

HB

2017

CS FOR HOUSE BILL NO. 207()

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

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

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

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 08 is amended by adding a new chapter to read:

7 Chapter 57. Home Inspectors.

8 Article 1. Board of Home Inspectors.

9 Sec. 08.57.010. Creation and membership of board. There is created the
10 Board of Home Inspectors consisting of five members. Three members shall be
11 licensed under this chapter and shall have been engaged in the practice of home
12 inspection in the state for three years immediately preceding appointment, one member
13 shall be a licensed real estate broker or certified real estate appraiser, and one member
14 shall be a public member.

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Sec. 08.57.020. General duties. The board shall

- (1) administer and enforce this chapter;
- (2) regulate the practice of home inspection;
- (3) establish education and experience requirements that must be met for licensure under this chapter; the requirements established by the board must include Alaska or northern education or experience in Arctic construction or building;
- (4) establish standards for continuing education of home inspectors;
- (5) adopt a code of ethics for home inspectors; and
- (6) in addition to the meeting required under AS 08.01.070(2), meet when requested by a majority of the members of the board.

Sec. 08.57.030. Meetings. The board may meet by teleconference.

Article 2. Licensure.

Sec. 08.57.050. Licensure required. (a) Unless exempt under AS 08.57.900 or serving lawfully as an associate home inspector under (b) of this section, an individual may not perform a home inspection

(1) for new construction unless that individual is licensed as a home inspector for new construction under this chapter;

(2) for previously occupied construction unless that individual is licensed as a home inspector for previously occupied construction under this chapter.

(b) Notwithstanding (a) of this section, an individual who is not licensed under this chapter may perform a home inspection as an associate home inspector if the individual

(1) is employed by a licensed home inspector who supervises the associate's work and the inspection is of the type that the supervising individual is authorized to perform; and

(2) is registered with the board as an associate home inspector.

(c) A home inspector who employs an associate home inspector under (b) of this section is liable for the work done by the associate home inspector.

(d) An individual who holds a joint license is considered to be licensed as both a home inspector for new construction and a home inspector for previously occupied construction.

1 **Sec. 08.57.060. Qualifications.** The board shall authorize the department to
2 issue a home inspector license for new construction, previously occupied construction,
3 or both, as appropriate, to an individual who

4 (1) passes the appropriate home inspection examination; the
5 examination, which must include a written portion and other test methodologies as
6 determined by the board, must test competence in relation to Alaska construction
7 techniques and other matters as determined by the board; the examination may be
8 based on a recognized national examination or other methodology;

9 (2) meets the educational and experience requirements adopted by the
10 board in regulations for the type of license applied for;

11 (3) submits a complete application for licensure within one year after
12 passing the examination required under (1) of this section;

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

17 (5) pays the appropriate fees.

18 **Sec. 08.57.070. License renewal; continued competency.** (a) A license
19 issued under this chapter may not be renewed unless the applicant submits proof of
20 continued competency relating to home inspecting that satisfies the board.

21 (b) A lapsed license may be reinstated within two years after the lapse upon
22 proof of continued competency, payment of a renewal fee for the intervening time
23 period, and payment of any penalty fee established under AS 08.01.100(b). If the
24 license has been lapsed for more than two years, the license may not be reinstated until
25 the individual also passes the appropriate home inspection examination described in
26 AS 08.57.060.

27 (c) The license of an applicant whose license has been suspended or against
28 whom a fine has been imposed under this chapter may not be renewed until the period
29 of suspension has expired and any fine has been paid.

30 **Sec. 08.57.080. Fees.** (a) The department shall set fees under AS 08.01.065
31 for

1 (1) licensure and renewal of licensure for a home inspector qualified
2 to inspect new construction;

3 (2) licensure and renewal of licensure for a home inspector qualified
4 to inspect previously occupied construction;

5 (3) joint licenses and renewal of joint licenses;

6 (4) registration and renewal of registration as an associate home
7 inspector;

8 (5) examinations; and

9 (6) board and departmental publications and seminars related to this
10 chapter.

11 (b) An individual who fails a home inspector examination shall pay the
12 examination fee set by the department if the individual applies to retake an
13 examination.

14 **Sec. 08.57.090. Identification requirements.** (a) Except as provided
15 otherwise by law, an individual who is licensed under this chapter by one name may
16 not act in the capacity of a home inspector under any other name unless the individual
17 is also licensed under that name.

18 (b) All advertising and business cards prepared by a licensed home inspector
19 for the home inspection business must show the home inspector's name, mailing
20 address, and license number.

21 (c) Individual licensed home inspectors and partners, associates, agents,
22 salespeople, solicitors, officers, and employees of licensed home inspectors shall use
23 their true names and addresses and the true name of the home inspecting firm at all
24 times while acting in the capacity of a licensed home inspector or performing related
25 activities.

26 (d) Regardless of whether they are exempt from licensure and registration
27 under AS 08.57.900, persons who perform home inspections may not hold themselves
28 out to be licensed home inspectors or use words or titles that may reasonably be
29 confused with the title of "licensed home inspector" unless they are licensed under this
30 chapter.

31 **Article 3. Insurance Requirement.**

1 **Sec. 08.57.200. Types of insurance.** Each applicant, at the time of applying
2 for licensure or for renewal of licensure, shall file with the board satisfactory evidence
3 that there is in effect for the applicant public liability and property damage insurance
4 covering the applicant's home inspecting operations in this state in the sum of not less
5 than \$20,000 for damage to property, \$50,000 for injury, including death, to any one
6 person, and \$100,000 for injury, including death, to more than one person.

7 **Sec. 08.57.210. Suspension of license.** If the insurance required in
8 AS 08.57.200 ceases to be in effect, the license of the home inspector shall
9 immediately be suspended until the insurance has been reinstated.

10 **Article 4. Disciplinary Actions; Other Enforcement Mechanisms.**

11 **Sec. 08.57.300. Grounds for disciplinary sanctions or other license**
12 **decisions.** The board may take disciplinary action authorized under AS 08.01.075 or
13 refuse to grant or renew a license or registration under this chapter on a finding that

14 (1) the application is fraudulent or misleading;

15 (2) the individual has knowingly violated this chapter or a lawful order
16 or regulation of the department or the board;

17 (3) the individual is incompetent or has engaged in fraudulent practices
18 relating to home inspection.

19 **Sec. 08.57.310. Administrative Procedure Act applicable.** Proceedings for
20 the denial, suspension, or revocation of a license or registration under this chapter are
21 governed by AS 44.62 (Administrative Procedure Act).

22 **Sec. 08.57.320. Injunction.** In an action instituted in the superior court by the
23 board or the department, the court may enjoin an individual from performing a home
24 inspection in violation of this chapter. In addition to other relief, the court may
25 impose a civil penalty of not more than \$250 for each violation. Each day that an
26 unlawful act continues constitutes a separate violation.

27 **Sec. 08.57.330. Violations.** (a) An individual who knowingly violates
28 AS 08.57.050 is guilty of a class B misdemeanor. A person who violates another
29 provision of this chapter is guilty of a violation punishable under AS 12.

30 (b) Criminal prosecution for a violation of this chapter does not preclude the
31 board or the department from seeking available civil remedies.

1 **Article 5. Miscellaneous Provisions.**

2 **Sec. 08.57.800. Legal actions by home inspector.** An individual may not
3 bring an action in a court of this state for the collection of compensation for the
4 performance of a home inspection or for breach of a contract for which a license is
5 required under this chapter without alleging and proving that the individual was a
6 licensed home inspector or registered associate home inspector at the time of
7 contracting for the performance of the work.

8 **Sec. 08.57.810. Legal actions against home inspector.** (a) A person may not
9 bring an action against an individual licensed or registered under this chapter based on
10 statements made in a written home inspection report prepared by the inspector unless
11 the action is brought

12 (1) by a person who was a seller, owner, or prospective buyer of the
13 inspected property at the time the inspection was performed; and

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

15 (b) A person may not bring an action against an individual licensed or
16 registered under this chapter based on omissions in a written home inspection report
17 prepared by the inspector unless the action is brought by a person who was a seller,
18 owner, or prospective buyer of the inspected property at the time the inspection was
19 performed.

20 **Sec. 08.57.820. Inspection report required.** (a) Before performing a home
21 inspection, a licensee or an associate home inspector shall provide to the person on
22 whose behalf a home is inspected a written document specifying

23 (1) the scope of intended inspection, including the structural elements,
24 systems, and subsystems that will be inspected; and

25 (2) that the inspector will notify in writing the person on whose behalf
26 the inspection is being made of defects noted during the inspection along with a
27 recommendation, if any, that experts be retained to determine the extent of defects and
28 corrective action necessary to address the defects.

29 (b) After performing a home inspection, a licensee shall provide to the person
30 on whose behalf the inspection was performed a written description of defects noted
31 during the inspection along with a recommendation, if any, that experts be retained to

1 determine the extent and corrective action necessary to address the defects.

2 **Sec. 08.57.830. Prohibited acts.** (a) An individual licensed or registered
3 under this chapter, a company that employs an individual licensed or registered under
4 this chapter, or a company that is controlled by a company that also has a financial
5 interest in a company employing an individual licensed or registered under this chapter
6 may not

7 (1) perform or offer to perform, for an additional fee, repairs to a
8 structure on which the home inspector or the home inspector's company has prepared
9 a home inspection report in the past 12 months;

10 (2) inspect for a fee any property in which the home inspector or the
11 home inspector's company has a financial interest or an interest in the transfer of the
12 property;

13 (3) offer or deliver compensation, an inducement, or a reward to the
14 owner of the inspected property, the broker, or the agent, for the referral of business
15 to the home inspector or the home inspector's company;

16 (4) without the written consent of the home inspection client or the
17 client's legal representative, disclose information from a home inspection report
18 prepared by the home inspector or the home inspector's company unless the disclosure
19 is made

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

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

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

25 (6) accept from a person who has other dealings with a home
26 inspection client a commission or allowance, directly or indirectly, for work for which
27 the home inspector or the home inspector's company is responsible;

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

31 (b) Contractual provisions that purport to limit the liability of a home inspector

1 to the cost of the home inspection report are contrary to public policy and void.

2 **Sec. 08.57.840. Limitation on activities.** A license or registration issued
3 under this chapter does not authorize the holder to perform an activity for which a
4 license is required under provisions of this title that are outside of this chapter.

5 **Article 6. General Provisions.**

6 **Sec. 08.57.900. Exemptions.** Notwithstanding other provisions of this chapter,
7 an individual who performs a home inspection is not required to be licensed or
8 registered under this chapter if the individual is

9 (1) employed by the federal or state government, a political subdivision
10 of the state, or a municipality or unincorporated community and the employee is
11 performing only duties that are within the employee's official duties;

12 (2) performing a home inspection only with respect to property that is
13 the individual's residence or in which the individual has a financial interest;

14 (3) registered as a civil engineer or architect under AS 08.48 and the
15 individual either

16 (A) affixes the individual's seal to the home inspection report;

17 or

18 (B) signs the report and puts the individual's registration number
19 on the report;

20 (4) engaged as an engineer in training or architect in training who
21 works for and is supervised by a person described in (3) of this section and the person
22 described in (3) of this section affixes the person's seal to the home inspection report
23 or signs and puts the person's registration number on the report;

24 (5) licensed as a pesticide applicator by the Department of
25 Environmental Conservation and is performing only activities within the scope of that
26 license;

27 (6) registered as an engineer or architect under AS 08.48 and is
28 performing only activities that are authorized by the Board of Registration for
29 Architects, Engineers and Land Surveyors under that registration; or

30 (7) certified as any type of real estate appraiser under AS 08.87 and is
31 performing only activities that are authorized under that certification.

1 **Sec. 08.57.990. Definitions.** In this chapter,

2 (1) "board" means the Board of Home Inspectors;

3 (2) "department" means the Department of Community and Economic
4 Development;

5 (3) "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;

9 (4) "joint license" means a license that authorizes an individual to
10 inspect both new construction and previously occupied residences;

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

14 (6) "residence" means

15 (A) a single-family home;

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

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

18 * Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

19 (3) Board of Home Inspectors (AS 08.57.010).

20 * Sec. 3. AS 08.03.010(c) is amended by adding a new paragraph to read:

21 (22) Board of Home Inspectors (AS 08.57.010) -- June 30, 2004.

22 * Sec. 4. AS 18.56.300(b) is amended to read:

23 (b) As a condition of a commitment to purchase or approve a loan under this
24 section for residential housing the construction of which begins after June 30, 1992,
25 the corporation shall require inspection of the unit of residential housing that is the
26 subject of the loan. The inspection must be performed by a municipal building
27 inspector, by a person who is approved or certified to perform residential inspections
28 by the International Conference of Building Officials or the International Association
29 of Electrical Inspectors, by an individual who is licensed or registered under
30 AS 08.57.050 to perform home inspections [OR, WHEN THE UNIT OF
31 RESIDENTIAL HOUSING IS LOCATED IN A RURAL AREA], by an architect

1 licensed under AS 08.48, by an engineer licensed under AS 08.48, or by another
2 person approved by the corporation. When the unit of residential housing is located
3 in a rural area, the person who makes the inspection may use methods other than a
4 personal physical inspection to make the inspection if the method is approved by the
5 corporation, and variations from the applicable code may be accepted at the
6 corporation's discretion, if the person authorized to inspect the unit under this
7 subsection satisfies the corporation that the variation does not adversely affect the
8 structural integrity of the unit or the health and safety of the residents. The person
9 who makes the inspection shall determine whether the construction conforms to
10 relevant provisions of the construction codes of the municipality or of the state
11 building code, as applicable, at each of the following stages of construction:

- 12 (1) plan approval;
- 13 (2) completion of footings and foundations;
- 14 (3) completion of electrical installation, plumbing, and framing;
- 15 (4) completion of installation of insulation;
- 16 (5) final approval.

17 * Sec. 5. AS 18.56.300(b) is amended to read:

18 (b) As a condition of a commitment to purchase or approve a loan under this
19 section for residential housing the construction of which begins after June 30, 1992,
20 the corporation shall require inspection of the unit of residential housing that is the
21 subject of the loan. The inspection must be performed by a municipal building
22 inspector, [BY A PERSON WHO IS APPROVED OR CERTIFIED TO PERFORM
23 RESIDENTIAL INSPECTIONS BY THE INTERNATIONAL CONFERENCE OF
24 BUILDING OFFICIALS OR THE INTERNATIONAL ASSOCIATION OF
25 ELECTRICAL INSPECTORS,] by an individual who is licensed or registered under
26 AS 08.57.050 to perform home inspections, by an architect licensed under AS 08.48,
27 by an engineer licensed under AS 08.48, or by another person approved by the
28 corporation. When the unit of residential housing is located in a rural area, the person
29 who makes the inspection may use methods other than a personal physical inspection
30 to make the inspection if the method is approved by the corporation, and variations
31 from the applicable code may be accepted at the corporation's discretion, if the person

1 authorized to inspect the unit under this subsection satisfies the corporation that the
2 variation does not adversely affect the structural integrity of the unit or the health and
3 safety of the residents. The person who makes the inspection shall determine whether
4 the construction conforms to relevant provisions of the construction codes of the
5 municipality or of the state building code, as applicable, at each of the following stages
6 of construction:

- 7 (1) plan approval;
- 8 (2) completion of footings and foundations;
- 9 (3) completion of electrical installation, plumbing, and framing;
- 10 (4) completion of installation of insulation;
- 11 (5) final approval.

12 * Sec. 6. AS 44.62.330(a) is amended by adding a new paragraph to read:

- 13 (60) Board of Home Inspectors.

14 * Sec. 7. AS 45.50.471(b) is amended by adding a new paragraph to read:

- 15 (43) violating AS 08.57.830.

16 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section
17 to read:

18 REGULATIONS. The Board of Home Inspectors may proceed to adopt regulations
19 to implement this Act. A regulation adopted under this section takes effect under AS 44.62
20 (Administrative Procedure Act) but not before the effective date of the law implemented by
21 the regulation.

22 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
23 to read:

24 INITIAL BOARD MEMBERS. Notwithstanding AS 08.57.010, added by sec. 1 of this
25 Act, the three home inspectors appointed to the initial Board of Home Inspectors are not
26 required to be licensed as home inspectors before appointment but must be licensed as home
27 inspectors in order to be appointed or reappointed after expiration of their first term in office.

28 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section
29 to read:

30 TRANSITIONAL LICENSING PROVISIONS. (a) Notwithstanding AS 08.57, added
31 by sec. 1 of this Act, the Board of Home Inspectors shall issue a joint license that is valid

1 until January 1, 2002, to an individual who submits to the board satisfactory evidence of being
2 in the business of home inspection in the state at the time of application for a license under
3 this subsection and of having

4 (1) been in the business of home inspection in the state on October 1, 1999;
5 or

6 (2) passed the building inspector examination or property maintenance and
7 housing inspector examination given by the International Conference of Building Officials.

8 (b) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
9 Inspectors shall issue a license to practice home inspection of previously occupied residences
10 that is valid until January 1, 2002, to an individual who submits to the board satisfactory
11 evidence of being in the business of home inspection in the state at the time of application for
12 a license under this subsection and of having passed

13 (1) the national home inspector examination given by the American Society
14 of Home Inspectors; or

15 (2) the examination of the Examination Board of Professional Home Inspectors.

16 (c) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
17 Inspectors shall issue a license to practice home inspection of new construction that is valid
18 until January 1, 2002, to an individual who submits to the board satisfactory evidence of being
19 in the business of home inspection in the state at the time of application for a license under
20 this subsection and of having passed the combination inspector examination or the
21 combination dwelling inspector examination given by the International Conference of Building
22 Officials.

23 (d) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
24 Inspectors shall grant registration as an associate home inspector that is valid until January 1,
25 2002, to an individual who submits to the board satisfactory evidence of being employed by
26 an individual who is in the business of home inspection and is licensed under this section or
27 under AS 08.57.

28 (e) A license or registration issued under this section may not be renewed or extended.

29 (f) Except as provided in (e) of this section, a license or registration issued under this
30 section is considered to be a license or registration issued under AS 08.57, added by sec. 1
31 of this Act.

1 (g) In this section, "joint license" has the meaning given in AS 08.57.990, added by
2 sec. 1 of this Act.

3 * Sec. 11. AS 08.57.050, 08.57.090, 08.57.330(a), 08.57.800 - 08.57.820, enacted by sec. 1
4 of this Act, and the amendment of AS 18.56.300(b), made by sec. 4 of this Act, take effect
5 July 1, 2001.

6 * Sec. 12. Section 5 of this Act takes effect January 1, 2002.

7 * Sec. 13. Except as provided in secs. 11 - 12 of this Act, this Act takes effect immediately
8 under AS 01.10.070(c).



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 inspection 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

RECEIVED

MAR 23 2000





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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 "John Bitney".

John Bitney, Legislative Liaison
Alaska Housing Finance Corporation



"HOUSING FOR ALL ALASKANS"



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MAR 23 2000

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 207

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ. Dev.
 Title An Act relating to home inspections. BRU Occupational Licensing
 Component Occupational Licensing
 Sponsor Rep. Rokeberg
 Requester House Labor & Commerce Component Serial No. 2360

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						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 207 no longer creates licensing for home inspectors and therefore does not affect the Division of Occupational Licensing.

Prepared by Jennifer Strickler, Administrative Manager
 Division Occupational Licensing
 Approved by Commissioner Deborah B. Sedwick
 Agency Community & Economic Development

Phone 465-2144
 Date/Time 3/10/2000 4:03 PM
 Date 3/10/00

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REPRESENTATIVE NORMAN ROKEBERG

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

SPONSOR STATEMENT

HB207

“An Act relating to home inspections.”

HB207 will protect consumers and the home inspection industry by prohibiting certain home inspector trade practices and limiting legal actions against home inspectors. HB207 revises Title 9, Civil Actions, by limiting them; it is not a home inspector licensing bill.

Consumers deserve assurance that they can bring an action against an individual home inspector based on the contents of or omissions in a written home inspection report. HB 207 allows recourse against inspectors; it is limited to the person who contracted and paid for the report and the action must be brought within one year of the written report. HB207 further accomplishes this by making it contrary to public policy and void for any home inspection report limiting liability to the cost of the report.

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.

I have met with representatives from the industry who agree that home inspector accountability is a worthy goal. The goal of HB 207 is to establish a framework, within which the home inspector can operate, the home inspection profession is protected and consumers are shielded from egregious faulty inspections.

I urge you to support this legislation.

03/16/00 HB207(L&C) version T



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

State Capitol
Juneau, AK 99801-1182

SUBJECT: SECTIONAL ANALYSIS: HB 207/(L&C)
HOUSE BILL 207: "A BILL RELATING TO HOME INSPECTIONS"
FROM: Representative Norman Rokeberg
DATE: March 16, 2000

SECTION 1.

Limits the legal actions against a home inspector to action brought by the person who contracted and paid for the written home inspection report; and is limited to within one year after the date of the written report. 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. 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;
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.

tjm/03/16/2000HB 207(L&C)sectional analysis)