

**HB**

**418**

**HFIN**

**FILE**



# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 418  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title Extending the Real Estate Commission RDU Occupational Licensing (117)  
Component Occupational Licensing  
Sponsor House Labor and Commerce  
Requester House Finance Component No. 2360

## Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	0.0	171.3	171.3	171.3	171.3	
Travel	0.0	21.2	21.2	21.2	21.2	
Contractual	0.0	79.3	79.3	79.3	79.3	
Supplies	0.0	1.6	1.6	1.6	1.6	
Equipment	0.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	
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## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156-Receipt Supported Services	0.0	273.4	273.4	273.4	273.4	
<b>TOTAL</b>	<b>0.0</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	<b>273.4</b>	

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

## POSITIONS

Full-time	0	2	2	2	2	
Part-time						
Temporary						

## ANALYSIS: (Attach a separate page if necessary)

The bill extends the Real Estate Commission to June 30, 2008. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the Commission to conclude its affairs. FY 2005 funding is included in the Operating Budget request. The costs shown for subsequent fiscal years reflect the direct costs included in the FY 2005 budget. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
Division Occupational Licensing Date/Time 3/25/04 6:26 PM  
Approved by: Edgar Blatchford, Commissioner Date 3/25/2004  
Agency Department of Community and Economic Development

Adopted  
4113104

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 418(L&C)

1 Page 1, following line 6:

2 Insert a new bill section to read:

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

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

6 (1) passes the appropriate home inspection examination; for purposes  
7 of this paragraph, the appropriate home inspection examination for an individual who  
8 applies to be registered for inspection of

9 (A) existing homes is the examination offered by the American  
10 Society of Home Inspectors, <sup>deleted</sup> [American Home Inspectors Training Institute] or  
11 National Association of Home Inspectors;

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

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

16 (3) submits a complete application for registration either

17 (A) within one year after passing the examination required  
18 under (1) of this subsection; or

19 (B) accompanied by documentation that the applicant has  
20 completed continuing education requirements established by the  
21 department; /

22 (4) within the seven years preceding the date of application, has not  
23 been under a sentence for an offense related to forgery, theft in the first or second

1 degree, extortion, or defrauding creditors or for a felony involving dishonesty;

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

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

7 (7) pays the appropriate fees."  
8

9 Renumber the following bill sections accordingly.  
10

11 Page 2, line 5:

12 Delete "The"

13 Insert "Each"

14 Following "licensee":

15 Insert "under this chapter"  
16

17 Page 2, following line 14:

18 Insert new bill sections to read:

19 "\* Sec. 6. The uncodified law of the State of Alaska enacted in sec. 44(a), ch. 134, SLA  
20 2003, is amended to read:

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

26 (1) been in the business of home inspection in the state on October 1,  
27 2002; and

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

31 \* Sec. 7. The uncodified law of the State of Alaska enacted in sec. 44(c), ch. 134, SLA

1 2003, is amended to read:

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

10 \* Sec. 8. The uncodified law of the State of Alaska enacted in sec. 44(f), ch. 134, SLA  
 11 2003, is amended to read:

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

16

17 Renumber the following bill sections accordingly.

18

19 Page 2, line 16:

20 Delete "a new subsection"

21 Insert "new subsections"

22

23 Page 2, following line 25:

24 Insert

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

27 \* Sec. 10. Section 44(e), ch. 134, SLA 2003, is repealed."

28

29 Renumber the following bill section accordingly.

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### SPONSOR STATEMENT FOR CSHB 418(L&C) BY: Representative Tom Anderson

**TITLE:** An Act extending the termination date of the Real Estate Commission; relating to real estate; relating to home inspectors; relating to real estate licensees; and providing for an effective date

AS 08.88.010 established the Real Estate Commission (REC) and provided for the appointment of members by the governor. The commission consists of five real estate brokers or associate brokers, one from each of the four judicial districts and two public members. CSHB 418(L&C), if enacted would extend the commission operation for another 4 years to June 30, 2008.

The commission serves the public interest by adopting regulations to carry out the laws governing the practice of real estate in Alaska. It approves education courses and instructors, makes final licensing decisions and takes disciplinary action against people who violate the licensing laws.

In the opinion of Legislative Audit, the REC should be extended. The regulation and licensing of real estate professionals provides necessary public protection in the buying and selling of residential and commercial properties. I recommend that the REC be extended to June 30, 2008, and urge you to vote for its passage.

The amendments made by the House Labor & Commerce Committee address two issues: home inspectors and requests from the Division of Occupational Licensing cleaning up statutory language.

The new Section 2 addresses the question of dual insurance. Current law requires each licensee to have insurance. This amendment indicates that if a licensee is covered under an employer's policy, there is no need for an individual policy.

New Sections 3 & 4, requested by the Division, clears up language regarding inactive real estate licenses and address notification.

New Section 5 addresses continuing education for a person who has a transitional home inspector license.

## **Sectional Analysis for CSHB 418(L&C)**

**Section 1.** This section extends the sunset for the Real Estate Commission to June 30, 2008..

**Section 2.** This section addresses the question of dual insurance. Current law requires each licensee to have insurance. This amendment indicates that if a licensee is covered under an employer's policy, there is no need for an individual policy.

**Sections 3 and 4.** These sections were requested by the Division of Insurance and clear up language regarding inactive real estate licenses and address notification.

**Section 5.** This section addresses continuing education for a person who has a transitional home inspector license.

**Section 6.** This section allows for the act to take effect immediately.

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

RULES COMMITTEE, CHAIRMAN  
LABOR & COMMERCE COMMITTEE, MEMBER  
LEGISLATIVE COUNCIL, MEMBER  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
LEGISLATIVE ETHICS COMMITTEE, MEMBER

website: <http://www.akrepublicans.org/rokeberg/>



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JUNEAU, AK 99801-1182  
PHONE: (907) 465-4968  
FAX: (907) 465-2040

## Representative Norman Rokeberg

e-mail: [Representative\\_Norman\\_Rokeberg@legis.state.ak.us](mailto:Representative_Norman_Rokeberg@legis.state.ak.us)

### MEMORANDUM

TO: Rep. Tom Anderson, Chairman  
House Labor & Commerce Committee

FROM: Rep. Norman Rokeberg 

DATE: March 1, 2004

RE: HB 418 – Real Estate Commission

The Division of Occupational Licensing has requested some additional amendments to House Bill 418. When you request a hearing in House Finance, would you be so kind as to forward 23-LS1548/H.1, Mischel, 3/1/04, to the Committee. The proposed amendment H.1 is attached.

Page 1, line 3, through page 2, line 7, is more language regarding home inspectors. This makes it very plain that the licensees do not need to take a new examination each time they renew licenses but that they do need to provide proof of continuing education.

Page 2, lines 11-15, makes some slight word changes ("The licensee" to "Each licensee" and reference to the chapter) in the notification language.

Page 2, line 17, through page 3, line 9: Insert reference to the "residential combination examination" along with the other exams listed in that uncodified law.

Page 3, lines 10-15, makes word changes to conform to the repeal of Section (e) as provided on page 3, line 27.

Page 3, lines 19-21, makes a word change to reflect changes in the amendment.

Page 3, lines 23-26: When we adopted language concerning home inspectors, we did not provide the Department with authority to collect transitional licensing fees. This

Memorandum re HB 418

March 1, 2004

Page 2

language does that. Without the language, no fee may be charged for transitional licenses.

Page 3, line 27, repeals language that indicates that a transitional license may not be renewed. It was my intent that transitional licenses could be renewed upon providing proof of continuing education, which this amendment and the items contained in the Labor & Commerce version of the bill will accomplish.

Your assistance is appreciated.

Attachment: Amendment H.1  
CSHB 418 (L&C)  
Referenced sections of HB 9



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February 23, 2004

The Honorable Norm Rokeberg  
Alaska House of Representatives  
State Capitol Building  
Juneau, Alaska 99801

RE: House Bill 418, extending the termination date of the Real Estate Commission

Dear Representative Rokeberg,

The Alaska Association of REALTORS is in favor of extending the termination date of the Real Estate Commission to June 30, 2008, rather than June 30, 2004.

The Association does not concur with the Division of Legislative Audit recommendations that the limits of reimbursement on surety fund claims increase from \$10,000 to \$20,000 per transaction and the associated maximum payment per licensee be increased to \$100,000.

Sincerely,

A handwritten signature in cursive script that reads 'Kathryn Clark'.

Kathryn Clark  
President

