

HB

27

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 14, 2001

FURTHER REFERRALS: Finance

Date of Committee Action: 2.26.01

The JUDICIARY Committee considered:

HB 27

HOUSE BILL NO. 27

LICENSE HOME INSPECTORS

"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."

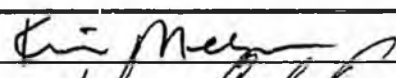
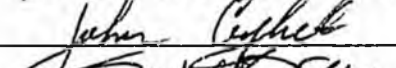
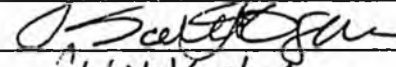
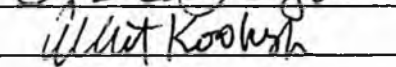
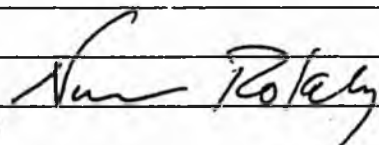
Recommends it be replaced with CS HB 27 (JWD) [Same Title [] New Title
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev. For Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LAA
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
FN#	List by Dept(s):	Fiscal	Indet.	Zero
	CEC	✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN #	Fiscal	Indet.	Zero
REV	1			✓
CEC	2	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Meyer	✓			
	Coghill			✓	
	Ohar			✓	
	Kookesh			✓	
Chair: 	Rokeberg	✓			
Chair:					

ALASKA STATE LEGISLATURE
House of Representatives

Committee Assignments:

Judiciary Committee, Chairman
Labor & Commerce Committee, Member
Legislative Council, Member
Special Committees:
Economic Development, Member



Interim:
716 West 4th Avenue, Suite 350
Anchorage, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

SESSION:
State Capitol
PHONE: (907) 465-4968
FAX: (907) 465-2040

REPRESENTATIVE NORMAN ROKEBERG

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

FAX COVER SHEET

DATE: 2.26.01

TO: Terri Lauterbach

FAX: 2029 VOICE: 2450

RE: Committee substitute 22-LS0136/S

MESSAGE: The ^{House Judiciary} Committee adopted the following

amendments: (1) 22-LS0136/S.1; (2)

see attached page; and (3) line 15-21, Page

&, please delete any language referring to the

home inspection. The committee only wants

liability to relate only to the home inspection report.

TOTAL NUMBER OF PAGES SENT, INCLUDING COVER SHEET: 2

Please create a final CS for House Judiciary
for this bill. Thanks.

Heather x 4990

Adopted

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: CSHB 27(JUD), Draft Version "S"

1 Page 12, following line 6:

2 Insert a new bill section to read:

3 **** Sec. 4.** AS 08.57.010(a) is amended to read:

4 (a) There is created the Board of Home Inspectors consisting of five voting
5 members and one nonvoting member. Three voting members shall be licensed under
6 this chapter and shall have been engaged in the practice of home inspection in the state
7 for three years immediately preceding appointment, one voting member shall be a
8 licensed real estate broker, associate broker, or certified real estate appraiser, and one
9 voting member shall be a public member. [THE EXECUTIVE DIRECTOR
10 EMPLOYED BY THE ALASKA HOUSING FINANCE CORPORATION UNDER
11 AS 18.56.052, OR A DESIGNEE OF THE EXECUTIVE DIRECTOR, SHALL
12 SERVE EX OFFICIO AS A NONVOTING MEMBER OF THE BOARD.]"

13

14 Renumber the following bill sections accordingly.

15

16 Page 14, following line 1:

17 Insert a new bill section to read:

18 ****Sec. 10.** AS 18.57.010(b) is repealed."

19

20 Renumber the following bill sections accordingly.

21

22 Page 14, line 4:

23 Delete "sec. 8"

24 Insert "sec. 9"

1 Page 15, following line 26:

2 Insert a new bill section to read:

3 ****Sec. 15.** Sections 4 and 10 of this Act take effect July 1, 2005."
4

5 Renumber the following bill sections accordingly.
6

7 Page 15, line 28:

8 Delete "sec. 4"

9 Insert "sec. 5"

10

11 Page 15, line 30:

12 Delete "Section 5"

13 Insert "Section 6"

14

15 Page 15, line 31:

16 Delete "Sections 8 and 9"

17 Insert "Sections 9 and 11"

18

19 Page 16, line 1:

20 Delete "secs. 13 - 15"

21 Insert "secs. 15 - 18"

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

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

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

Article 5. Miscellaneous Provisions.

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

Sec. 08.57.810. Legal actions against home inspector. (a) Notwithstanding contrary provisions of AS 09.10, a person may not bring an action against an individual licensed or registered under this chapter based on ~~a home inspection or a home inspection report, respectively,~~ unless the action is commenced within two years after the date of the ~~home inspection or home inspection report, respectively.~~ This limitation applies to all actions based on a home inspection or home inspection report, regardless of whether the action is based on breach of contract, personal injury or death, property damage, or another source of liability. This limitation may not be waived by contract.

2

(b) An individual licensed or registered as a home inspector or associate home inspector under this chapter is not liable to a person for damages that arise from an act or omission relating to a home inspection performed by the individual if the person is

(1) not a party to the transaction for which the home inspection was conducted; ~~and~~ **XOR**

(2) unlawfully in receipt of the home inspection report related to the home inspection.

Article 6. General Provisions.

Sec. 08.57.900. Prohibited acts; liability limitation void. (a) An individual licensed or registered under this chapter may not

HB 27

2.26.01

#2
adopted

Conceptual amendment · limitation on liability
date of the inspection report only
Pg. 8

Amendment #1 · adopted

Amendment #3. adopted

A M E N D M E N T #3

OFFERED IN THE HOUSE

BY REP. ROKEBERG

TO: CSHB 27 (JUD), S Version

Page 4, line 1:

After: "or"

Insert: "an unresolved"

Page 4, line 13:

After "or"

Insert: "an unresolved"

22-LS0136S
Lauterbach
2/20/01

CS FOR HOUSE BILL NO. 27(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

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 home
2 inspections; relating to home inspection requirements for residential loans purchased or
3 approved by the Alaska Housing Finance Corporation; relating to civil actions by and
4 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; expenses.** (a) There is
10 created the Board of Home Inspectors consisting of five voting members and one
11 nonvoting member. Three voting members shall be licensed under this chapter and
12 shall have been engaged in the practice of home inspection in the state for three years
13 immediately preceding appointment, one voting member shall be a licensed real estate
14 broker, associate broker, or certified real estate appraiser, and one voting member shall

1 be a public member. The executive director employed by the Alaska Housing Finance
2 Corporation under AS 18.56.052, or a designee of the executive director, shall serve
3 ex officio as a nonvoting member of the board.

4 (b) The transportation expenses and per diem to which the nonvoting member
5 is entitled under AS 08.01.040 are the responsibility of the Alaska Housing Finance
6 Corporation and are not a regulatory cost of the board or the department under
7 AS 08.01.065(c).

8 **Sec. 08.57.020. General duties; powers.** (a) The board shall

9 (1) administer and enforce this chapter;

10 (2) regulate the practice of home inspection;

11 (3) establish education and experience requirements that must be met
12 for licensure under this chapter; the requirements established by the board must
13 include education or experience in Arctic construction or building;

14 (4) establish standards for continuing education of licensed home
15 inspectors;

16 (5) adopt a code of ethics for licensed home inspectors; and

17 (6) in addition to the meeting required under AS 08.01.070(2), meet
18 when requested by a majority of the voting members of the board.

19 (b) The board may adopt regulations to implement this chapter.

20 **Sec. 08.57.030. Meetings; quorum.** The board may meet by teleconference.
21 Three voting members constitute a quorum of the board.

22 **Article 2. Licensure.**

23 **Sec. 08.57.050. Licensure required.** (a) Unless exempt under AS 08.57.920
24 or serving lawfully as an associate home inspector under (b) of this section, an
25 individual may not perform a home inspection

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

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

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

1 individual

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

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

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

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

11 **Sec. 08.57.060. Qualifications.** (a) The board shall issue a home inspector
12 license for new construction, previously occupied construction, or both, as
13 appropriate, to an individual who

14 (1) passes the appropriate home inspection examination; the
15 examination must include a written portion; the examination may, as determined by
16 the board,

17 (A) use testing methodologies in addition to the written
18 portion;

19 (B) test for competency in relation to Alaska construction
20 techniques and other matters;

21 (C) be based on a recognized national examination or other
22 methodology;

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

25 (3) submits a complete application for licensure within one year after
26 passing the examination required under (1) of this subsection;

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

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

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

4 (7) pays the appropriate fees.

5 (b) A person may register with the board as an associate home inspector upon
6 application, payment of the required fee, and determination by the board that the
7 person

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

11 (2) has not had the authority to perform home inspections revoked in
12 this state or in another jurisdiction; and

13 (3) is not the subject of an unresolved criminal complaint or
14 disciplinary action before a regulatory authority in this state or in another jurisdiction
15 related to real estate or home inspection matters.

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

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

26 (c) The license of an applicant whose license has been suspended or against
27 whom a fine has been imposed under this chapter may not be renewed until the period
28 of suspension has expired and any fine has been paid. A license that has been
29 suspended expires at the end of the period for which the license was issued, regardless
30 of whether the period of suspension has expired.

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

1 for

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

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

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

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

9 (5) examinations; and

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

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

15 **Article 3. Activities of Home Inspectors.**

16 **Sec. 08.57.200. Identification requirements.** (a) Except as provided
17 otherwise by law, an individual who is licensed or registered under this chapter by one
18 name may not act in the capacity of a home inspector or associate home inspector
19 under any other name.

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

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

28 (d) Regardless of whether they are exempt from licensure and registration
29 under AS 08.57.920, persons who perform home inspections may not hold themselves
30 out to be licensed home inspectors or use words or titles that may reasonably be
31 confused with the title of "licensed home inspector" unless they are licensed under this

1 chapter.

2 **Sec. 08.57.210. Pre-inspection document required.** Before performing a
3 home inspection, a licensee or an associate home inspector shall provide to the person
4 on whose behalf a home is inspected a written document specifying

5 (1) the scope of intended inspection; the scope of the intended
6 inspection may include systems and components that are not listed in
7 AS 08.57.990(3); and

8 (2) that the inspector will notify in writing the person on whose behalf
9 the inspection is being made of defects noted during the inspection along with a
10 recommendation, if any, that experts be retained to conduct further evaluation through
11 examination and analysis by a qualified professional, tradesperson, or service
12 technician beyond that provided by the home inspection to determine the extent of
13 defects and corrective action necessary to address the defects.

14 **Sec. 08.57.220. Conflict of interest must be disclosed.** (a) A licensed home
15 inspector who has a conflict of interest relating to a home inspection shall disclose that
16 conflict of interest at the time of initial substantive contact with the person requesting
17 the home inspection and confirm the conflict of interest in writing to the person
18 requesting the home inspection as soon as possible after the initial substantive contact.

19 (b) The failure of a licensee to disclose a conflict of interest as required under
20 this section does not give rise to a cause of action by a private person. However,

21 (1) the board may, under AS 08.57.300, impose a disciplinary sanction
22 for violation of this section; and

23 (2) nothing in this subsection may be construed to deprive a private
24 person of a cause of action if a violation of this section constitutes fraud, deceit, or
25 misrepresentation and the person suffered a loss as a result of the violation.

26 (c) In this section, "conflict of interest" includes

27 (1) a relative of the licensee or a person with whom the licensee has a
28 financial relationship having a present financial interest in the property being
29 inspected or considered for inspection; or

30 (2) the licensee receiving compensation from someone other than a
31 party to the home inspection contract or another party having a financial interest in the

1 outcome of the home inspection.

2 **Sec. 08.57.230. Inspection reports.** (a) After performance of a home
3 inspection, a licensed home inspector shall give a written home inspection report to
4 the person requesting the inspection. The written report must include a review of the
5 condition of each system and component identified as being within the scope of the
6 intended inspection under AS 08.57.210(1).

7 (b) In addition to the written inspection report required under (a) of this
8 section, an oral inspection report may be given by the home inspector during or after
9 the inspection.

10 (c) A home inspection report is valid for 180 days.

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

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

15 (1) the application is fraudulent or misleading;

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

18 (3) the individual is incompetent;

19 (4) the individual has engaged in fraudulent practices relating to home
20 inspection; or

21 (5) the individual has been under sentence in the preceding seven years
22 for an offense described in AS 08.57.060(a)(4) or (b)(1).

23 **Sec. 08.57.310. Administrative Procedure Act applicable.** The adoption of
24 regulations and proceedings under this chapter are governed by AS 44.62
25 (Administrative Procedure Act).

26 **Sec. 08.57.320. Injunction.** In addition to the powers granted under
27 AS 08.01.087(b), the board or the department may institute an action in the superior
28 court requesting the court to enjoin an individual from performing a home inspection
29 in violation of this chapter. In addition to other relief, the court may impose a civil
30 penalty of not more than \$500 for each violation. Each day that an unlawful act
31 continues constitutes a separate violation.

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

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

6 **Article 5. Miscellaneous Provisions.**

7 **Sec. 08.57.800. Legal actions by home inspector.** An individual may not
8 bring an action in a court of this state for the collection of compensation for the
9 performance of a home inspection or for breach of a contract for which a license or
10 registration is required under this chapter without proving that the individual was a
11 licensed home inspector or registered associate home inspector at the time of
12 contracting for the performance of the work.

13 **Sec. 08.57.810. Legal actions against home inspector.** (a) Notwithstanding
14 contrary provisions of AS 09.10, a person may not bring an action against an
15 individual licensed or registered under this chapter based on a home inspection or a
16 home inspection report, respectively, unless the action is commenced within two years
17 after the date of the home inspection or home inspection report, respectively. This
18 limitation applies to all actions based on a home inspection or home inspection report,
19 regardless of whether the action is based on breach of contract, personal injury or
20 death, property damage, or another source of liability. This limitation may not be
21 waived by contract.

22 (b) An individual licensed or registered as a home inspector or associate home
23 inspector under this chapter is not liable to a person for damages that arise from an act
24 or omission relating to a home inspection performed by the individual if the person is

25 (1) not a party to the transaction for which the home inspection was
26 conducted; and ~~OR~~

27 (2) unlawfully in receipt of the home inspection report related to the
28 home inspection.

29 **Article 6. General Provisions.**

30 **Sec. 08.57.900. Prohibited acts; liability limitation void.** (a) An individual
31 licensed or registered under this chapter may not

1 (1) perform or offer to perform, for an additional fee, repairs to a
2 subject property on which the home inspector or the home inspector's company has
3 prepared a home inspection report in the past 12 months;

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

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

10 (4) without the written consent of the home inspection client or the
11 client's legal representative, disclose information from a home inspection report
12 prepared by the home inspector or the home inspector's company unless the disclosure
13 is made

14 (A) to a subsequent client who requests a home inspection of
15 the same premises; or

16 (B) by the home inspector in an administrative or judicial
17 proceeding in which disclosure of the home inspection report is relevant to
18 resolution of the legal issues in the proceeding;

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

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

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

27 (b) Contractual provisions that purport to limit the liability of a home
28 inspector to the cost of the home inspection report are contrary to public policy and
29 void.

30 **Sec. 08.57.910. Limitation on activities.** A license or registration issued
31 under this chapter does not authorize the holder to perform an activity for which a

1 license is required under provisions of this title that are outside of this chapter.

2 **Sec. 08.57.920. Exemptions.** Notwithstanding other provisions of this
3 chapter, an individual who inspects a home is not required to be licensed or registered
4 under this chapter if the individual is

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

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

10 (3) registered as an engineer or architect under AS 08.48, prepares a
11 written report after the inspection, and either

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

13 or

14 (B) signs the report and puts the individual's registration
15 number on the report;

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

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

23 (6) registered as a general contractor with a residential contractor
24 endorsement under AS 08.18 and is performing only activities within the scope of that
25 registration;

26 (7) certified as any type of real estate appraiser under AS 08.87 and is
27 performing only activities that are authorized under that certification; or

28 (8) only determining whether a building complies with the thermal and
29 lighting energy standards required by AS 46.11.040.

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

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

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

3 (3) "home inspection" means a visual examination, performed in
4 accordance with standards of practice adopted by the board, of the readily accessible
5 parts of one or more of the following systems and components of a residence or
6 intended residence:

7 (A) heating and air-conditioning systems;

8 (B) plumbing and electrical systems;

9 (C) built-in appliances;

10 (D) roof, attic, and visible insulation;

11 (E) walls, ceilings, floors, windows, and doors;

12 (F) foundation and basement;

13 (G) visible interior and exterior structures;

14 (H) drainage to and from the residence;

15 (I) other systems or components as specified by the board in
16 regulations;

17 (4) "home inspector" means a person who performs or offers to
18 perform a home inspection;

19 (5) "joint license" means a license that authorizes an individual to
20 inspect both new construction and previously occupied residences;

21 (6) "knowingly" has the meaning given in AS 11.81.900;

22 (7) "real estate transaction" means the transfer or attempted transfer of
23 an interest in a unit of real property or an act conducted as a result of or in pursuit of a
24 contract to transfer an interest in a unit of real property;

25 (8) "residence" means

26 (A) a single-family home other than a mobile home;

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

28 (C) a residential townhouse or residential condominium unit;

29 (9) "visual examination" means an examination performed in person at
30 the physical location of the residence except that, if a method other than personal
31 physical inspection has been approved by the Alaska Housing Finance Corporation

1 under AS 18.56.300(b), use of the other approved method constitutes a visual
2 examination under this chapter.

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

4 (37) Board of Home Inspectors (AS 08.57.010).

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

6 (22) Board of Home Inspectors (AS 08.57.010) -- June 30, 2005.

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

8 (b) As a condition of a commitment to purchase or approve a loan under this
9 section for residential housing the construction of which begins after June 30, 1992,
10 the corporation shall require inspection of the unit of residential housing that is the
11 subject of the loan. The inspection must be performed by a municipal building
12 inspector, by a person who is approved or certified to perform residential inspections
13 by the International Conference of Building Officials or the International Association
14 of Electrical Inspectors, by an individual who is licensed or registered under
15 AS 08.57.050 to perform home inspections for new construction [OR, WHEN THE
16 UNIT OF RESIDENTIAL HOUSING IS LOCATED IN A RURAL AREA], by an
17 architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by
18 another person approved by the corporation. When the unit of residential housing is
19 located in a rural area, the person who makes the inspection may use methods other
20 than a personal physical inspection to make the inspection if the method is approved
21 by the corporation, and variations from the applicable code may be accepted at the
22 corporation's discretion, if the person authorized to inspect the unit under this
23 subsection satisfies the corporation that the variation does not adversely affect the
24 structural integrity of the unit or the health and safety of the residents. The person
25 who makes the inspection shall determine whether the construction conforms to
26 relevant provisions of the construction codes of the municipality or of the state
27 building code, as applicable, at each of the following stages of construction:

- 28 (1) plan approval;
29 (2) completion of footings and foundations;
30 (3) completion of electrical installation, plumbing, and framing;
31 (4) completion of installation of insulation;

1 (5) final approval.

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

3 (b) As a condition of a commitment to purchase or approve a loan under this
4 section for residential housing the construction of which begins after June 30, 1992,
5 the corporation shall require inspection of the unit of residential housing that is the
6 subject of the loan. The inspection must be performed by a municipal building
7 inspector, [BY A PERSON WHO IS APPROVED OR CERTIFIED TO PERFORM
8 RESIDENTIAL INSPECTIONS BY THE INTERNATIONAL CONFERENCE OF
9 BUILDING OFFICIALS OR THE INTERNATIONAL ASSOCIATION OF
10 ELECTRICAL INSPECTORS,] by an individual who is licensed or registered under
11 AS 08.57.050 to perform home inspections, by an architect licensed under AS 08.48,
12 by an engineer licensed under AS 08.48, or by another person approved by the
13 corporation. When the unit of residential housing is located in a rural area, the person
14 who makes the inspection may use methods other than a personal physical inspection
15 to make the inspection if the method is approved by the corporation, and variations
16 from the applicable code may be accepted at the corporation's discretion, if the person
17 authorized to inspect the unit under this subsection satisfies the corporation that the
18 variation does not adversely affect the structural integrity of the unit or the health and
19 safety of the residents. The person who makes the inspection shall determine whether
20 the construction conforms to relevant provisions of the construction codes of the
21 municipality or of the state building code, as applicable, at each of the following
22 stages of construction:

- 23 (1) plan approval;
24 (2) completion of footings and foundations;
25 (3) completion of electrical installation, plumbing, and framing;
26 (4) completion of installation of insulation;
27 (5) final approval.

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

29 (60) Board of Home Inspectors.

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

31 (43) violating AS 08.57.220, 08.57.230, or 08.57.900.

1 * **Sec. 8.** AS 18.56.300(c) is repealed.

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

4 **APPLICABILITY.** The change made by sec. 8 of this Act applies to causes of action
5 that accrue on or after July 1, 2003.

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

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

12 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **TRANSITIONAL BOARD PROVISIONS.** Notwithstanding AS 08.57.010, added by
15 sec. 1 of this Act, the three home inspectors appointed to the initial Board of Home Inspectors
16 are not required to be licensed as home inspectors before appointment but must be licensed as
17 home inspectors in order to be appointed or reappointed after expiration of their first term in
18 office.

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

21 **TRANSITIONAL LICENSING PROVISIONS.** (a) Notwithstanding AS 08.57,
22 added by sec. 1 of this Act, the Board of Home Inspectors shall issue a joint license that is
23 valid until January 1, 2004, to an individual who submits to the board satisfactory evidence of
24 being in the business of home inspection in the state at the time of application for a license
25 under this subsection and of having

26 (1) been in the business of home inspection in the state on October 1, 2000;
27 and

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

30 (b) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
31 Inspectors shall issue a license to practice home inspection of previously occupied residences

1 that is valid until January 1, 2004, to an individual who submits to the board satisfactory
2 evidence of being in the business of home inspection in the state at the time of application for
3 a license under this subsection and of having passed

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

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

8 (c) 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 new construction that is valid
10 until January 1, 2004, to an individual who submits to the board satisfactory evidence of being
11 in the business of home inspection in the state at the time of application for a license under
12 this subsection and of having passed the combination inspector examination or the
13 combination dwelling inspector examination given by the International Conference of
14 Building Officials.

15 (d) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
16 Inspectors shall grant registration as an associate home inspector that is valid until January 1,
17 2004, to an individual who submits to the board satisfactory evidence of being employed by
18 an individual who is in the business of home inspection and is licensed under this section or
19 under AS 08.57.

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

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

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

27 * **Sec. 13.** AS 08.57.050, 08.57.200 - 08.57.230, 08.57.330, 08.57.800 - 08.57.810, enacted
28 by sec. 1 of this Act, and the amendment of AS 18.56.300(b), made by sec. 4 of this Act, take
29 effect July 1, 2002.

30 * **Sec. 14.** Section 5 of this Act takes effect January 1, 2004.

31 * **Sec. 15.** Sections 8 and 9 of this Act take effect July 1, 2003.

1 * **Sec. 16.** Except as provided in secs. 13 - 15 of this Act, this Act takes effect immediately
2 under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 27 (JUD)
() Publish Date: _____

Revision Date/Time (Note if correction): 02/21/2001 5:20p.m. Dept. Affected: DCED
Title: An Act relating to the licensure and registration BRU: Occupational Licensing
of individuals who perform home inspections..... Component: Occupational Licensing
Sponsor: Representative Rokeberg
Requester: House Judiciary Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	51.5	51.5	51.5	51.5	51.5	51.5
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	70.8	64.8	64.8	64.8	64.8	64.8

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

CHANGE IN REVENUES ()	135.6	0.0	129.6	0.0	129.6	0.0
-------------------------------	--------------	------------	--------------	------------	--------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - 1156 RSS	70.8	64.8	64.8	64.8	64.8	64.8
TOTAL	70.8	64.8	64.8	64.8	64.8	64.8

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 27 (L&C) creates a Board of Home Inspectors. This fiscal note is based on the board holding at least two meetings each year. The revenue collection shown every other year is the result of the biennial licensing cycle. An explanation of the costs shown above is attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 2/21/2001 5:20 p.m.
Approved by: Commissioner Deborah B. Sedwick Date 2/21/2001
Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

CSHB 27 (L&C): An Act relating to the licensure and registration of individuals who perform home inspections;....

Page 2 of 2

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., \$20.7

- 1/2 Investigator III position, Range 18A, \$30.8

PERSONAL SERVICES: \$51.5

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

Anchorage Meeting (including 2 staff from Juneau), \$3.9

Juneau Meeting, \$2.4

TRAVEL: \$6.3

-30 hours of AG legal time for regulations and license appeals, \$3.0

-Printing, postage, communication, and advertising costs, \$3.0

The contractual services total does not include any expenditures for purchase of a license examination.

This fiscal note assumes applicants will pay the testing service directly for the examination.

CONTRACTUAL SERVICES: \$6.0

To fund daily operating supplies of the program.

SUPPLIES: \$1.0

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

EQUIPMENT (one-time costs): \$6.0

TOTAL FISCAL NOTE: \$70.8

REVENUE & FUND SOURCE: Revenue will be generated by licensing fees sufficient to cover direct and indirect program costs.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 27(L&C)
(H) Publish Date: 2/14/01

Revision Date/Time (Note if correction): 1/30/2001 5:30p.m. Dept. Affected: DCED
Title: An Act relating to the licensure and registration of individuals who perform home inspections;.... BRU: Occupational Licensing
Sponsor: Representative Rokeberg Component: Occupational Licensing
Requester: House Labor and Commerce Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	51.5	51.5	51.5	51.5	51.5	51.5
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	70.8	64.8	64.8	64.8	64.8	64.8

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

CHANGE IN REVENUES ()	135.6	0.0	129.6	0.0	129.6	0.0
-------------------------------	--------------	------------	--------------	------------	--------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS	70.8	64.8	64.8	64.8	64.8	64.8
TOTAL	70.8	64.8	64.8	64.8	64.8	64.8

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 27 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 is attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 1/30/2001 5:30p.m.
Approved by: Commissioner Deborah B. Sedwick Date 1/30/2001
Agency: Dept. of Community and Economic Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

HB 27: An Act relating to the licensure and registration of individuals who perform home inspections;....

Page 2 of 2

- 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., \$20.7

- 1/2 Investigator III position, Range 18A, \$30.8

PERSONAL SERVICES: \$51.5

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), \$3.9

Juneau Meeting, \$2.4

TRAVEL: \$6.3

-30 hours of AG legal time for regulations and license appeals, \$3.0

-Printing, postage, communication, and advertising costs, \$3.0

The contractual services total does not include any expenditures for purchase of a license examination.

This fiscal note assumes applicants will pay the testing service directly for the examination.

CONTRACTUAL SERVICES: \$6.0

To fund daily operating supplies of the program.

SUPPLIES: \$1.0

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

EQUIPMENT (one-time costs): \$6.0

TOTAL FISCAL NOTE: \$70.8

REVENUE & FUND SOURCE: Revenue will be generated by licensing fees sufficient to cover program costs. Licensing fees must cover direct costs (\$135,600.00) plus approximately \$100 per licensee for division/department indirect costs for the two-year period. Based on 100 licensees, licensing fees will be \$1,456.00 for the first biennium. If evidence indicates that 200 people will be licensed, the license fee will be \$778.00.

After the first license period, fees will be adjusted to reflect actual costs based on timekeeping and cost accounting.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 27(L&C)
 (H) Publish Date: 2/14/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: License Home Inspectors BRU: Alaska Housing Finance
 Component: Operations
 Sponsor: Rep. Rokeberg
 Requester: House Labor & Commerce Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Sections 4 and 5 amend AS 18.56.300 to qualify state-licensed home inspectors to approve the construction of homes for mortgage purchases by the Alaska Housing Finance Corporation. The current construction standard of inspection by individuals approved by the International Conference of Building Officials (ICBO) is also deleted on January 1, 2003.

 Costs envisioned would relate to education and outreach across the state to modify the home inspection process for mortgages purchased by AHFC. For example, homebuyers, realtors, homebuilders and mortgage lenders will need to be informed of the change in law to ensure minimal disruptions in closing home mortgage transactions. These activities can be adequately covered through regular annual budget authorizations.

Prepared by: John Bitney, Legislative Liaison Phone 330-8445
 Division: Alaska Housing Finance Corporation Date/Time 1/26/01 1:34 PM
 Approved by: Larry Persily, Deputy Commissioner Date Jan. 27, 2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

JUDICIARY COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

website: <http://www.akrepublicans.org/Rokeberg.htm>



INTERIM:
716 WEST 4TH AVENUE, SUITE 350
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

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

MEMORANDUM

TO: House Judiciary Committee

FROM: Rep. Norman Rokeberg *Norman/jp*

DATE: February 16, 2001

RE: CSHB 27 (L&C)

Attached are:

1. CSHB 27 (L&C)
2. Sponsor Statement
3. Sectional Analysis
4. AS 18.56.300
5. "State Home Inspector Licensing/Regulation" as of October 27, 2000, obtained from the American Society of Home Inspectors web site, <http://www.ashi.com>
6. "Should We Care Who the Buyer Chooses to Do a Home Inspection" by Rick Jarvis, from Realtor® News, September 1998.
7. "Home-inspection bill would help buyers" by Clair Ramsey, from the Anchorage Daily News, June 27, 1999
8. "Expert home inspections useful for buyer and seller" by Clair Ramsey, from the Anchorage Daily News, July 25, 1999
9. "Inspect the Inspector: Choosing the Right One Can Help Avoid Costly Mistakes" by Karen Crawford of HouseMaster, from Realtor® News, November 1999
10. "Anxiety Continues Over FHA Appraisal Reform" by Judy Kemplen of Alaska Mortgage Bankers Association, from Realtor® News, November 1999 [This is the issue I discussed in committee about HUD then wanting appraisers to do home inspectors].
11. Letters of Support:
 - a. Alaska Association of REALTORS®, INC.
 - b. Anchorage Board of REALTORS®, Inc.
 - c. Lessmeir & Winters

CS FOR HOUSE BILL NO. 27(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/14/01
Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the licensure and registration of individuals who perform home
2 inspections; relating to home inspection requirements for residential loans purchased or
3 approved by the Alaska Housing Finance Corporation; relating to civil actions by and
4 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; expenses.** (a) There is
10 created the Board of Home Inspectors consisting of five voting members and one
11 nonvoting member. Three voting members shall be licensed under this chapter and
12 shall have been engaged in the practice of home inspection in the state for three years
13 immediately preceding appointment, one voting member shall be a licensed real estate
14 broker, associate broker, or certified real estate appraiser, and one voting member shall

1 be a public member. The executive director employed by the Alaska Housing Finance
2 Corporation under AS 18.56.052, or a designee of the executive director, shall serve
3 ex officio as a nonvoting member of the board.

4 (b) The transportation expenses and per diem to which the nonvoting member
5 is entitled under AS 08.01.040 are the responsibility of the Alaska Housing Finance
6 Corporation and are not a regulatory cost of the board or the department under
7 AS 08.01.065(c).

8 **Sec. 08.57.020. General duties; powers.** (a) The board shall

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

19 (b) The board may adopt regulations to implement this chapter.

20 **Sec. 08.57.030. Meetings; quorum.** The board may meet by teleconference.
21 Three voting members constitute a quorum of the board.

22 **Article 2. Licensure.**

23 **Sec. 08.57.050. Licensure required.** (a) Unless exempt under AS 08.57.920
24 or serving lawfully as an associate home inspector under (b) of this section, an
25 individual may not perform a home inspection

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

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

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

1 individual

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

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

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

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

11 **Sec. 08.57.060. Qualifications.** (a) The board shall authorize the department
12 to issue a home inspector license for new construction, previously occupied
13 construction, or both, as appropriate, to an individual who

14 (1) passes the appropriate home inspection examination; the
15 examination must include a written portion; the examination may, as determined by
16 the board,

17 (A) use testing methodologies in addition to the written
18 portion;

19 (B) test for competency in relation to Alaska construction
20 techniques and other matters;

21 (C) be based on a recognized national examination or other
22 methodology;

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

25 (3) submits a complete application for licensure within one year after
26 passing the examination required under (1) of this subsection;

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

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

1 (6) is not the subject of an unresolved complaint or disciplinary action
2 before a regulatory authority in this state or in another jurisdiction; and

3 (7) pays the appropriate fees.

4 (b) A person may register with the board as an associate home inspector upon
5 application, payment of the required fee, and determination by the board that the
6 person

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

10 (2) has not had the authority to perform home inspections revoked in
11 this state or in another jurisdiction; and

12 (3) is not the subject of an unresolved complaint or disciplinary action
13 before a regulatory authority in this state or in another jurisdiction.

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

17 (b) A lapsed license may be reinstated within two years after the lapse upon
18 proof of continued competency, payment of a renewal fee for the period for which the
19 reinstated license will be valid, and payment of any penalty fee established under
20 AS 08.01.100(b). If the license has been lapsed for more than two years, the license
21 may not be reinstated until the individual also passes the appropriate home inspection
22 examination described in AS 08.57.060. A license may not be reinstated if the license
23 has been lapsed for more than five years.

24 (c) The license of an applicant whose license has been suspended or against
25 whom a fine has been imposed under this chapter may not be renewed until the period
26 of suspension has expired and any fine has been paid. A license that has been
27 suspended expires at the end of the period for which the license was issued, regardless
28 of whether the period of suspension has expired.

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

31 (1) licensure and renewal of licensure for a home inspector qualified to

1 inspect new construction;

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

4 joint licenses and renewal of joint licenses;

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

7 (5) examinations; and

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

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

13 **Article 3. Insurance Requirement.**

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

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

24 **Article 4. Activities of Home Inspectors.**

25 **Sec. 08.57.300. Identification requirements.** (a) Except as provided
26 otherwise by law, an individual who is licensed or registered under this chapter by one
27 name may not act in the capacity of a home inspector or associate home inspector
28 under any other name.

29 (b) All advertising and business cards prepared by a licensed home inspector
30 or associate home inspector for the home inspection business must show the
31 inspector's name, mailing address, and license or registration number.

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

6 (d) Regardless of whether they are exempt from licensure and registration
7 under AS 08.57.920, persons who perform home inspections may not hold themselves
8 out to be licensed home inspectors or use words or titles that may reasonably be
9 confused with the title of "licensed home inspector" unless they are licensed under this
10 chapter.

11 **Sec. 08.57.310. Pre-inspection document required.** Before performing a
12 home inspection, a licensee or an associate home inspector shall provide to the person
13 on whose behalf a home is inspected a written document specifying

14 (1) the scope of intended inspection; the scope of the intended
15 inspection may include systems and components that are not listed in
16 AS 08.57.990(3); and

17 (2) that the inspector will notify in writing the person on whose behalf
18 the inspection is being made of defects noted during the inspection along with a
19 recommendation, if any, that experts be retained to conduct further evaluation through
20 examination and analysis by a qualified professional, tradesperson, or service
21 technician beyond that provided by the home inspection to determine the extent of
22 defects and corrective action necessary to address the defects.

23 **Sec. 08.57.320. Conflict of interest must be disclosed.** (a) A licensed home
24 inspector who has a conflict of interest relating to a home inspection shall disclose that
25 conflict of interest at the time of initial substantive contact with the person requesting
26 the home inspection and confirm the conflict of interest in writing to the person
27 requesting the home inspection as soon as possible after the initial substantive contact.

28 (b) The failure of a licensee to disclose a conflict of interest as required under
29 this section does not give rise to a cause of action by a private person. However,

30 (1) the board may, under AS 08.57.400, impose a disciplinary sanction
31 for violation of this section; and

1 (2) nothing in this subsection may be construed to deprive a private
2 person of a cause of action if a violation of this section constitutes fraud, deceit, or
3 misrepresentation and the person suffered a loss as a result of the violation.

4 (c) In this section, "conflict of interest" is when

5 (1) a relative of the licensee or a person with whom the licensee has a
6 financial relationship has a present financial interest in the property being inspected or
7 considered for inspection; or

8 (2) the licensee receives compensation from someone other than a
9 party to the home inspection contract or another party having a financial interest in the
10 outcome of the home inspection.

11 **Sec. 08.57.330. Inspection report required.** After performance of a home
12 inspection, a licensed home inspector shall give a written home inspection report to
13 the person requesting the inspection. The written report must include a review of the
14 condition of each system and component identified as being within the scope of the
15 intended inspection under AS 08.57.310(1). In addition to the written inspection
16 report required under this section, an oral inspection report may be given by the home
17 inspector during or after the inspection.

18 **Article 5. Disciplinary Actions; Other Enforcement Mechanisms.**

19 **Sec. 08.57.400. Grounds for disciplinary sanctions or other license**
20 **decisions.** The board may take disciplinary action authorized under AS 08.01.075 or
21 refuse to grant or renew a license or registration under this chapter on a finding that

22 (1) the application is fraudulent or misleading;

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

25 (3) the individual is incompetent;

26 (4) the individual has engaged in fraudulent practices relating to home
27 inspection; or

28 (5) the individual has been under sentence in the preceding seven years
29 for an offense described in AS 08.57.060(a)(4) or (b)(1).

30 **Sec. 08.57.410. Administrative Procedure Act applicable.** The adoption of
31 regulations and proceedings under this chapter are governed by AS 44.62

1 (Administrative Procedure Act).

2 **Sec. 08.57.420. Injunction.** In addition to the powers granted under
3 AS 08.01.087(b), the board or the department may institute an action in the superior
4 court requesting the court to enjoin an individual from performing a home inspection
5 in violation of this chapter. In addition to other relief, the court may impose a civil
6 penalty of not more than \$500 for each violation. Each day that an unlawful act
7 continues constitutes a separate violation.

8 **Sec. 08.57.430. Violations.** (a) An individual who knowingly violates
9 AS 08.57.050 is guilty of a class B misdemeanor. A person who violates another
10 provision of this chapter is guilty of a violation punishable under AS 12.

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

13 **Article 6. Miscellaneous Provisions.**

14 **Sec. 08.57.800. Legal actions by home inspector.** An individual may not
15 bring an action in a court of this state for the collection of compensation for the
16 performance of a home inspection or for breach of a contract for which a license or
17 registration is required under this chapter without proving that the individual was a
18 licensed home inspector or registered associate home inspector at the time of
19 contracting for the performance of the work.

20 **Sec. 08.57.810. Legal actions against home inspector.** A person may not
21 bring an action against an individual licensed or registered under this chapter based on
22 a written home inspection report prepared by the inspector if the report is more than
23 180 days old or was unlawfully disclosed to the person bringing the action.

24 **Article 7. General Provisions.**

25 **Sec. 08.57.900. Prohibited acts.** (a) An individual licensed or registered
26 under this chapter may not

27 (1) perform or offer to perform, for an additional fee, repairs to a
28 subject property on which the home inspector or the home inspector's company has
29 prepared a home inspection report in the past 12 months;

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

1 property;

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

5 (4) without the written consent of the home inspection client or the
6 client's legal representative, disclose information from a home inspection report
7 prepared by the home inspector or the home inspector's company unless the disclosure
8 is made

9 (A) more than 180 days after the date of the report;

10 (B) to a subsequent client who requests a home inspection of
11 the same premises; or

12 (C) by the home inspector in an administrative or judicial
13 proceeding in which disclosure of the home inspection report is relevant to
14 resolution of the legal issues in the proceeding;

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

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

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

23 (b) Contractual provisions that purport to limit the liability of a home
24 inspector to the cost of the home inspection report are contrary to public policy and
25 void.

26 **Sec. 08.57.910. Limitation on activities.** A license or registration issued
27 under this chapter does not authorize the holder to perform an activity for which a
28 license is required under provisions of this title that are outside of this chapter.

29 **Sec. 08.57.920. Exemptions.** Notwithstanding other provisions of this
30 chapter, an individual who inspects a home is not required to be licensed or registered
31 under this chapter if the individual is

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

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

6 (3) registered as an engineer or architect under AS 08.48, prepares a
7 written report after the inspection, and either

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

9 or

10 (B) signs the report and puts the individual's registration
11 number on the report;

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

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

19 (6) registered as a general contractor with a residential contractor
20 endorsement under AS 08.18 and is performing only activities within the scope of that
21 registration;

22 (7) certified as any type of real estate appraiser under AS 08.87 and is
23 performing only activities that are authorized under that certification; or

24 (8) only determining whether a building complies with the thermal and
25 lighting energy standards required by AS 46.11.040.

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

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

28 (2) "department" means the Department of Community and Economic
29 Development;

30 (3) "home inspection" means a visual examination, performed in
31 accordance with standards of practice adopted by the board, of the readily accessible

1 parts of one or more of the following systems and components of a residence or
2 intended residence:

- 3 (A) heating and air-conditioning systems;
- 4 (B) plumbing and electrical systems;
- 5 (C) built-in appliances;
- 6 (D) roof, attic, and visible insulation;
- 7 (E) walls, ceilings, floors, windows, and doors;
- 8 (F) foundation and basement;
- 9 (G) visible interior and exterior structures;
- 10 (H) drainage to and from the residence;
- 11 (I) other systems or components as specified by the board in

12 regulations;

13 (4) "home inspector" means a person who performs or offers to
14 perform a home inspection;

15 (5) "joint license" means a license that authorizes an individual to
16 inspect both new construction and previously occupied residences;

17 (6) "knowingly" has the meaning given in AS 11.81.900;

18 (7) "real estate transaction" means the transfer or attempted transfer of
19 an interest in a unit of real property or an act conducted as a result of or in pursuit of a
20 contract to transfer an interest in a unit of real property;

21 (8) "residence" means

22 (A) a single-family home;

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

24 (C) a residential townhouse or residential condominium unit;

25 (9) "visual examination" means an examination performed in person at
26 the physical location of the residence unless a method other than personal physical
27 inspection has been approved by the Alaska Housing Finance Corporation under
28 AS 18.56.300(b).

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

30 (37) Board of Home Inspectors (AS 08.57.010).

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

1 (22) Board of Home Inspectors (AS 08.57.010) -- June 30, 2005.

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

3 (b) As a condition of a commitment to purchase or approve a loan under this
4 section for residential housing the construction of which begins after June 30, 1992,
5 the corporation shall require inspection of the unit of residential housing that is the
6 subject of the loan. The inspection must be performed by a municipal building
7 inspector, by a person who is approved or certified to perform residential inspections
8 by the International Conference of Building Officials or the International Association
9 of Electrical Inspectors, by an individual who is licensed or registered under
10 AS 08.57.050 to perform home inspections for new construction [OR, WHEN THE
11 UNIT OF RESIDENTIAL HOUSING IS LOCATED IN A RURAL AREA], by an
12 architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by
13 another person approved by the corporation. When the unit of residential housing is
14 located in a rural area, the person who makes the inspection may use methods other
15 than a personal physical inspection to make the inspection if the method is approved
16 by the corporation, and variations from the applicable code may be accepted at the
17 corporation's discretion, if the person authorized to inspect the unit under this
18 subsection satisfies the corporation that the variation does not adversely affect the
19 structural integrity of the unit or the health and safety of the residents. The person
20 who makes the inspection shall determine whether the construction conforms to
21 relevant provisions of the construction codes of the municipality or of the state
22 building code, as applicable, at each of the following stages of construction:

- 23 (1) plan approval;
24 (2) completion of footings and foundations;
25 (3) completion of electrical installation, plumbing, and framing;
26 (4) completion of installation of insulation;
27 (5) final approval.

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

29 (b) As a condition of a commitment to purchase or approve a loan under this
30 section for residential housing the construction of which begins after June 30, 1992,
31 the corporation shall require inspection of the unit of residential housing that is the

1 subject of the loan. The inspection must be performed by a municipal building
 2 inspector, [BY A PERSON WHO IS APPROVED OR CERTIFIED TO PERFORM
 3 RESIDENTIAL INSPECTIONS BY THE INTERNATIONAL CONFERENCE OF
 4 BUILDING OFFICIALS OR THE INTERNATIONAL ASSOCIATION OF
 5 ELECTRICAL INSPECTORS,] by an individual who is licensed or registered under
 6 AS 08.57.050 to perform home inspections, by an architect licensed under AS 08.48,
 7 by an engineer licensed under AS 08.48, or by another person approved by the
 8 corporation. When the unit of residential housing is located in a rural area, the person
 9 who makes the inspection may use methods other than a personal physical inspection
 10 to make the inspection if the method is approved by the corporation, and variations
 11 from the applicable code may be accepted at the corporation's discretion, if the person
 12 authorized to inspect the unit under this subsection satisfies the corporation that the
 13 variation does not adversely affect the structural integrity of the unit or the health and
 14 safety of the residents. The person who makes the inspection shall determine whether
 15 the construction conforms to relevant provisions of the construction codes of the
 16 municipality or of the state building code, as applicable, at each of the following
 17 stages of construction:

- 18 (1) plan approval;
- 19 (2) completion of footings and foundations;
- 20 (3) completion of electrical installation, plumbing, and framing;
- 21 (4) completion of installation of insulation;
- 22 (5) final approval.

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

- 24 (60) Board of Home Inspectors.

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

- 26 (43) violating AS 08.57.320, 08.57.330, or 08.57.900.

27 * Sec. 8. AS 18.56.300(c) is repealed.

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

30 APPLICABILITY. The change made by sec. 8 of this Act applies to causes of action
 31 that accrue on or after July 1, 2003.

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

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

7 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSITIONAL BOARD PROVISIONS. Notwithstanding AS 08.57.010, added by
10 sec. 1 of this Act, the three home inspectors appointed to the initial Board of Home Inspectors
11 are not required to be licensed as home inspectors before appointment but must be licensed as
12 home inspectors in order to be appointed or reappointed after expiration of their first term in
13 office.

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

16 TRANSITIONAL LICENSING PROVISIONS. (a) Notwithstanding AS 08.57,
17 added by sec. 1 of this Act, the Board of Home Inspectors shall issue a joint license that is
18 valid until January 1, 2004, to an individual who submits to the board satisfactory evidence of
19 being in the business of home inspection in the state at the time of application for a license
20 under this subsection and of having

21 (1) been in the business of home inspection in the state on October 1, 2000;
22 and

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

25 (b) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
26 Inspectors shall issue a license to practice home inspection of previously occupied residences
27 that is valid until January 1, 2004, to an individual who submits to the board satisfactory
28 evidence of being in the business of home inspection in the state at the time of application for
29 a license under this subsection and of having passed

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

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

3 (c) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
4 Inspectors shall issue a license to practice home inspection of new construction that is valid
5 until January 1, 2004, to an individual who submits to the board satisfactory evidence of being
6 in the business of home inspection in the state at the time of application for a license under
7 this subsection and of having passed the combination inspector examination or the
8 combination dwelling inspector examination given by the International Conference of
9 Building Officials.

10 (d) Notwithstanding AS 08.57, added by sec. 1 of this Act, the Board of Home
11 Inspectors shall grant registration as an associate home inspector that is valid until January 1,
12 2004, to an individual who submits to the board satisfactory evidence of being employed by
13 an individual who is in the business of home inspection and is licensed under this section or
14 under AS 08.57.

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

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

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

22 * **Sec. 13.** AS 08.57.050, 08.57.300 - 08.57.330, 08.57.430(a), 08.57.800 - 08.57.810,
23 enacted by sec. 1 of this Act, and the amendment of AS 18.56.300(b), made by sec. 4 of this
24 Act, take effect July 1, 2002.

25 * **Sec. 14.** Section 5 of this Act takes effect January 1, 2004.

26 * **Sec. 15.** Sections 8 and 9 of this Act take effect July 1, 2003.

27 * **Sec. 16.** Except as provided in secs. 13 - 15 of this Act, this Act takes effect immediately
28 under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

JUDICIARY COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

website: <http://www.akrepublicans.org/Rokeberg.htm>



INTERIM:
716 WEST 4TH AVENUE, SUITE 350
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative.Norman.Rokeberg@legis.state.ak.us
SPONSOR STATEMENT FOR CSHB 27 (L&C)

License Home Inspectors

TITLE: 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.

CSHB 27 (L&C) will protect consumers and the home inspection industry by licensing home inspectors in Alaska.

Currently, anyone can call himself or herself a home inspector and there is no state agency overseeing the industry. Consumers desire assurance that the home inspector they hire is competent, and that they have recourse against inspectors that are not. CSHB 27 (L&C) 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.

A faulty inspection could have serious consequences for consumers, practically 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 inspector report that is not more than 180 days old and/or unlawfully disclosed.

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

I would urge your support for this legislation.

ED2:02/16/2001

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

JUDICIARY COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

website: <http://www.akrepublicans.org/Rokeberg.htm>



INTERIM:
716 WEST 4TH AVENUE, SUITE 350
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0110

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465 2040

Representative Norman Rokeberg

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

SECTIONAL ANALYSIS CSHB 27 (FIN)

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

Prepared by Representative Norman Rokeberg

Section 1:

Article 1: Creates Board of Home Inspectors and sets forth membership and general duties. Permits Board to meet by teleconference and sets quorum requirement.

Article 2: Mandates that a license is required to be a home inspector unless a person is exempt under 08.57.920 of the bill or is a registered associate home inspector. Establishes qualifications for license. Establishes qualifications for license renewal and continued competency. Permits the department to establish fees for license and renewal of home inspector license or registration as an associate home inspector, examination fees, and publications and seminars.

Article 3: Sets forth the requirement that a home inspector must have and maintain certain insurance.

Article 4: Establishes identification and advertising requirements. Sets forth that a pre-inspection document is required and establishes that document shall contain. Establishes that a conflict of interest must be disclosed and defines "conflict of interest". Establishes that a written inspection report is required.

Article 5: Establishes the grounds for disciplinary sanctions or other license violations. Mandates that regulations and proceedings of the board are governed by the Administrative Procedures Act. Establishes that the board or department may institute action against a licensee to enjoin an individual from performing a home inspection in violation of the law. Sets forth the class of violation.

Article 6: Describes legal actions by the home inspector and legal actions against the home inspector.

Article 7: Lists prohibited acts. Establishes limitation on activities. Sets forth exemptions and definitions.

Section 2: Adds the Board to the list of boards and commissions in the centralized licensing statutes.

- Section 3:** Establishes a sunset date of June 30, 2005 for the Board.
- Section 4:** Amends current AHFC statute requiring a home inspection before certain loan commitments are made by AHFC. Adds licensed home inspectors to list of people qualified to accomplish an inspection and eliminates the distinction in current law for rural areas, thus allowing an architect, engineer, or other person approved by AHFC to qualify as a home inspector under the AHFC statute for all homes, not just those in rural areas.
- Section 5:** Amends same AHFC statute described in Section 4, but amendment does not take effect until January 1, 2004, so is set out separately. Would eliminate persons certified by the ICBO and IAEA from being qualified to do the AHFC inspections referred to in AS 18.56.300(b) as these individuals would now be under the home inspector license requirements.
- Section 6:** Adds Board of Home Inspectors to Administrative Procedures Act.
- Section 7:** Brings violations of 08.57.320 [disclosures of conflict of interest], 08.57.330 [home inspection report], or 08.57.900 [prohibited acts] under the "unfair trade practices" statutes.
- Section 8:** Repeals AS 18.56.300(c) effective July 1, 2003 (see Section 15).
- Section 9:** Establishes applicability of Section 8.
- Section 10:** Permits the new board to begin working on regulations immediately.
- Section 11:** Permits initial home inspector members of the board to be appointed before they are licensed as home inspectors.
- Section 12:** Provides for transitional licensing.
- Section 13:** Effective date for certain provisions of the legislation.
- Section 14:** Section 5 effective date is January 1, 2004.
- Section 15:** Sections 8 and 9 take effect July 1, 2003.
- Section 16:** Immediate effective date for remainder of legislation except as provides for in sections 13-15.

ED2:02/16/2001

Sec. 18.56.300. Construction standards for housing eligible for purchase of loans.

(a) The corporation may not make or purchase a housing loan for residential housing the construction of which begins after June 30, 1992, unless the seller of the mortgage loan complies with the provisions of this section and unless

(1) the unit is in compliance with the construction codes of the municipality, if the unit is located within a municipality that has adopted and enforces construction codes and each of those codes meets or exceeds the comparable standards for similar housing established by the state building code; or

(2) the unit is in compliance with the comparable standards for similar housing established by the state building code

(A) if the unit is located

(i) within a municipality whose construction codes do not meet the standards for similar housing established by the state building code;

(ii) within a municipality that does not enforce construction codes; or

(iii) outside a municipality; or

(B) as to each specific code within the construction codes of the municipality that has adopted and enforces construction codes if the specific code does not meet or exceed the comparable standard for similar housing established by the state building code.

(b) As a condition of a commitment to purchase or approve a loan under this section for residential housing the construction of which begins after June 30, 1992, the corporation shall require inspection of the unit of residential housing that is the subject of the loan. The inspection must be performed by a municipal building inspector, by a person who is approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association of Electrical Inspectors, or, when the unit of residential housing is located in a rural area, by an architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by another person approved by the corporation. When the unit of residential housing is located in a rural area, the person who makes the inspection may use methods other than a personal physical inspection to make the inspection if the method is approved by the corporation, and variations from the applicable code may be accepted at the corporation's discretion, if the person authorized to inspect the unit under this subsection satisfies the corporation that the variation does not adversely affect the structural integrity of the unit or the health and safety of the residents. The person who makes the inspection shall determine whether the construction conforms to relevant provisions of the construction codes of the municipality or of the state building code, as applicable, at each of the following stages of construction:

(1) plan approval;

(2) completion of footings and foundations;

(3) completion of electrical installation, plumbing, and framing;

(4) completion of installation of insulation;

(5) final approval.

(c) A person may not bring an action for damages based on a duty imposed by (b) of this section to inspect a residential unit unless the action is for damages caused by gross negligence or intentional misconduct.

(d) This section does not apply to a nonconforming housing loan made or purchased by the corporation.

(e) In this section,

(1) "construction codes" means, with reference to a municipality, the building, mechanical, plumbing, and electrical codes, or any of them that have been adopted and are enforced by the municipality;

(2) "rural area" means a community with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks;

(3) "state building code" means

(A) for building standards, the standards set out in the version of the Uniform Building Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(B) for mechanical standards, the standards set out in the version of the Uniform Mechanical Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(C) for plumbing standards, the minimum plumbing code adopted for the state under AS 18.60.705; and

(D) for electrical standards, the minimum electrical standards prescribed by AS 18.60.580.

(§ 2 ch 85 SLA 1990; am § 1 ch 29 SLA 1991; am §§ 1, 2 ch 52 SLA 1991; am § 99 ch 4 FSSLA 1992; am §§ 1, 2 ch 81 SLA 1994; am § 1 ch 2 SLA 1996)

Revisor's notes. Paragraph (e)(2) was enacted as (e)(3). Renumbered in 1994, at which time former (e)(2) was renumbered as (e)(3).

Effect of amendments. The first 1991 amendment, effective June 12, 1991, in former subparagraph (e)(2)(C) (now (e)(3)(C)), substituted "the publications identified as the minimum plumbing code" for "the minimum plumbing code adopted by the Department of Labor."

The second 1991 amendment, effective June 16, 1991, in the first sentences of subsections (a) and (b), substituted "June 30, 1992" for "June 30, 1991."

The 1992 amendment, effective July 1, 1992, in subsection (d), inserted "nonconforming" and "or purchased" and deleted "under AS 18.56.106" from the end.

The 1994 amendment, effective September 4, 1994, rewrote the second sentence in subsection (b) and added present paragraph (e)(2).

The 1996 amendment, effective May 30, 1996, in subparagraph (e)(3)(C), deleted "publications identified as the" following "plumbing standards, the" and inserted "adopted for the state."

Editor's notes. Section 3, ch. 85, SLA 1990, as amended by § 4, ch. 52, SLA 1991, provides that former AS 18.56.300(e)(2)(A) and (B) (now (e)(3)(A) and (B)) "are intended to assure that, for purposes of determining whether housing the construction of which begins after June 30, 1992, meets the building and mechanical standards under AS 18.56.300(a) and (b), enacted by § 2 of this Act, the standards set out in each of the following fully apply to residences containing fewer than four dwelling units, even though those

residences are excepted from regulation by AS 18.70.080(a)(2):

"(1) the Uniform Building Code, adopted for the state by 13 AAC 50.020(a);

"(2) the Uniform Mechanical Code, adopted for the state by 13 AAC 50.020(b)."

12-8-2006

From: www.ashi.com

American Society of Home Inspectors®

State Home Inspector Licensing/Regulation as of October 27, 2000



Alabama Registration. Under the "Alabama Home Inspectors Registration Act," home inspectors must show proof of liability insurance and show evidence of one of the following: 1) membership in and adherence to the ethical standards of ASHI or an equivalent professional body; 2) current approval or certification by the United States Veterans Administration, the United States Department of Housing and Urban Development, the Southern Building Code Congress International, or the Council of American Building Officials; 3) a high school diploma or its equivalent, work experience for at least one year as a home inspector, and completion of at least 100 home inspections for compensation; or 4) current licensure in Alabama as a general contractor, architect, structural engineer, or residential home builder.

Arizona Registration. Under the Arizona Home Inspector Registration Act, the State Board of Technical Registration (SBTR) administers registration requirements for home inspectors. The law establishes a process and requirements for registration and registration renewal as a home inspector. In addition, the law requires that registered home inspectors have one of the following financial assurances: a. Errors and Omissions in the amount of \$200,000 in the aggregate and \$100,000 per occurrence. b. \$25,000 bond or. c. Financial assurance mechanism with a value of at least \$25,000. The law states that a failure to obtain, or loss of, financial assurance is grounds for revocation of registration. The law allows a practicing home inspector to present evidence of sufficient experience to not have to obtain training through December 31, 2002. The act exempts individuals from course study requirements for registration that can provide evidence to the SBTR that they have performed 250 or more home inspections for compensation.

Arkansas Registration. Under the "Arkansas Home Inspector Registration Act," all home inspectors in the state must register with the Secretary of State. In addition, home inspectors must conduct all inspections in adherence to the ASHI Standards of Practice and Code of Ethics, the Arkansas Association of Real Estate Inspectors, or an equivalent professional home inspection association. The law prohibits inspectors from performing repairs on a structure he has inspected within the previous 12 months. In order to register under the law, an applicant must procure general liability insurance of at least \$100,000 and, if applicable, workers compensation insurance coverage. Home inspectors must also demonstrate a positive net worth, or provide a \$10,000 bond payable to the Secretary of State.

California Trade practice act. The law in California prohibits "unethical" home inspection practices, including repairing properties that home inspectors have inspected in the previous 12 months. The law encourages courts to consider the ASHI Standards of Practice and Code of Ethics and the California Real Estate Inspection Association when determining whether or not an inspection meets the required standard of care.

Connecticut Licensure. Connecticut law requires home inspectors to be licensed under the "Home Inspection Licensing Board." In order to be eligible for a home inspector license, an applicant shall: 1) have successfully completed high school or its equivalent; 2) have either been engaged as a home inspector intern for not less than one year and not performed less than 200 home inspections for compensation or have taken and successfully completed a board-approved training program, earned a home inspector intern permit, and performed not less than 100 home inspections under the direct supervision and in the presence of a licensed home inspector; 3) have passed an oral, written, or electronic competency examination; and 4) have paid a \$200 fee. In order to receive a permit as a home inspector intern, an applicant shall: 1) have successfully completed high school or its equivalent; 2) have enrolled in and completed a board-approved training program; 3) have an identified supervisor, who is licensed as a home inspector, is in good standing, and has agreed to perform the supervisory functions required; and 4) have paid a \$100 fee.

Georgia Trade practice act. Georgia law requires home inspectors to provide written documents containing certain information with regard to inspections. The documents must include the scope of the inspection, including the structural elements and systems to be inspected and, must state the inspection is a visual inspection, and that the home inspector will notify, in writing, the person on whose behalf such inspection is being made of any defects noted during the inspection.

Louisiana Licensure. HB 893 created the "Louisiana Home Inspectors Licensing Law." The bill created the Louisiana State Board of Home Inspectors within the Department of Economic Development, and it requires the Board to establish minimum qualifications for licensing and allows the Board to charge and collect fees. Applicants for licensure must be at least 18 years old and must have successfully complete high school or its equivalent, and must have passed the required examination. Applicants must also show evidence of successful completion of at least 120 hours of instruction, at least 30, but no more than 40 of which, must be in course work containing actual practical home inspections. Home inspectors are required to provide a written report of the home inspection, and are prohibited from, at the time of the inspection and for a reasonable time thereafter, advertising or soliciting to perform repair services on the home, which the inspection was performed. As a condition of renewal of a license, a home inspector must show evidence of completion of 20 hours of continuing education. Active licensees are required to carry errors and omission insurance, and the Board must establish a group insurance program.

Maryland Trade practice act. Maryland law requires home inspectors to disclose professional qualifications and the scope of the inspection within the home inspection contract. The law also requires home inspectors to conduct home inspections in accordance with the standards of practice set forth by a professional home inspection trade association such as ASHI or the National Association of Home Inspectors.

Massachusetts Licensure. Massachusetts's law requires home inspectors and associate home inspectors to be licensed under the Board of Registration of Home Inspectors. The Board is required to: 1) establish the requirements for licensure and for the standards of professional and ethical conduct; 2) establish standards for continuing education; 3) authorize and conduct examinations; 4) grant licenses to qualified applicants; and 5) establish penalties. The law also requires that the Director of the Office of Consumer Affairs and Business Regulation publish an informational brochure on home inspections, which must be issued to homebuyers at the signing of an offer to purchase. Licensed home inspectors must: 1) have successfully completed high school or its equivalent; 2) have been engaged as a licensed associate home inspector for not less than one year and have performed not less than 100 home inspections under the supervision of a licensed home inspector; 3) have passed a written or electronic competency examination; and 4) paid the appropriate fee. A licensed associate home inspector must: 1) have successfully completed high school or its equivalent; 2) have successfully completed a Board-approved training program; 3) have performed not less than 25 home inspections in the presence of a licensed home inspector; 4) have passed a written or electronic competency exam; 5) have an identified supervisor who is a person licensed in good standing as a home inspector; and 6) paid the appropriate fee. Licensed home inspectors and associate home inspectors must carry errors and omissions insurance in an amount not less than \$250,000. Also, a home inspector or associate home inspector may not attempt to limit liability for negligent or wrongful errors or omissions by use of a clause within a performance contract that limits the cost of damages from negligent or wrongful errors or omissions.

Montana Trade practice act. The Montana law (SB 210), the "Home Inspection Trade Practices Act," prescribes what elements must be identified in a home inspection and defines prohibited activities by a home inspector.

Nevada Certification. Nevada law provides for the certification of home inspectors of structures by the Real Estate Division of the Department of Business and Industry. Applicants must submit proof they have errors and omissions insurance of at least \$100,000 and general liability insurance of at least \$100,000. The

law also provides that a purchaser may not recover damages from a seller on the basis of an error or omission in the disclosure form that was caused by the seller's reliance upon information provided to the seller by a certified inspector of real estate.

New Jersey Licensure. The New Jersey's "Home Inspection Professional Licensing Act," sets specific educational and experience requirements in order to become a licensed home inspector. All home inspectors are required to: 1) complete high school or its equivalent; 2) serve as a licensed associate inspector for at least one year; 3) perform at least 250 inspections; 4) carry \$500,000 in insurance; and 5) pass the ASHI exam, in order to become a licensed associate home inspector under the law, an inspector must: 1) perform at least 50 inspections in the presence of a licensed inspector; and 2) pass the ASHI exam. Also, the law provides that, if home inspectors fail to disclose problems or accept payment from another party in the transaction, they can lose their license. Home inspectors are regulated by a five-member Home Inspection Advisory Committee housed under the State Board of Professional Engineers and Land Surveyors.

North Carolina Licensure. The North Carolina "Home Inspection Licensure Act" provides for the licensing and regulation of home inspectors through the creation of a Home Inspector Licensure Board within the Department of Insurance. In order to become licensed as a home inspector, an individual must pass the licensing examination prescribed by the Board, have minimum net assets or a bond in an amount determined by the Board (not less than \$5,000 nor more than \$10,000) and meet certain educational conditions, including: 1) have a high school diploma or its equivalent, have been engaged as a licensed associate home inspector for at least one year, and have completed 100 home inspections for compensation; 2) have education and experience the Board considers to be equivalent to that in subpart 1. above; or 3) be licensed as a general contractor, architect, or professional engineer. In order to become licensed as an associate home inspector, an individual must pass a licensing examination prescribed by the Board, have a high school diploma or its equivalent, and be affiliated with or intend to be affiliated with a licensed home inspector and submit a sworn statement by the licensed home inspector with whom the applicant is or intends to be affiliated certifying that the licensed home inspector will actively supervise and train the applicant.

Oregon Certification. The law in Oregon requires home inspectors to be certified under the Construction Contractors Board, and allows the Board to establish competency testing, training, and continuing education requirements. Also, home inspectors in Oregon are required to post bond and carry insurance under a law passed in 1992.

Rhode Island Trade practice act. The law in Rhode Island forbids home inspectors, pest control inspectors, and contractors from doing work on property that is inspected prior to real estate sales. The law was passed to help eliminate activities that could present a conflict of interest.

Licensure. The new Rhode Island legislation creates a home inspector licensing law and requires that all home inspectors be licensed. Home inspectors would be required to maintain \$250,000 of liability insurance and would be required to pass written examinations. This law will take effect on January 1, 2001.

South Carolina Licensure. South Carolina law requires any person desiring to be a licensed home inspector to file with the South Carolina Residential Builders Commission. A home inspector must show to the satisfaction of the Commission that he is currently certified as a home inspector by an organization recognized by the Commission, that he has a minimum of one year of experience as a home inspector under the supervision of a licensed inspector, and that he has performed a minimum of fifty residential inspections.

South Dakota Licensure. The South Dakota law provides for the regulation of home inspectors. The South Dakota Real Estate Commission shall issue and renew certificates to licensed and registered home inspectors pursuant to the provisions of this law. No person may provide a home inspection for compensation unless registered or licensed in the State of South Dakota. Applicants for a license as a home inspector shall meet the following requirements; 1) Good moral character; 2) Completion of high school or equivalency; 3) Employment as a registered home inspector for not less than one year and performance of not less than one hundred home inspections for compensation; 4) Successful completion of licensing exam. Applicants for registration as a home inspector shall meet the following requirements; 1) Good moral character; 2) Completion of high school or equivalency; 3) Successful completion of an approved course of study; 4) Successful completion of registration exam.

Tennessee Certification. Tennessee law only applies to the inspection of new construction and authorizes such inspections if the inspector is: 1) a licensed contractor; 2) certified by the state as a fire prevention officer or building official; 3) certified by the Southern Building Code Congress; 4) certified by the Home Inspectors of Tennessee Association; or 5) certified by ASHI. The law only applies to inspectors in certain counties in Tennessee.

Texas Licensure. The Texas licensure law provides for the examination of home inspectors and established continuing education requirements. The law also requires home inspector applicants to work as apprentice inspectors under the supervision of a professional licensed home inspector. If an applicant is unable to obtain an apprenticeship, educational coursework and an examination can be substituted. The Texas Real Estate Commission regulates home inspectors.

Wisconsin Certification. Under Wisconsin's law, home inspectors must register with the State and pass an examination approved by the Department of Regulation and Licensing. The law instructs the Department to consider the use of an examination modeled after ASHI's examination. The law also requires that a home inspector perform a "reasonably competent and diligent" inspection; however, the inspection is not required to be technically exhaustive. Home inspectors are prohibited from limiting their liability from damages resulting in a failure to conduct a "reasonably competent and diligent" inspection. Also, inspectors are prohibited from performing repairs, maintenance, or improvements to a structure that they have inspected within the last two years.



By Rick Jarvis, CRS, CRP
Associated Broker
Re/Max Properties

Should We Care Who the Buyer

Chooses to Do a Home Inspection?

Who are those guys who have so much influence on the residential real estate market? Their written reports and recommendations affect the buying and selling of millions of dollars worth of properties each year. But they are NOT state tested for knowledge, or licensed or regulated in any manner. Their reports and their opinions can and often do influence the decision making of buyers, lenders, appraisers, real estate agents, underwriters, contractors, and specialists of all kinds. Yet they are Not regulated in any manner.

Let me ask you a few questions: What is the purpose of a home inspection? What do you know about the background, experience and training of your favorite "home inspector?" Why should we care? As a Buyer's Agent, should we care who the buyer chooses to do a home inspection? As a Seller representative, should we question a home inspection report or depend upon the appraisers and lender to scrutinize these reports? Have you ever asked a home inspector to show you where his recommendations for repairs are supported by code or lender requirements?

Perhaps the most important question to ask a home inspector is: DO YOU HAVE ERRORS AND OMISSIONS INSURANCE? Could this be important information for a buyer, seller or real estate agent to know about? What if the home inspector makes a mistake? A few are trying to hold their liability to only the cost of the home inspection report. One home inspector said the reason he did not have E & O insurance was to avoid being sued. "That way they don't come after me." Gee. I wonder who a disgruntled buyer or seller will look to next?

Now don't get me wrong, and let me make it perfectly clear: I do believe that there is a vital place and purpose for home inspections within the scope of a real estate transaction. In fact I believe that almost every home inspector I have met tries his best to do a thorough and conscientious inspection.

After conducting an informal survey of home inspectors, the following observations were made:

1. *Every home inspector interviewed agreed that some*

form of reasonable and reliable regulation for home inspectors is needed.

2. *Only about half the home inspectors interviewed had Errors and Omission Insurance.*

3. *Three years was about the average time frame a home inspector has been in the business.*

4. *Most thought the American Society of Home Inspectors (ASHI) set the best standards and qualifications for a person to become a home inspector.*

5. *Most every home inspector had a construction, engineering or architectural background.*

6. *On average the home inspectors interviewed conducted between 125-175 home inspections a year.*

The demand for home inspections is ever increasing. Relocation companies are now requiring home inspections on the home purchase by transferee as a requirement for a "buy out" program when the employee is transferred again. Alaska Housing is planning to make home inspections "mandatory" for a buyer to sign. It makes buyers aware of the importance of a home inspection and asks them to indicate whether or not they will be obtaining a home inspection. Indeed, home inspections are becoming a normal routine for most residential transactions.

Let me suggest that all home inspectors organize themselves to become self-regulated. They should set the standards by which all home inspections are conducted and establish the qualifications to become a general home inspector in Alaska. They need to have continuing educational courses. They should have standardized written report forms. They need to have E & O Insurance. They should do this ASAP. And if they cannot organize themselves, then the Real Estate Commission, interested REALTOR® Boards, real estate agents, brokers, appraisers, home inspectors, banks and mortgage companies should create a task force to ask the State Legislature to regulate home inspectors.

In the meantime, what to do? Ask lots of questions -- E&O, background, experience, how report is structured, easy to understand, how long to receive, fees, liability, issues, etc. The Anchorage Board is looking for your input about this process. Please send your comments/recommendations: Fax - 563-8476.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Home-inspection bill would help buyers



CLAIR RAMSEY

Home inspections have become an intricate part of the home-buying process. As the importance of home inspection has increased, so have concerns of regulating this relatively new profession in Alaska. Legislation sponsored by state Rep. Norm Rokeberg, R-Anchorage, has taken on the job.

Rokeberg's proposal — HB207 — calls for state oversight of home inspectors similar to that applied to real estate agents, with licensing, bonding and educational requirements.

With input of local inspectors and the rest of the real estate industry, I hope that this proposal will be the guideline to ensure professional inspections provide adequate consumer protection with a minimal amount of government regulation.

Home inspections have also become a focal point for changes to the Federal Housing Authority's appraisal process. Andrew Cuomo, federal secretary of Housing

Please see Page C-2, RAMSEY

ADN
27 June 1999 C-1

RAMSEY: Bill would help buyers

Continued from Page C-1

and Urban Development, recently announced an initiative to provide extra protection to the more than 1 million families that obtain FHA-insured loans each year. FHA-insured loans allow buyers who may not qualify under other financing programs to purchase a house using a minimal amount of money up front (a little more than 3 percent of the purchase price).

Key aspects of the Homebuyer Protection Initiative include: 1) Educating consumers about appraisals and inspections; 2) mandatory testing of appraisers to ensure quality appraisals; and 3) uncovering significant hidden defects in houses before purchase by providing a more comprehensive appraisal.

The reason for the change in focus is in response to major defects in houses being sold that are not detected before the sale. A new home buyer who barely qualifies for a loan typically lacks cash to make major repairs. As a result, some buyers defaulted on their mortgages, filed for bankruptcy or both.

The FHA's Homebuyer Protection Initiative encourages buyers to obtain a home inspection and not rely solely on the appraisal. The agency believes the home inspection is so important it even allows the

The Homebuyer Protection Initiative encourages buyers to obtain a home inspection.

areas for deficiencies normally covered under a home inspection. Such areas include health and safety issues; electrical, heating and plumbing systems; the structural condition of the walls, ceilings and foundations, as well as other items.

To eliminate the liability inherent with working outside their area of expertise, one solution may be for appraisers to receive a copy of the home inspection before completing their appraisal. Because the inspection typically occurs before the appraisal, this is easy to do. If for any reason the appraisal is ordered first, the appraisers can complete the investigative work but hold back the appraisal until they can review the inspection report.

In an era of specialization, every aspect of buying a house needs to be dealt with by the proper professional. The lender provides the best financing to fit your needs, the appraiser determines value and the home inspector examines the property for soundness and safety. Doubling up on services is like asking the surgeon or anesthesiologist to do the other person's job. Not

1998	189,819,987	\$130,593,667	\$69.3
1995	218,001,719	\$170,029,398	\$90.3
1994	181,218,648	\$174,547,820	\$93.5
1993	218,071,180	\$145,328,506	\$77.5

But it wasn't enough. In fact, 1998 was an economic disaster for Bristol Bay fishermen. The 1998 year in a row.

Expert home inspections useful for buyer and seller



**CLAIR
RAMSEY**

Previously I discussed licensing of home inspectors (June 27, Page C-1). This time, let's focus on the actual home inspection. After a buyer and seller sign a purchase agreement on a home defining price and terms, the home inspection occurs. By the time the inspection report and buyer's request for repairs is delivered to the seller, the home typically has been off the market for two weeks.

In many cases the results of the inspection report reopen negotiations between buyer and seller. Negotiating on repairs can delay closing, and it rarely is resolved to the seller's liking. The lender and or appraiser also may require repairs of major items noted in the inspection before financing the home.

The home inspection report typically groups items between minor ongoing

maintenance and major repairs. Major repairs are of most concern to buyers and sellers alike. Major problem areas frequently include the roof, groundwater, furnaces and decks.

Let's start with the roof. What is the age and condition of the roof? Is the roof ventilated or non ventilated? Does the roof have an ice shield? If the roof is 2 to 3 years old, there should not be a problem. If the roof is 20 years old, per-

haps there are reasons for concern. Non ventilated roofs are subject to condensation problems not always visible on the home's interior. Ice shields help prevent infiltration of water when ice dams form in the winter months. Replacing or repairing a roof can be expensive.

Groundwater problems are a second

Please See Page C-5, RAMSEY

ADN 23 July 1999 p C-1

RAMSEY: Inspections focus on repairs.

Continued from Page C-1

area of concern. Is there evidence of water in the crawl space? How is water removed from the crawl space? Does your home have a sump pump? Does it pump into the city sewer — which is illegal — or to an outside drain? Does the ground outside slope away from the home, or toward it? Ground that slopes toward the house may send water into the crawl space or basement. The crawl space is an area where homeowners rarely look, unless a problem arises. Groundwater problems can also be expensive to repair.

The third problem area is the furnace. What is the condition of the furnace or forced-air heating systems? Does the furnace have a cracked heat exchanger? If it is 10 to 15 years old, it may have. This may necessitate a new furnace if the heat exchanger cannot be economically replaced.

As Anchorage ages, it becomes evident that many homes built in the late '70s and early '80s are not withstanding the test of time gracefully. Decks and bathrooms are typical areas of concern in older homes. Most decks were built with fir, and homeowners did not fully understand the upkeep required. Many of these decks are now rotting and require renovation or even complete replacement.

Bathrooms in older homes may also need

attention. Walls around tubs and showers may be showing evidence of deterioration as water penetrates through the grout between the tile to the sheet rock behind. Removing and replacing select tiles can be difficult, particularly when trying to match older ceramic tile. However, repairing either of these areas prior to putting your home on the market helps demonstrate that your property has been adequately maintained.

Before you sell your home, find out if you have a major problem. Don't worry about small items like ground-fault circuit interrupter outlets (GFCIs), seismic straps or hot water tanks. Focus on the bigger-cost items. If you have any concerns about these types of problems, address them before going on the market. Have your real estate agent recommend an inspector to check specific areas of concern. If you wait, it will be harder to get the buyers to adjust the sales price or participate in repairs after they make an offer. Completing repairs first may allow you to recover some of the expense with an increase in the sales price.

Clair Ramsey, CRS, is a local associate broker specializing in residential real estate. His opinion column appears every fourth Sunday. His e-mail address is ramsey@alaska.net.

INSPECT THE INSPECTOR: Choosing the Right One Can Help Avoid Costly Mistakes

by Karen Crawford, HouseMaster, 346-9190, hmalaska@pobox.alaska.net

Home buyer horror stories are plentiful: A new home owner finds the roof leaks during the first rain, the circuit breakers blow the first time everything gets plugged in, the furnace malfunctions during the first cold snap.

Buying a home is fraught with perils that are supposed to be eliminated with a professional home inspection. Unfortunately, such new homeowner nightmares can, and do, happen - even when a "professional" home inspector was called in to inspect the prospective home.

Many homebuyers think they are automatically protected against risk and liability when they order a home inspection. But home inspectors, unfortunately, are not all created equal.

There is so much riding on the inspection, yet many homebuyers don't know what qualifications they should be looking for in an inspection firm.

Inspection Industry Unregulated

There is no "official" regulation of the home inspection industry with regard to training, experience or insurance coverage, so credentials and credibility vary widely. It's the 'consumer beware' in this situation.

The home inspection industry grew out of a group of contractors, roofers and plumbers who supplemented their earnings during slow periods with inspections. These "independents" often did not have the complete knowledge of the total workings of a house and their findings were not always impartial.

Along with the boom real estate market in the 80s, the residential home inspection industry grew rapidly. Today, the consumer has the choice of hiring an independent inspector, who may or may not do it as a full-time profession, or go with an inspection company whose sole business is home inspections. These firms run the gamut from small "mom and pop" operations, to companies or franchise offices affiliated with a large national corporation. HouseMaster, with more than 230 offices across the U.S. and Canada, falls into the latter group.

Insurance & Training of Great Importance

Because there is no federal, state or provincial regulation of the home inspection industry, consumers need to know what to look for when hiring an inspector. While everyone - trained or not - is capable of making a mistake, the outcome can vary greatly depending on several key factors. Carrying the necessary insurance - called "Errors and Omissions (E&O)" insurance - is one of these critical factors.

In the event your buyer must bring a lawsuit against an uninsured inspector, chances are he'll simply go out of business and they will never collect the money needed for repairs, even if you win your case in court.

For inaximum benefit and liability protection for both buyers and sellers, HouseMaster advises that it is essential to hire a home inspection firm that employs inspectors with all of the following credentials:

*** Training and Technical Support:** training in all aspects of home inspection and ongoing support for questions and changes in residential construction techniques and systems.

*** Certification:** certification by a reputable training institute, which requires re-testing annually, such as The American Society of Home Inspectors (ASHI) or National Institute of Building Inspectors (NIBI).

*** Insurance:** insurance coverage, including general liability, worker's compensation and especially E and O insurance, which is like malpractice insurance

*** Written Guarantee:** a formal, written guarantee, which backs up the inspection findings.

If the inspector is missing any of these important credentials - particularly the E and O insurance - don't hire them. Even if they say they are certified, that does not guarantee that they have all the other credentials.

Large reputable companies have helped set many industry-accepted inspector requirements with their own stringent rules. HouseMaster, for example, requires all its franchise offices to carry Errors and Omissions insurance. It encourages all of its offices to have their inspectors trained and certified.

Engineer Versus General Inspector

Many engineers have been drawn to the inspection field as their industries have changed and scaled down, such as the defense industry or the aerospace industry. Consequently, there has been some confusion about whether to hire an 'engineer' or a 'general inspector'. But licensed engineers - even trained structural engineers - may not know a great deal about heating, plumbing, electrical systems or roofing. Hiring one for a home inspection is just like getting a heart specialist to do a general physical. Consumers should verify specifically what home inspection and experience training they have had in addition to their engineering background.

The biggest misconception is that structural problems can only be detected by a structural engineer. Properly trained inspectors are totally capable of detecting structural deficiencies.

In reality, the incidence of structural problems with resale homes is only around two percent, according to HouseMaster statistics. The highest incidence of problems, however, is with electrical wiring, water penetration, plumbing, heating and roofing, depending on the age of the home.

Is a structural engineer going to be able to find an electrical or heating system deficiency? These are serious and often expensive problems to be concerned with.

(Continued on Page 8)

(Continued from Page 7)

According to Warren Boroson, co-author with HouseMaster chairman Kenneth Austin of "The Homebuyer's Inspection Guide" available in bookstores, most homebuyers seem more comfortable dealing with people who have extensive home inspection experience, rather than those who have only advanced degrees. For example, an engineer may have studied aeronautical or chemical engineering, both of which offer no practical expertise in the systems that make a house work.

It's really critical to find a home inspector who is knowledgeable about all the systems within a home, is trained to look for symptoms of problems and keeps up to date on equipment and repair techniques. In the small percentage of cases where a structural condition is detected during an inspection, we may recommend further evaluation by a licensed engineer.

Proper Insurance Coverage Key Factor in the Litigious '90s

Critical to the home inspection is that the inspection firm or inspector carries all the proper insurance coverage. This helps ensure that the buyer is not financially responsible if the inspector makes an error (E&O), falls off the roof (Worker's Comp) or damages the seller's property in some way (General Liability).

Errors and Omissions insurance in real estate is the equivalent of malpractice insurance. This is very difficult insurance for home inspectors to obtain. If your buyers find an inspector who does not carry this type of insurance, it is usually an indication that the inspector has had no formal training, or has a poor track record in the industry.

Because of the cost of E and O insurance and the difficulty in qualifying for it, a small percentage of independent inspectors will carry it.

General liability insurance and worker's compensation is also extremely important. Without such coverage, the homebuyer assumes a large degree of liability for the safety and well being of the inspector while in the employ of the homebuyer during the inspection.

Independent Vs. Large Inspection Firm

There are other advantages to hiring a home inspector who works for an established company. National companies have set requirements for hiring, training, professionalism and insurance coverage; they have credibility and experience; and they can offer special services and technical support to customers and inspectors.

It is also important to ask whether the inspection firm will stand behind its inspection with a formal, written guarantee. HouseMaster, for example, includes in the inspection fee, a complimentary 90-day guarantee on the inspection for most of the major elements in the home that it found to be satisfactory at the time of the inspection.

In addition, its technical information center is available for buyers who want to know more about how to maintain or repair equipment in their home.

Educating homebuyers about the operation and maintenance of their new home is one of our main objectives. We encourage buyers to

(Continued on Page 14)

Finally

**A Tax Break
For
Self-Employed**

MSAs
(Medical Savings Accounts)
Passed by Congress
Signed by President

- a) \$ into MSA = 100% tax-deductible*
- b) \$ into health premium = 45% tax-deductible

For many self-employed, a) and b) combined will cost less than conventional health insurance.

The law is more detailed than we can describe here. For more information on getting a tax-advantaged MSA, call:

Lonnie Crosby
Phone: 907-248-6348
Fax: 907-243-7847

Happy Thanksgiving!

We extend our sincere *Thanks* for your valued business and *Best Wishes* for the holiday.



(Continued from Page 8)

come along on the inspection, ask questions and call our office afterwards. We also provide printed material and a free instructional videotape on home maintenance and repairs as part of our comprehensive inspection package.

When you consider the potential risk and liability involved with the purchase or sale of a home, it pays to shop for the best - not the cheapest - inspection service available in your area.

The Six Most Important Questions to Ask When Hiring A Home Inspector

1. Is home inspection your only business?

Make certain it is, in order to avoid any potential conflicts of interest. Many independent inspectors do it on a part-time basis to supplement their real businesses as contractors, roofers, etc., and their report findings might be suspect.

2. Do you carry all the necessary insurance, including professional liability (E&O), general liability and worker's compensation?

E&O is the number one priority, says Warren Boroson, co-author of the Homebuyer's Inspection Guide. This malpractice-type insurance protects the inspector (and indirectly the homebuyer and those referring the inspector) against post-inspection legal problems. General liability covers personal liability not covered by the basic E&O policy and worker's compensation covers the safety of the inspector during the inspection.

3. Does the home inspection firm offer a written guarantee on the inspection?

It's best to hire an inspection company that offers a formal, written guarantee along with the inspection, although not many do.

4. How long does the inspection take and can the homebuyer accompany the inspector?

Yes, they should. A professional inspection of the average house takes about two hours. Be skeptical of home inspectors who don't want you to tag along. Inspectors who invite the homebuyer along will often offer valuable maintenance tips.

5. What type of a report will they buyer receive and when will they receive it?

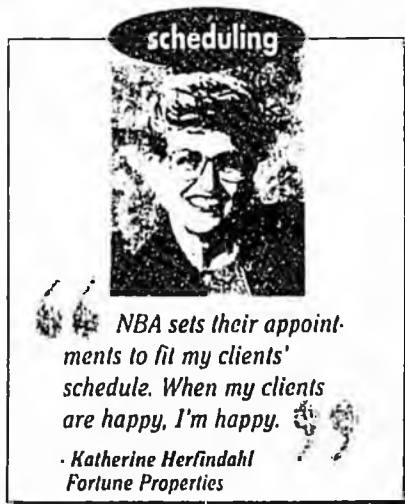
There are various types of reports given by professional inspectors, including typed narrative (sent to the homebuyer within a week), and on-the-spot written reports for those who need or want the information as soon as possible. Don't accept a verbal report without a written backup, since you will have no record of the inspector's findings for future referral.

6. Is the inspector trained or certified in home inspection by a recognizable organization, such as the American Society of Home Inspector's (ASHI)?

With no official government regulation of the home inspection industry required in Alaska, certification by ASHI ensures that the inspector meets strict guidelines set forth by one of the largest and most reputable home inspection organizations.

Real help for real estate pros.

We know the real estate world isn't an 8 a.m. to 5 p.m. business. Count on NBA for flexible and convenient mortgage loan service. Call us today at 257-3434.



National Bank of Alaska
Investing In Your Life



**COURSES BY CORRESPONDENCE
TWENTY HOURS
FOR
2000 LICENSE RENEWAL**

\$250

Need less than 20 hours? Call for Rates!

Broker Licensing & Training

Broker License Self-Study	\$125
Broker License Exam Prep Software	\$35
Broker Training 15 Required Hours	\$250

**Real Estate Associate Learning Systems
2600 Cordova Street, Suite 100
Anchorage, Alaska 99503**

**Kathleen Kowalczuk
360-1176**

**Anita Bates
243-8777**



REALTOR NEWS

Equal Housing Opportunity Notice • Federal law prohibits discrimination based on race, color, sex, religion or national origin in the connection with the sale or rental of residential real estate. REALTOR NEWS does not knowingly accept advertisements in violation of the law.

PUBLICATION OF THE ANCHORAGE BOARD OF REALTORS

November
1999

Anxiety Continues Over FHA Appraisal Reform



Judy Kemplen, President
Alaska Mortgage
Bankers Association
SVP, National Bank of Alaska

On August 1, 1999, the HUD "Homebuyer Protection Plan", a major reform of the FHA appraisal process, went into effect. According to HUD, the goal of the plan is to ensure that appraisers identify observable defects that could undermine the safety, marketability or security of the property. Secretary Cuomo initiated the plan after widespread publicity about FHA borrowers buying homes with serious property defects.

On August 20, 1999, Anchorage appraisers met with Realtors, lenders and the local HUD office to discuss concerns over the new appraisal process contained in a revised HUD Handbook. It appeared to those who reviewed the revised Handbook that FHA wanted appraisers to perform the work of home inspectors or engineers. In addition, appraisers were now subject to severe sanctions for non-compliance with the Handbook. After that meeting, finding an appraiser to accept an FHA assignment was about as difficult as finding an Alaskan voting "yes" on the Advisory Vote.

For the next thirty days, the leadership of the Anchorage Board of Realtors, Alaska Mortgage Bankers Association, and Anchorage Appraisal Institute worked with Senator Stevens office to obtain revisions to the HUD handbook.

That work culminated in a nationally distributed letter to Senator Stevens from FHA Commissioner William C. Apgar. In summary, the letter states:

- * HUD will not enforce sanctions against appraisers until March 1, 2000.
- * FHA is not asking appraisers to perform home inspections.
- * FHA will allow an FHA-insured loan to close on a snow-covered roof home.

Round One of the FHA Appraisal Reform Battle is now over with Alaskans claiming a victory;

Round One of the FHA Appraisal Reform Battle is now over with Alaskans claiming a victory; however, there is still much work to be done. Today's FHA appraisals are more expensive not only because appraisers are charging more, but often an appraiser must require additional inspections from others to meet FHA requirements. Alaska is not the only state to experience an increase in costs. Lenders around the country are seeing higher FHA appraisal charges; some appraisers are refusing to do FHA appraisals. Appraiser Boards in several states have issued warnings to their appraisers to exercise caution when completing an FHA appraisal assignment.

(Continued from Page 1)

In November, FHA will issue a revision to their appraisal Handbook. We are hopeful that this revision will contain meaningful changes that will restore affordability to an FHA loan. Approximately half of the loans originated in Alaska have FHA insurance. Our delinquency rate for FHA loans is 5.41% compared to the national average at 7.74%; the percentage of loans in foreclosure is .5% (national, 2.42%). Alaska's performance on FHA loans exceeds the national average considerably. Commissioner Apgar was quoted in the National Mortgage News on September 13, 1999, that "if fewer [FHA] loans are made, so be it -- as long as they are the right fewer loans". Commissioner Apgar may be willing to accept fewer FHA loans; however, the Alaskan real estate community is not. We understand the crucial role FHA plays in getting Alaskans into homes and we will continue to advocate for reasonable appraisal requirements that do not constitute yet another barrier to home ownership.

1999 Publications Committee

Chairperson: **Ruth Horton,**
Pacific Northwest Title Company

Members:

Linda Cardoza, GRI	Polar Realty, Inc.
John Blaine	Prudential Jack White Real Estate
Don McKenzie	Re/Max of Eagle River
Ethhann Oldham	Stewart Pacific Rim Title
Production:	Charles Emerson

NEW REALTOR® APPLICANTS

The following people have made application for membership to the Anchorage Board of REALTORS®. If a member objects to any of these applicants becoming a member of the board, such objection must be stated in writing and submitted to the board within 10 days of receiving this publication.

Connie Heyworth	Fortune Properties
Margie Hubbard	Prudential Vista Real Estate
Laura Lyons	Wiley Brooks Company
David Rodriguez	Prudential Jack White Real Estate

Computer Network Solutions

Honesty and Integrity is an important part of our team.

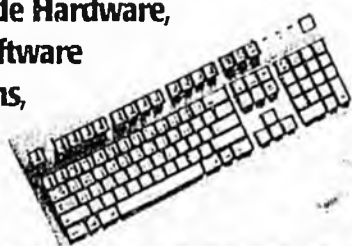


We work with people that expect the best in computer help.

Tom, Rosanne, Ron

**We Replace or Upgrade Hardware,
Install and Update Software
Troubleshoot Problems,
Set up email**

MLS Trained Technicians



907-250-1954

This Newsletter is a monthly publication of:

Anchorage Board of REALTORS®

741 Sesame Street, Suite 100

Anchorage, Alaska 99503

Telephone: (907) 561-2338 Fax: (907) 563-8476

1999 Officers and Directors:

President - **Bill Brady, CRS, GRI**
 President Elect - **Denny Wood, CRS**
 Vice President - **Eva Lokken, ABR, CRS, GRI**
 Secretary - **Michelle Coburn, CRS**
 Treasurer - **Greg Erkins, ABR, CRB, CRS**
 Past President - **Don McKenzie**

Anita Bates	Bernd Hoffmann, CCIM, CPM
John Blaine	Bill Minuse
Linda Cardoza, GRI	Ainslie Phillips
Gary Gearhart, CRS	Stephan Vlahovich
Elaine Girvan, CRS	LaVonne Vogt, ABR, CRS, GRI

Executive Officer
Sandy Forrest

Administrative Assistant
Charles Emerson

Materials reported in this publication are obtained from various sources which the Anchorage Board of REALTORS® believes to be reliable. Reasonable effort has been made to insure the accuracy of such material. The Anchorage Board of REALTORS® expressly disclaims any and all liability or responsibility arising directly or indirectly out of any discrepancy, error, mistake or omission in this publication. Opinions expressed in articles by individual authors and contributors are not necessarily the official opinion of the Anchorage Board of REALTORS®. Materials may not be reproduced in whole or in part in any form whatsoever without the expressed written permission of the Anchorage Board of REALTORS®.



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

January 16, 2001

JAN 16 2001

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

RE: HB 27 - Relating to the licensing of home inspections

Dear Representative Rokeberg,

The Alaska Association of REALTORS with over 1,100 members statewide supports House Bill 27 relating to the licensing of home inspectors.

We agree that there should be some minimum standards set forth in this bill to protect the consumer. Minimum standards should include but are not limited to testing, insurance, education and the forming of a home inspector bill.

The Association encourages the passage of HB 27 during the first session. We continue to be available as a resource to pass this bill. Please feel free to contact the Association at (907) 563-7133.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Brady', written over a horizontal line.

Bill Brady, CRS, GRI
President





**ANCHORAGE BOARD
OF REALTORS, INC.**

REALTOR® *The Voice for Real Estate™* In Anchorage

741 Sesame Street
Suite #100
Anchorage, Alaska 99503
(907) 561-2338
(907) 563-8476 Fax

January 16, 2001

JAN 16 2001

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

RE: HB 27 – Relating to the licensing of home inspections

Dear Representative Rokeberg,

The Anchorage Board of REALTORS with over 600 members statewide supports House Bill 27 relating to the licensing of home inspectors.

The Anchorage Board is in agreement with the Alaska Association that there should be minimum standards set forth for home inspectors to protect the consumer.

The Board encourages the passage of HB 27.

Sincerely,

Gary Gearhart
President



LESSMEIER & WINTERS

LAWYERS - LLC

MICHAEL L. LESSMEIER
GREGORY W. LESSMEIER
SHELDON E. WINTERS
COLBY J. SMITH

431 NORTH FRANKLIN STREET
SUITE 400
JUNEAU, ALASKA 99801-1186

TELEPHONE: (907) 586-5912
FACSIMILE: (907) 463-3020
E-MAIL: l-w@gci.net

February 2, 2001

Representative Norman Rokeberg
State Capitol
Juneau, Alaska 99801-1182

FEB 02 2001

Re: CSHB 27

Dear Representative Rokeberg:

I am writing to you on behalf of State Farm Insurance Companies. State Farm insures roughly 75,000 homes in Alaska. Creating a board of home inspectors and requiring licensure, registration and oversight of home inspectors will in a variety of ways only benefit home owners, prospective home purchasers, qualified home inspectors and the public in general. State Farm supports CSHB 27 and encourages its passage.

Sincerely,

LESSMEIER & WINTERS

By: 
Sheldon E. Winters

465-2040

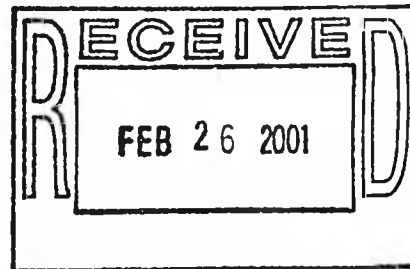


Alaska State Legislature

Please enter into the record my testimony to the (H) Jud
committee name
 committee on HB 27 . dated 2-23-2001
bill/subject

see attached

4 PAGES OF TESTIMONY.

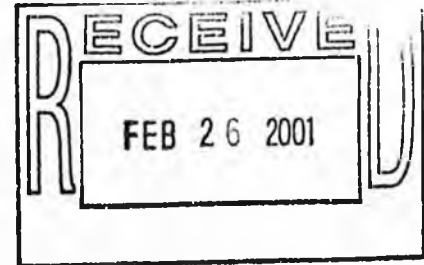


Signed: *SAV* (FRANCO VENUTI)
 Testifier

SELF
 Representing (Optional)
P.O. BOX #3652, HOMER, AK. 99603
 Address
907 235-7480 or 399-1550
 Phone No.

1 of 4

F. Venuti, P.O. Box # 3652, Homer, Alaska 99603
(907)235-7480 or 399-1550



February 24, 2001

House Judiciary Committee
Alaska State Legislature
Juneau, Alaska

In order to introduce myself, a statement of my qualifications is attached to this testimony.

Please enter the following testimony into the record regarding House Bill 27.

- I wish to comment about a letter from Carla Stanley which was introduced by Representative Rokeberg to the House Labor & Commerce Committee during that committee's hearings on this bill and which became part of the public record on Feb. 2nd. This letter is extremely insulting to me, contains a number of allegations that are not true and slanders my business reputation.

The letter refers to a civil case between the Stanleys and their builder, which went to binding arbitration in 1999. The arbitrator held the Stanleys liable. The Stanleys then appealed the arbitration. In 2000, the superior court also held the Stanleys liable. This case has been judged in two instances and set aside as having no merit, yet it is apparently being used as supporting evidence for this Bill. I was unaware of this letter when it was introduced and this Bill was moved out of that committee before I had a chance to review and comment about it. Since this letter slanders my reputation and refers to a case that has been found to be without merit, **I wish to take this opportunity to respectfully request that this letter be removed from the public record.**
- This case points out some interesting issues: The model codes are minimum standards only, not design ideals. **On new construction**, I often never meet the homeowners and never have any contact or a contract with them. My contract is normally with the builder. There are a number of builders that I inspect for on a regular basis. The quality of workmanship varies with their experience as well as with the price range that they build within. In the field, I cannot hold the builder to anything except minimum code standards. The home buyer usually does not understand this and often expects maximum standards. The reality of the market place is that the quality of a home is directly related to the budget. Unfortunately many new homebuyers have unrealistic expectations. Often, homeowners expect more than they pay for and naively assume that a \$130,000. home will have the same quality as a \$300,000. home. If the budget for a home only allows the structure to be built to minimum standards, **This is exactly what they get**, and sometimes they do not like it.

3. **On existing home transactions.** the final call on whether a home gets purchased usually falls on the real estate appraiser who evaluates a property based upon how it relates to the financing scenario. I might add that specific financing programs often have their own unique requirements and not all minimum code standards apply. In the typical home sale there are more people involved than just the buyer and the home inspector has to walk a fine line in order to keep the buyer, seller and realtor happy. In the real world, savvy inspectors write reports that please everybody and try not to squash any deals. This is because, in most instances, the realtor actually controls who does the inspection, they wisely only give referrals to inspectors who get positive results. In my experience, I have observed that if a buyer has his heart set on buying a specific home, he or she will do so irregardless of what an inspection report says about the property.

Existing home inspections and new construction inspections are two completely different issues. Somehow they need to be more clearly separated within this bill.

4. Regarding the text on page 4 line #1 (item 6 of Sec. 08.57.060) of this bill: which basically states that the board can refuse to issue a license to an individual who is the subject of an unresolved complaint.
What constitutes an unresolved complaint?
What if the complaint is without merit?
This statement has the potential of making it open season on Home Inspectors.

I support the intent of this bill, however, I do not think that, as it is written, it will eliminate homebuyer complaints. I think it will simply complicate issues.

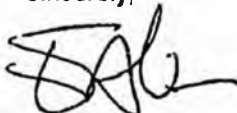
I submit that another more effective method of assuring homebuyer satisfaction is to require that homebuyers purchase new construction warranty insurance on new construction.

These programs already exist in the market place and would not require the layers of beauracracy and additional inspection costs to the consumer that this bill would entail.

Once again, I respectfully request that the Stanley letter be removed from the public record.

Thank you for giving me this opportunity to testify on this Bill.

Sincerely,



Franco Venuti
fcvenuti@xyz.net

Franco Venuti, P.O. Box # 3652, Homer, Alaska 99603
(907) 235-7480 or 399-1550

Qualification Statement

I have worked within the Alaskan construction industry as a licensed contractor, construction project manager, journeyman craftsman and building, fire/life safety inspector since 1978.

This experience has given me a realistic view of the management and budget processes involved in all types of construction, renovation and property maintenance/ facility repair projects.

I understand construction-funding procedures, job cost analysis, project crew management, fire and safety management (OSHA), commercial & residential code compliance as well as new and existing building inspection, evaluation and appraisal.

I am a certified ICBO Combination Dwelling Inspector (ICBO #865284-55).

In addition, I am a member of the FHA/HUD certified construction compliance panel (Insp.#3516) and also serve as the new and existing construction compliance inspector for the Veterans Administration on the Kenai Peninsula (Insp.#1004). My responsibilities in these positions involve performing plan reviews as well as on site inspections of new and existing residential and commercial properties on the lower and central Kenai Peninsula in order to assure compliance with the mandated parameters and minimum property standards of these Federal programs. My credentials permit me to perform all necessary inspections required to meet the criteria of the AHFC standards of new construction projects underwritten by this state agency.

I understand and use word processing, spreadsheet and data management programs and am Windows, Mac and Internet computer literate. I am very adept as CAD operator with the ability to draft detailed descriptive drawings as well as architectural and engineering plans in both two and three-dimensional planes. I am an excellent drafter and technical writer, am well organized and know how to communicate effectively with others.

Experience

For the past twenty-two years, I have worked in Alaska as a designer, contractor, renovator, and inspector. I had the opportunity to be involved in the design, management and construction of many residential, commercial and municipal projects. This would include: The Homer High School, The Bradley Lake Hydro-Electric Generating Facility and the South Peninsula Hospital. In 1980-81, our company built the Kachemak Community Center, including playground & picnic shelter. In 1983, I designed and built a three-store mall for the Anchor River Inn in Anchor Point. In 1984, I designed and built the Coal Point Monument. In 1985, I built the Port & Harbor offices addition. In 1991 & 1993, I completed two building renovation construction projects for the South Peninsula Mental Health Center.

In addition, during this period, I have been involved in numerous residential design, construction and renovation projects. An extensive list of clients could be provided if required.

I write a weekly column for the Homer News related to home maintenance, trade tips and code literacy.

I am a certified member of the International Conference of Building Officials (ICBO #865284-55), and am Handicap Access Literate with an understanding of the Americans with Disabilities Act of 1991.

I hold journeyman carpenter status with Carpenters Local 1281 and own a complete set of current codes.

Education

Boston Technical High School, Boston Mass. Graduate 1961
Northeastern University, Boston Mass. BBA Degree Program 1965-1969
Jordan Marsh Company, Boston Mass. Executive Training Program Graduate 1965
Cape Cod Community College, Barnstable Mass. 1971-1972.
Banff School of Fine Arts, Banff, Alberta, Canada 1973.
State of Alaska, Emergency Trauma Technician Training, Homer, AK. 1986.
Alaska Craftsman Building Energy Efficiency Standards Workshop. 1987.
Kenai Peninsula College, 1987-present.
AHFC / ICBO Inspector Training Workshop, Anchorage, AK. 1992.
Barrier Free Alaska Training Workshop (ADA Access) Homer, Ak. 1992.
FHA/HUD 203K Program Workshop, Anchorage, Ak. 1994.
AHFC- Residential Mechanical Ventilation Inspectors Workshop, Anchorage, AK. 1999.
ICBO- 1997 Uniform Building Code Inspectors Workshop, Anchorage, AK. 1998.
ICBO-Wood Inspection" Wood Framing" Inspectors Workshop, Anchorage, Ak. 1999.
ICBO- Load Path & Continuity in Engineered Wood Frame Inspectors Workshop, Anchorage AK. 2001.
ICBO- 2000 International Residential Code Inspectors Workshop, Anchorage, AK. 2001.
Continuing self education and improvement through hands on training as well as trade journals, periodicals & associated product literature.

References

Drew Scalzi , Alaska House of Representatives, Juneau AK. 465-2689
Karen Berg-Forrester, Coastal Realty Company, Homer 235-7700
Gail Phillips , Homer, AK. 235-6748
Jon Faulkner, Lands End Acquisition Corp., Homer 235-0400
Angie Newby, Homer Real Estate Associates, Homer, Alaska 235-5294
Dr. William Marley, DDS, Bayview Avenue, Homer AK. 235-8909
Sam Beachy , Beachy Construction Inc. , Homer, Alaska 235-8876
Robert Clutts, Anchor River Inn, Anchor Point, AK. 235-8390
Richard Rodriguez, VA Chief, Construction & Valuation, Anchorage, AK. 257-4700

I am a member of the Alaska Central Chapter ICBO, Anchorage, Alaska .
I am a member of the Homer ICBO Inspectors Group committee.
I served one term as a member of the Homer Public Library Advisory Board.
I currently serve as a member of the Boys & Girls Club of Homer Advisory Board.