date/Time (Note if correction) _____	Dept. Affected <u>Community & Econ. Dev.</u>
Title <u>An Act relating to the registration of persons who</u>	BRU <u>Occupational Licensing</u>
<u>perform home inspections;....</u>	Component <u>Occupational Licensing</u>
Sponsor <u>Representative Rokeberg</u>	
Requester <u>House Judiciary Committee</u>	Component Serial No. <u>2360</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	20.7	20.7	20.7	20.7	20.7	20.7
Travel	6.3	6.3	6.3	6.3	6.3	6.3
Contractual	6.0	6.0	6.0	6.0	6.0	6.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	40.0	34.0	34.0	34.0	34.0	34.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	74.0	0.0	68.0	0.0	68.0	0.0
-------------------------------	------	-----	------	-----	------	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	40.0	34.0	34.0	34.0	34.0	34.0
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	40.0	34.0	34.0	34.0	34.0	34.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 207 (JUD) creates a five member Board of Home Inspectors. This fiscal note is based on the board holding at least two meetings each year. An explanation of the costs shown above are attached.

Prepared by <u>Jennifer Strickler, Administrative Manager</u>	Phone <u>465-2144</u>
Division <u>Occupational Licensing</u>	Date/Time <u>4/3/2000 10:40 AM</u>
Approved by Commissioner <u>Deborah B. Sedwick</u>	Date <u>4/4/00</u>
Agency <u>Community & Economic Development</u>	

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION
ANALYSIS: (Continued)

BILL NO. CSHB 207 (JUD)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR CSHB 207 (JUD)

PERSONAL SERVICES \$20.7

1 – Occupational Licensing Examiner I position, PPT, Range 12.

It is possible that in the first year of licensure additional staff time will be required to initiate the program by preparing application forms, notify potential licensees, writing regulations, etc.

TRAVEL 6.3

Assuming the Board consists of 5 members (2-Anchorage; 2-Juneau; 1-Fairbanks) and meetings are held each year in the following locations:

Anchorage Meeting (including 2 staff from Juneau)	\$3.0
Juneau Meeting	\$2.4

CONTRACTUAL SERVICES 6.0

- | | |
|---|-----|
| - 30 hours of AG legal time for regulations and license appeals | 3.0 |
| - Printing, postage communication, advertising costs | 3.0 |

SUPPLIES 1.0

To fund daily operating supplies of the program.

EQUIPMENT (one-time costs) 6.0

Office equipment and workstation set-up for the support position.

TOTAL: \$40.0

REVENUE & FUND SOURCE: Revenue will be generated by licensing fees sufficient to cover program costs. The Division anticipates approximately 100 home inspectors to seek licensure and renew licenses biennially. Licensing fees are expected to cover direct costs (\$74,000) plus approximately \$100 per licensee for division/departement overhead for the two-year period. Based on 100 licensees, licensing fees are estimated to cost \$840.00 for the first biennium, and adjusted to actual costs based on positive timekeeping for the first renewal.

This fiscal note does not include funding for enforcement costs. Any enforcement costs will directly impact the amount of licensing fees.

4-6-00

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB207, Draft Version "C"

Page 7, line 8, following (4) "without written consent of the" home inspector

INSERT: home inspector,

03/29/00 HNR:tjm

OWENS INSPECTION SERVICES

P.O. BOX 3589
PALMER, AK 99645

Phone/fax (907)-746-5471

April 4, 2000

To: Representative Gene Theriault, Chairman
House Finance Committee

FROM: David R. Owens

RE: House Bill 207 Draft C

I respectfully request that House Bill CSHB 207 (JUD), be referred back to the industry for further study. It is my understanding the latest draft "C" has not been circulated to the Alaska homebuilders Associations, the Alaska Chapters of ICBO and other organizations that have an interest in the licensing of Building Inspectors.

I mean no disrespect to Mr. Rokeberg or any other persons who have worked on this bill. I truly understand their intent. I have to admit that this draft is better than any previous versions.

For the record I am opposed to House Bill CSHB 207 (JUD), my reasons are as follows:

- The State of Alaska does not have a complete Building Code Standard in place for inspection of single family dwellings except through AHFC new construction funding. Who will set the standards for building inspection, one real estate broker, one public member and three non-certified inspectors?
- All persons performing inspection work in this state are not regulated by this Bill. It appears to only apply to a select group of inspectors, existing and new homes under AHFC funding only. This seems extremely unfair and could possibly create legal issues.
- This Bill increases the home inspectors liability. The fees for this service will have to be passed along to the consumer. At this point a lot of consumers only want a basic low cost opinion on the general condition of the home they are considering for purchase. They are not asking for a guarantee that the general contractor performed his work correctly.
- The definition of a residence by this House Bill is quite different than defined in the 1997 Uniform Building Code. Residential Group R-3 includes dwellings, lodging houses and congregate residences, (each accommodating 10 or fewer persons). This would include town homes built on property lines. Commercial Group R-1 includes hotels and apartment houses, (each accommodating more than 10 persons). This would include condominiums and larger congregate residences.

Representative Gene Therriault, Chairman
Page Two
April 4, 2000

Is it your intent to include commercial buildings in this House Bill? State regulation by the State Fire Marshals office and the Department of Labor are major factors in considering commercial work.

- Within the state of Alaska we have 193 ICBO certified inspectors, 6 full member ASHI inspectors, and numerous IAEI and IAPMO inspectors as well as specialty inspectors certified through ACT and other organizations. The budget amount shown on the current fiscal note may not cover the amount of activity required for this program.

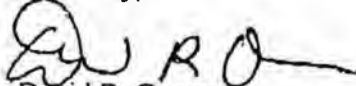
A quick summary of my background includes building inspection in Alaska since 1983 and the position of past president for the Alaska Central Chapter of ICBO. I also served on the housing inspectors committee for the same Chapter. We worked closely with the AHFC to create the new home inspection program and the Alaska Module that is currently being used today. This program has been a great success in this state and has helped set the standard for all lenders in the state to follow.

I do support proper regulation of the inspection trade so please look at the overall picture. What we need is a basic minimum standard to build to for residential and commercial construction. We should then come in with a private inspection program for all trades.

So far the only written support that I have seen are 3 letters from the Real Estate industry. Where is the other industry support, such as the homebuilders, other inspector groups, or the public consumers?

Thank you for your consideration in this matter.

Sincerely,



David R. Owens

cc: Representative Norman Rokeberg
Mat-Su-Home Builders
Alaska Central Chapter ICBO
Anchorage Home Builders

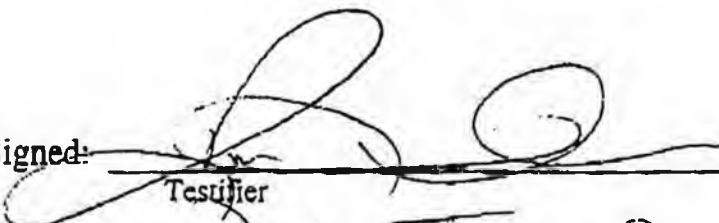


Alaska State Legislature

Please enter into the record my testimony to the FINANCE

Committee on HB207, dated 4/6/00
bill # / subject committee name

THE HOME INSPECTION IS ONLY
A "SNAPSHOT" OF THAT MOMENT IN
TIME SAME AS AN APPRAISAL,
DEC ENGINEER REPORT FOR ON SITE
WELL & SEPTIC TESTS NO LIFE BEYOND
THAT POINT IN TIME —

Signed: 
Testifier

RON JOHNSON
Representing (optional)

Address

Phone number



Alaska State Legislature

Please enter into the record my testimony to the Finance committee name

Committee on HR 207, dated 4/6/00
bill # / subject

The home inspection report we were life or liability thru

- 1) An engineer report on well & septic
- 2) An appraisal
- 3) Title Insurance Report

All of these reports were used in evaluating the purchase by the buyers. The liability is for the report and the condition of the property at the time of inspection. None of the 3 listed above are limited to one year.

Signed: [Signature]
Testifier

AAIC
Representing (optional)

100 Twining Bay Dr #6 Kenai AK 99611
Address

907-283-5558
Phone number

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

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LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON UTILITY RESTRUCTURING, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us



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Representative Norman Rokeberg

SUBJECT: SECTIONAL ANALYSIS: HB 207/(JUD)

HOUSE BILL 207: "A BILL RELATING TO LICENSURE AND REGISTRATION OF INDIVIDUALS WHO PERFORM HOME INSPECTIONS"

FROM: Representative Norman Rokeberg

DATE: March 28, 2000

SECTION 1.

Limits the legal actions against a licensed and registered home inspector to actions brought against a home inspection report, within a year of a written home inspection report and only to lawfully disclosed home inspection report information. It makes any contract provision limiting the liability of a home inspector to the cost of the home inspection report as contrary to public policy and void. The penalty that a court may impose is not more than \$500 for each violation. It defines applicable home inspection, real estate transaction and residence.

SECTION 2.

Delineates prohibited acts relating to home inspectors, including, prohibiting:
Getting an extra fee to perform repairs on any structure that the individual or the company has prepared a home inspection report in the past 12 months;
Inspecting for a fee any property that they have a financial interest in;
Offering or delivering compensation for referral of business;
Disclosing information from a home inspection report, without written consent from the home inspection client or the client's representative or within one year after the date of the report, unless to a subsequent client who requests a home inspection of the same premises;
Accepting compensation from more than one interested party for the same services without the written consent of all interested parties;
Accepting a commission or allowance, directly or indirectly, for work for which the individual or company is responsible;
Accepting a fee payable or contingent fee for a report, based on the conclusions, preestablished findings, or the close of escrow. It defines home inspection, intentionally, real estate transaction and residence. It makes violation of this section a class A misdemeanor.

Sectional Analysis 03/28/2000 HB 207(JUD)HNR/tjm



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Internet Web Site
<http://www.ahfc.state.ak.us>

March 22, 2000

The Honorable Norman Rokeburg
Alaska House of Representatives
State Capitol Building
Juneau, Alaska

Subject: HB 207, Licensure of Home Inspectors

Dear Representative Rokeburg:

Thank you for sharing a copy of the latest draft of HB 207, an Act relating to licensure of home inspectors. Staff here at AHFC is reviewing the proposed CS, and we will endeavor to attend the hearing on Friday to express our support and comments.

Since 1992, AHFC has been mandated by state law for new homes to meet minimum standards of construction for building codes and energy efficiency in order to qualify for . Building codes are set to the standards of inspection by the International Conference of Building Officials (ICBO), and AHFC administers the guidelines for the Building Energy Efficiency Standards (BEES).

Establishing state licensing procedures for home inspectors will provide better protection for home buyers in Alaska. AHFC would like HB 207 to allow licensed home inspectors to approve home for mortgages that can be purchased by the corporation. Sections 4 and 5 of the draft would make this change to current law.

These comments are based on discussions with AHFC staff, and based on AHFC's long and successful history of providing secondary mortgage financing. In FY99, AHFC purchased 3,889 single family loans at a loan volume of over \$502 million. AHFC was established in 1971, and has issued roughly \$12 billion in bonds to finance housing across the state.

I will endeavor to be available at hearings on this legislation to answer any questions or offer comments as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bitney', is written over the word 'Sincerely,'.

John Bitney, Legislative Liaison
Alaska Housing Finance Corporation



"HOUSING FOR ALL ALASKANS"



RECEIVED
MAR 23 2000



ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133 • Fax 907-561-1779

March 21, 2000

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Rokeberg,

The Alaska Association of REALTORS with over 1,100 members statewide supports House Bill 207 with the following recommended changes to version B of the Bill.

A. Delete the following language from HB 207. Sec. 8.57.810 lines 2-7.

[Sec. 08.57.810 Legal actions against home inspector. A person may not bring an action against an individual licensed or registered under this chapter based on the content of or omissions in a written home inspection report prepared by the inspector unless the action is brought

- (1) by the person who contracted and paid for the report; and
- (2) within one year after the date of the written report.]

The working group agrees that the bill would enhance consumer protection if this section were deleted.

B. Delete the following language from the bill. Section 8.57.900 – lines 3-6.

[AS 08.48.101 and 08.48.221 and regulations adopted under these statutes to use the seal of an engineer or architect if the individual affixes the individual's seal to the home inception report, signs the report, or puts the individual's registration number on the report.]

The working group agrees that this section should be replaced with a to be defined grandfather clause.

The Alaska Association of REALTORS encourages the passage of HB 207 with these recommended changes.

Sincerely,

Jim Wakefield
2000 President

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MAR 23 2000



Mar 6 2000

14:53

P.01/01



ALASKA ASSOCIATION OF REALTORS, INC.
741 Senate Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133 • Fax 907-561-1779

March 6, 2000

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Rokeberg,

The Alaska Association of REALTORS with over 1,100 members statewide supports House Bill 207 relating to the licensure and registration of individuals who perform home inspections.

We agree a Board of Home Inspectors should be established to regulate the practice of home inspections and establish education requirements and standards of practice for home inspectors.

The Alaska Association of REALTORS encourages the passage of HB 207.

Sincerely,

Jim Wakefield
2000 President

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MAR 06 2000





Tuesday, March 21, 2000

Representative Norma Rokeberg

After reviewing the most recent work draft of House bill 207/B dated 3/16/2000. I feel that it does what was originally intended. That is, to give some measure of protection to home buyers and sellers.

While at the same time it allows for a growing group of professional home inspectors to help regulate themselves.

Thanks,

Rick Jarvis
Associate Broker

Rick Jarvis
CRS, CRP, REBAC

RE/MAX

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Anchorage, Alaska 99503
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Direct: (907) 257-0136
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ALASKA STATE LEGISLATURE

House of Representatives

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SPECIAL COMMITTEE ON UTILITY RESTRUCTURING MEMBER
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Representative Norman Rokeberg

SPONSOR STATEMENT HB207

“An Act relating to the licensure and registration of individuals who perform home inspections; relating to home inspection requirements for residential loans purchased or approved by the Alaska Housing Finance Corporation; relating to civil actions by and against home inspectors; and providing for an effective date”

HB207 will protect consumers and the home inspection industry by licensing home inspectors in Alaska.

Consumers deserve assurance that the home inspector they hire is competent, and that they have recourse against inspectors that are not. HB207 accomplishes this by establishing licensing qualifications such as registration, insurance, and proof of competency via a written and practical examination. Home inspectors will also be required to provide consumers with an inspection report, using a standardized checklist comprised of elements deemed necessary by the industry for a thorough home inspection.

A faulty inspection could have serious consequences for consumers, particularly when they are buying or selling a home. Common sense dictates that home inspectors must be held accountable for their work. This limits legal actions against a licensed and registered home inspector to a written home inspection report not more than one year old and/or lawfully disclosed. Also, the penalty the court may impose is not more than \$500 for each violation.

I have met with representatives from the industry who agree licensure for home inspectors is a worthy goal. It will establish a competency level which will protect the name of the profession and shield consumers from faulty inspections.

I urge you to support this legislation.

03/28/00 HB 207(JUD) version LS0132\C Lauterbach 03/28/00