

HB

9

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 9(L&C)
 (H) Publish Date: 1/31/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title An Act relating to the registration of BRU Occupational Licensing (117)
individuals who perform home inspections Component Occupational Licensing
 Sponsor Representative Rokeberg
 Requester House Labor and Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	53.1	53.1	53.1	53.1	53.1	53.1
Travel	0.0	0.0	0.0	0.0	0.0	0.0
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	66.1	60.1	60.1	60.1	60.1	60.1

CAPITAL EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009

CHANGE IN REVENUES (1156)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	126.2	0.0	120.2	0.0	120.2	0.0

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - 1156 Receipt Supported Services	66.1	60.1	60.1	60.1	60.1	60.1
TOTAL	66.1	60.1	60.1	60.1	60.1	60.1

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill creates mandatory registration of Home Inspectors in the State of Alaska. The bill provides for the Division of Occupational Licensing to administer the program without a board, and incorporates the registration within the provisions of AS 08.18, which is the Construction Contractor registration program. The Division of Occupational Licensing is required by statute to recover the cost of boards; the revenue would be collected every other year as a result of the biennial licensing cycle.

An explanation of the costs shown above is on page 2.

Prepared by: Rick Urion, Director Phone (907) 465-2538
 Division: Occupational Licensing Date/Time 1/29/03 8:52 AM
 Approved by: Edgar Blatchford, Commissioner Date 1/29/2003
 Agency: Department of Community & Economic Development

FISCAL NOTE No. 4

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. CSHB 9(L&C)

ANALYSIS CONTINUATION

HB 9: An Act relating to the registration of individuals who perform home inspections;....
Page 2 of 2

Total PERSONAL SERVICES: \$53.1

- Occupational Licensing Examiner I position, PPT, Range 12, \$22.0
- 1/2 Investigator III position, Range 18A, \$31.1

Total TRAVEL: \$0.0

Total CONTRACTUAL SERVICES: \$6.0

- 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.

Total SUPPLIES: \$1.0

To fund daily operating supplies of the program.

Total EQUIPMENT (one-time costs): \$6.0

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

TOTAL FISCAL NOTE: \$66.1

REVENUE & FUND SOURCE: Revenue will be generated by specialty contractors, home inspectors, and associate home inspectors licensing fees sufficient to cover direct and indirect program costs.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 9(L&C)
 (H) Publish Date: 1/31/03

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Home Inspectors/Contractors BRU: Labor Standards & Safety
 Component: Mechanical Inspection
 Sponsor: Representative Rokeberg
 Requester: House L&C Component Number: 346

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2003) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill relates to home inspections and licensed contractors which are functions of the Department of Community and Economic Development. The proposed changes to AS 08 do not affect the Department of Labor and Workforce Development. The department anticipates no fiscal impact.

Prepared by: Hall Denton, Acting Director Phone: 465-4855
 Division: Labor Standards & Safety Date/Time: 1/28/03 12:27 PM
 Approved by: Greg O'Claray, Commissioner Date: 01/28/03
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 9(L&C)
 (H) Publish Date: 1/31/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to the registration of individuals BRU Civil
who perform home inspections; . . ." Component Fair Business Practices
 Sponsor Representative Rokeberg
 Requester House Labor and Commerce Committee Component No. 2206

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HB 9 adds home inspectors as a licensed occupation regulated by the Division of Occupational Licensing. Any time a new profession is added to the occupational licensing statutes, new legal services may be required. For example, Department of Law assistance may be required in hearings resulting from the denial of a license or from license discipline. However, the amount of legal work that is likely to arise from the addition of this profession is not expected to be significant enough to cause a fiscal impact to the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370
 Division: Attorney General's Office Date/Time 1/29/03 1:43 PM
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 1/29/2003
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 9(L&C)
 (H) Publish Date: 1/31/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Home inspectors / contractors BRU: Alaska Housing Finance Corp.
 Component: Operations
 Sponsor: Rep. Rokeberg
 Requester: (H) Labor and Commerce Committee Component No.: 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

AS 18.56.300 is amended to establish a system for state-licensed home inspectors for the approval of homes for mortgage purchases by AHFC. The current construction standard is approved by the International Conference of Building Officials (ICBO).

Any AHFC costs of this new licensing program would relate to educational efforts regarding the changes to the home inspection process. For example, homebuyers, realtors, homebuilders and mortgage lenders will need to know of the new requirements to ensure minimal disruptions in closing home mortgage transactions. These activities can be adequately covered within AHFC's annual budget authorizations.

Prepared by: Bryan Butcher Phone 330-8445
 Division: Alaska Housing Finance Corporation Date/Time 1/28/03 12:23 PM
 Approved by: Larry Persily, Deputy Commissioner Date 1/28/2003
 Agency: Department of Revenue

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

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

Representative Norman Rokeberg

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

MEMORANDUM

To: House Finance Committee Members

From: Representative Norman Rokeberg

Date: February 19, 2003

Re: CS for HB 9 (23-LS0029\Q)

A handwritten signature in black ink, appearing to read "Norman Rokeberg".

The following changes were made in the CS now before you:

1. Page 1, Line 6:
Added language to the title reflecting the repeal in Section 41 of the bill.
2. Page 5, Line 27 & Page 6, Line 8:
Added a requirement that the home inspector put his registration number on the pre-inspection contract, as well as the final report.
3. Page 10, Lines 12 & 13:
Included exception to the statute of limitations for intentional acts or gross negligence by the home inspector.
4. Page 10, Line 15:
Rewrote subsection (c) to be in the affirmative. Only a party to the real estate transaction, or someone who received written permission to use the home inspection report can sue the home inspector.

Sec. 09.10.055. Statute of repose of 10 years.

(a) Notwithstanding the disability of minority described under AS 09.10.140(a), a person may not bring an action for personal injury, death, or property damage unless commenced within 10 years of the earlier of the date of

(1) substantial completion of the construction alleged to have caused the personal injury, death, or property damage; however, the limitation of this paragraph does not apply to a claim resulting from an intentional or reckless disregard of specific project design plans and specifications or building codes; in this paragraph, "substantial completion" means the date when construction is sufficiently completed to allow the owner or a person authorized by the owner to occupy the improvement or to use the improvement in the manner for which it was intended; or

(2) the last act alleged to have caused the personal injury, death, or property damage.

(b) This section does not apply if

(1) the personal injury, death, or property damage resulted from

(A) prolonged exposure to hazardous waste;

(B) an intentional act or gross negligence;

(C) fraud or misrepresentation;

(D) breach of an express warranty or guarantee;

(E) a defective product; in this subparagraph, "product" means an object that has intrinsic value, is capable of delivery as an assembled whole or as a component part, and is introduced into trade or commerce; or

(F) breach of trust or fiduciary duty;

(2) the facts that would give notice of a potential cause of action are intentionally concealed;

(3) a shorter period of time for bringing the action is imposed under another provision of law;

(4) the provisions of this section are waived by contract; or

(5) the facts that would constitute accrual of a cause of action of a minor are not discoverable in the exercise of reasonable care by the minor's parent or guardian.

(c) The limitation imposed under (a) of this section is tolled during any period in which there exists the undiscovered presence of a foreign body that has no therapeutic or diagnostic purpose or effect in the body of the injured person and the action is based on the presence of the foreign body.

(§ 2 ch 61 SLA 1967; am § 3 ch 28 SLA 1994; am § 5 ch 26 SLA 1997)

Cross references. For legislative findings in connection with the 1994 amendment of this section, and for applicability of those amendments, see §§ 1 and 4, ch. 28, SLA 1994 in the Temporary and Special Acts.

For a statement of legislative intent relating to the provisions of ch. 26, SLA 1997, see § 1, ch. 26, SLA 1997 in the 1997 Temporary and Special Acts. For severability of the provisions ch. 26, SLA 1997, see § 56, ch. 26, SLA 1997 in the 1997 Temporary and Special Acts.

Effect of amendments. The 1994 amendment, effective August 5, 1994, rewrote this section.

The 1997 amendment, effective August 7, 1997, rewrote this section.

Editor's notes. Section 55, ch. 26, SLA 1997 provides that the provisions of ch. 26, SLA 1997 apply "to all causes of action accruing on or after August 7, 1997."

NOTES TO DECISIONS

Constitutionality. - Section violates equal protection clause of Alaska Constitution because it bears no substantial relationship between exempting design professionals from liability, shifting liability for defective design and construction to owners and material suppliers, and the goal of encouraging construction. *Turner Constr. Co. v. Scales*, 752 P.2d 467 (Alaska 1988) (decided prior to the 1994 amendment).

Cited in *Moore v. Allstate Ins. Co.* 995 P.2d 231 (Alaska 2000).

Collateral references. What statute of limitations governs action by contractee for defective or improper performance of work by private building contractor, 1 ALR3d 914.

When statute of limitations begins to run on negligent design claim against architect, 90 ALR3d 507.

Validity and construction, as to claim alleging design defects, of statute imposing time limitations upon action against architect or engineer for injury or death arising out of defective or unsafe condition of improvement to real property, 93 ALR3d 1242.

Statutes of limitation - actions by purchasers or contractees against vendors or contractors involving defects in houses or other buildings caused by soil instability, 12 ALR4th 866.

1

adopted

AMENDMENT

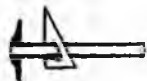
OFFERED IN THE HOUSE
TO: CS HB 9 () (23-LS0029\Q)

BY REPRESENTATIVE Foster

Page 7, Line 7, after "State,"

Delete: "Homebuilders"

Insert: "Home Building"



Husky Enterprises LLC

Building Inspections - Fire & Life Safety Consultants
Electrical & Mechanical Administrator
Heating, Mechanical & Building Maintenance
Construction Support Services

P.O. Box 790
Kotzebue, Alaska 99752-0790
(907) 442-3125
Fax / Ans. Machine 442-3888

February 19, 2003

Via FAX to (907) 465-4586

Rep. Reggie Joule
Alaska Legislature
State Capitol, Room 405
Juneau, Alaska 99801-1182

IN RE: HB-9

Dear Reggie:

I am writing today to express my concerns over the proposed legislation requiring licensing of private home inspectors. This bill, if it becomes law, will have a profound impact on individuals and lending institutions seeking inspections on new and existing homes in Kotzebue and other rural areas of Alaska.

I have been performing inspections of new and existing homes in Kotzebue for over 20 years. I hold 52 inspector certifications from ICBO, BOCA, and SBCCI. I am a registered construction inspector with the American Construction Inspectors Association in five categories that includes home construction. I have worked in the construction and facility management field for almost 40 years and been involved in over \$160 million in construction, most of it in Northwest Alaska. I am an AHFC/ICBO inspector and helped develop that program as a consultant and instructor back in the early 1990s.

To my knowledge, I am the only inspector living within the Northwest Arctic Borough performing new and existing home inspections in the Kotzebue and the outlying villages. The market for inspections is limited. I average 5-7 existing home inspections and 1-2 new inspections per year. This is only a small portion of my business with the balance of my work in commercial construction and inspections, fire investigations and other support activities. While I do only a few home inspections each year, they are important inspections and of value to the buyers, sellers and financial institutions involved.

What has not been brought out in the discussion of this legislation is that according to estimates provided by this bill's sponsors is that HB-9 will result in the licensing of only about 100 private home inspectors throughout the State. If this is true, then the cost of the \$65,000 per year program will result in a license that could cost every inspector \$650 or more per year.

Add to this the \$325 annual bond cost and \$750 to \$1000 a year in continuing education requirements and the result may reach \$1500 to \$2000 annually to be a licensed home inspector. This could add about \$200 to the cost of each home inspection I perform and likely reduce the number of people who are willing to pay for a home inspection. In turn, a reduction in the number of inspections will increase the cost per inspection for me to continue as a home inspector. It becomes a vicious cycle. I may be forced to cease doing home inspections.

If I stop performing home inspections because of the cost of licensing, a person or a financial institution wanting a home inspection in the borough will have to fly an inspector in from Anchorage or Fairbanks. This will add another \$600 to \$850 in travel costs to each home inspection.

There is no greater need for home inspections than in rural Alaska where many of the homes are constructed by inexperienced owner/builders, without the oversight of municipal building departments, inspections or permits. The few private home inspectors working in the rural areas of the State perform a valuable function. This bill will force some of them out of business and others to significantly raise their inspection fees.

This bill is advertised as consumer protection legislation. I fail to see how raising the cost of home inspections or making access to a home inspector more difficult protects the consumer. It is important to remember that new construction in Anchorage, Fairbanks, Juneau and other large cities will not be affected by this legislation because municipal inspectors are exempt from licensing under this bill. This bill only targets new construction in rural areas and only that construction which seeks AHFC financing.

At the very least this bill should have more publicity and input from lenders and residents in rural Alaska before it is considered for passage. The bill contains a number of technical flaws that require further examination. As the bill is presently written, it is not cost effective nor does it improve the quality of home inspections, it simply increases the cost.

I encourage you to oppose this legislation in its current form. Given the State's current fiscal crisis, we cannot afford new government regulation whose only purpose is to make more costly home ownership without materially improving the quality of that home.

Thank you for the opportunity to comment on HE-9. In the future, I hope to be able to provide more detailed comments on my concerns and suggestions for improving this legislation.

Sincerely,



C. M. "Sandy" Huss, RCI
Construction Inspector
AHFC/ICBO Inspector

CMH: DM

N/O.
adopted 2/20/03

23-LS0029\Q
Lauterbach
2/19/03

CS FOR HOUSE BILL NO. 9()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES ROKEBERG, Hawker, Crawford

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the registration of individuals who perform home inspections;
 2 relating to regulation of contractors; relating to registration fees for specialty
 3 contractors, home inspectors, and associate home inspectors; relating to home inspection
 4 requirements for residential loans purchased or approved by the Alaska Housing
 5 Finance Corporation; relating to civil actions by and against home inspectors and to
 6 civil actions arising from residential unit inspections; repealing a law that limits liability
 7 for damages based on a duty to inspect a residential unit to damages caused by gross
 8 negligence or intentional misconduct; and providing for an effective date."

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

10 * **Section 1.** AS 08.01.010(12) is amended to read:

11 (12) regulation of construction contractors and home inspectors under

12 AS 08.18;

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1 * Sec. 2. AS 08.01.065(c) is amended to read:

2 (c) Except as provided in (f) - (i) [(f) - (h)] of this section, the department shall
3 establish fee levels under (a) of this section so that the total amount of fees collected
4 for an occupation approximately equals the actual regulatory costs for the occupation.
5 The department shall annually review each fee level to determine whether the
6 regulatory costs of each occupation are approximately equal to fee collections related
7 to that occupation. If the review indicates that an occupation's fee collections and
8 regulatory costs are not approximately equal, the department shall calculate fee
9 adjustments and adopt regulations under (a) of this section to implement the
10 adjustments. In January of each year, the department shall report on all fee levels and
11 revisions for the previous year under this subsection to the office of management and
12 budget. If a board regulates an occupation covered by this chapter, the department
13 shall consider the board's recommendations concerning the occupation's fee levels and
14 regulatory costs before revising fee schedules to comply with this subsection. In this
15 subsection, "regulatory costs" means costs of the department that are attributable to
16 regulation of an occupation plus

17 (1) all expenses of the board that regulates the occupation if the board
18 regulates only one occupation;

19 (2) the expenses of a board that are attributable to the occupation if the
20 board regulates more than one occupation.

21 * Sec. 3. AS 08.01.065 is amended by adding a new subsection to read:

22 (i) Notwithstanding (c) of this section, the department shall establish fee levels
23 under (a) of this section so that the total amount of fees collected by the Department of
24 Community and Economic Development for specialty contractors, home inspectors,
25 and associate home inspectors approximately equals the total regulatory costs of the
26 department for those three registration categories. The department shall set the fee
27 levels for the issuance and renewal of a certificate of registration issued under
28 AS 08.18 so that the fee levels are the same for all three of these registration
29 categories and so that the fee level for a home inspector with a joint registration is not
30 different from the fee level for a home inspector who does not have a joint
31 registration. In this subsection, "joint registration" has the meaning given in

1 AS 08.18.171.

2 * Sec. 4. AS 08.18.011 is amended to read:

3 **Sec. 08.18.011. Registration required.** (a) A person may not submit a bid or
4 work as a contractor until that person has been issued a certificate of registration as a
5 contractor by the department. A partnership or joint venture shall be considered
6 registered as a contractor if one of the general partners or venturers whose name
7 appears in the name under which the partnership or venture does business is registered
8 as a contractor.

9 (b) A general contractor may not use a bid or proposal from, award a bid or
10 proposal to, contract with, or allow a person required to be registered under this
11 chapter to work for the general contractor as a specialty contractor unless the person is
12 registered as a specialty contractor under this chapter.

13 * Sec. 5. AS 08.18.011 is amended by adding new subsections to read:

14 (c) Unless exempt under AS 08.18.156 or serving lawfully as an associate
15 home inspector under (d) of this section, an individual may not perform a home
16 inspection

17 (1) for a residence not previously occupied as a residence unless that
18 individual is registered as a home inspector for new homes under this chapter;

19 (2) for a residence previously occupied as a residence unless that
20 individual is registered as a home inspector for existing homes under this chapter.

21 (d) Notwithstanding (c) of this section, an individual who is not registered as a
22 home inspector under this chapter may perform a home inspection as an associate
23 home inspector if the individual

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

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

28 (e) A registered home inspector who employs an associate home inspector
29 under (d) of this section is liable for the work done by the associate home inspector.

30 (f) An individual who holds a joint registration for home inspection is
31 considered to be registered as both a home inspector for new homes and a home

1 inspector for existing homes.

2 * **Sec. 6.** AS 08.18.021(a) is amended to read:

3 (a) An applicant for registration as a contractor **or home inspector** shall
4 submit an application under oath upon a form to be prescribed by the commissioner
5 and **that** [WHICH] must include the following information pertaining to the applicant:

6 (1) **the applicant's** [EMPLOYER] social security number;

7 (2) **if applying to be a registered contractor, the** type of contracting
8 activity, whether a general or a specialty contractor and, if the latter, the type of
9 specialty;

10 (3) **if applying to be a registered home inspector, whether the**
11 **applicant is applying to inspect new homes or existing homes, or both:**

12 (4) **if applying to be a registered contractor,** the name and address of
13 each partner if the applicant is a firm or partnership, or the name and address of the
14 owner if the applicant is an individual proprietorship, or the name and address of the
15 corporate officers and statutory agent, if any, if the applicant is a corporation; **and**

16 (5) **if applying to be a registered home inspector, the name and**
17 **address of the applicant.**

18 * **Sec. 7.** AS 08.18 is amended by adding new sections to read:

19 **Sec. 08.18.022. Home inspectors; associate home inspectors.** (a) The
20 department shall issue a certificate of registration as a home inspector for new homes,
21 existing homes, or both, as appropriate, to an individual who

22 (1) passes the appropriate home inspection examination; for purposes
23 of this paragraph, the appropriate home inspection examination for an individual who
24 applies to be registered for inspection of

25 (A) existing homes is the examination offered by the American
26 Society of Home Inspectors, American Home Inspectors Training Institute, or
27 National Association of Home Inspectors;

28 (B) new homes or for a joint registration is the examination
29 offered by the International Conference of Building Officials;

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

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

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

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

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

11 (7) pays the appropriate fees.

12 (b) An individual may register with the department as an associate home
13 inspector upon application, payment of the required fee, and determination by the
14 department that the individual

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

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

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

23 **Sec. 08.18.023. Pre-inspection documents and inspection reports.** (a)
24 Before performing a home inspection, a registered home inspector or associate home
25 inspector shall provide to the person on whose behalf a home is inspected a written
26 document that includes the home inspector's registration number and that specifies

27 (1) the scope of intended inspection; the scope of the intended
28 inspection may include systems and components that are not listed in
29 AS 08.18.171(12); and

30 (2) that the inspector will notify in writing the person on whose behalf
31 the inspection is being made of defects noted during the inspection along with a

1 recommendation, if any, that experts be retained to conduct further evaluation through
2 examination and analysis by a qualified professional, tradesperson, or service
3 technician beyond that provided by the home inspection to determine the extent of
4 defects and corrective action necessary to address the defects.

5 (b) After performance of a home inspection, a registered home inspector or
6 associate home inspector shall give a written home inspection report to the person
7 requesting the inspection. The written report must include the home inspector's
8 registration number and a review of the condition of each system and component
9 identified as being within the scope of the intended inspection under (a) of this section
10 except that a home inspector's written report for new construction that is the subject of
11 a loan by the Alaska Housing Finance Corporation or another lender may be in the
12 form required by the corporation or other lender, as appropriate.

13 (c) In addition to the written inspection report required under (b) of this
14 section, an oral inspection report may be given by the inspector during or after the
15 inspection.

16 (d) A home inspection report is valid for 180 days after the date the home
17 inspector signs and dates the report.

18 * Sec. 8. AS 08.18.031(a) is amended to read:

19 (a) Except as provided in (c) of this section, a [A] certificate of registration
20 shall be renewed under the same requirements as for an original registration, and the
21 [. THE] commissioner shall issue to the applicant a certificate of registration upon
22 compliance with the registration requirements of this chapter.

23 * Sec. 9. AS 08.18.031 is amended by adding a new subsection to read:

24 (c) A certificate of registration as a home inspector may not be renewed unless
25 the home inspector has complied with the continuing competency requirements
26 established by the department. The department shall adopt regulations establishing the
27 continuing competency requirements. The department shall require at least eight
28 hours of continuing competency activity for each licensing period. The regulations
29 must provide that a continuing competency activity approved by one of the following
30 entities satisfies the continuing competency requirements of this subsection if the
31 activity meets the requirements established by the department in regulations adopted

1 under this subsection:

- 2 (1) Alaska Housing Finance Corporation;
- 3 (2) University of Alaska;
- 4 (3) American Society of Home Inspectors Alaska Chapter;
- 5 (4) a chapter of the International Conference of Building Officials
- 6 Alaska;
- 7 (5) Alaska State Homebuilders Association; or
- 8 (6) a state agency that offers an activity that meets the requirements set
- 9 by the department.

10 * Sec. 10. AS 08.18.041 is amended to read:

11 **Sec. 08.18.041. Fees.** (a) The department shall set fees under AS 08.01.065
12 for

13 (1) registration and renewal of registration for all categories of
14 contractors;

15 (2) registration and renewal of registration for a home inspector
16 qualified to inspect new homes;

17 (3) registration and renewal of registration for a home inspector
18 qualified to inspect existing homes;

19 (4) joint registration and renewal of joint registration for home
20 inspectors;

21 (5) registration and renewal of registration as an associate home
22 inspector;

23 (6) examinations for applicants for home inspector registration;

24 (7) examination, issuance of initial endorsement, and renewal of active
25 or inactive endorsements for residential contractors; and

26 (8) [(3)] departmental publications and seminars related to this chapter.

27 (b) A person who fails a residential contractor examination or home
28 inspector examination shall pay the examination fee set by the department if the
29 person applies to retake an examination.

30 * Sec. 11. AS 08.18.051(a) is amended to read:

31 (a) Except as provided otherwise by law, a person who has registered as a

1 **contractor** under one name as required by this chapter may not act in the capacity of a
2 contractor under any other name unless that name also is registered.

3 * **Sec. 12.** AS 08.18 is amended by adding a new section to read:

4 **Sec. 08.18.053. Identification requirements for home inspectors.** (a)

5 Except as provided otherwise by law, an individual who is registered as a home
6 inspector or associate home inspector under this chapter by one name may not act in
7 the capacity of a home inspector or associate home inspector under any other name.

8 (b) All advertising and business cards prepared by a registered home inspector
9 or associate home inspector for the home inspection business must show the
10 inspector's name, mailing address, and registration number.

11 (c) Individual registered home inspectors and partners, associates, agents,
12 salespeople, solicitors, officers, and employees of registered home inspectors shall use
13 their true names and addresses and the true name of the home inspecting firm at all
14 times while acting in the capacity of a registered home inspector or performing related
15 activities.

16 (d) Individuals who are exempt from registration under AS 08.18.156(a) or
17 whose actions are not considered to be home inspections under AS 08.18.156(b) may
18 not hold themselves out to be registered home inspectors or use words or titles that
19 may reasonably be confused with the title of "registered home inspector" unless they
20 are registered as a home inspector under this chapter.

21 * **Sec. 13.** AS 08.18.061 is amended to read:

22 **Sec. 08.18.061. Requirements of political subdivision.** A contractor **or**
23 **home inspector** who is registered with the state under this chapter may not be
24 required to give bond in applying for or holding a license issued by a political
25 subdivision **for a similar occupation.**

26 * **Sec. 14.** AS 08.18.071(a) is amended to read:

27 (a) Each applicant shall, at the time of applying for a certificate of registration,
28 file with the commissioner a surety bond running to the state conditioned upon the
29 applicant's promise to pay all

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

31 (2) persons furnishing labor or material or renting or supplying

1 equipment to the applicant; and

2 (3) amounts that may be adjudged against the applicant by reason of
3 negligent or improper work or breach of contract in the conduct of the contracting
4 business or home inspection activity, as applicable, or by reason of damage to
5 public facilities occurring in the course of a construction project.

6 * Sec. 15. AS 08.18.071(b) is amended to read:

7 (b) If the applicant is a general contractor, the amount of the bond shall be
8 \$10 000; if the applicant is a mechanical or specialty contractor or home inspector,
9 the amount of the bond shall be \$5,000. In lieu of the surety bond the applicant may
10 file with the commissioner a cash deposit or other negotiable security acceptable to the
11 commissioner in the amount specified for bonds.

12 * Sec. 16. AS 08.18.081(a) is amended to read:

13 (a) Except as provided in AS 08.18.085, a [A] person having a claim against
14 a contractor or home inspector for any of the items referred to in AS 08.18.071 may
15 bring suit upon the bond in the district court of the judicial district in which venue lies.
16 A copy of the complaint shall be served by registered or certified mail upon the
17 commissioner at the time suit is filed, and the commissioner shall maintain a record,
18 available for public inspection, of all suits commenced. Two additional copies shall
19 be served upon the director of the division of insurance with the payment to the
20 director of a fee set under AS 21.06.250, taxable as costs in the action. This service
21 upon the director shall constitute service on the surety, and the director shall transmit
22 the complaint or a copy of it to the surety within 72 hours after it has been received.
23 The surety upon the bond is not liable in an aggregate amount in excess of that named
24 in the bond, but in case claims pending at any one time exceed the amount of the bond,
25 the claims shall be satisfied from the bond in the following order:

26 (1) labor, including employee benefits;

27 (2) taxes and contributions due the state, city, and borough, in that
28 order;

29 (3) material and equipment;

30 (4) claims for breach of contract;

31 (5) repair of public facilities.

1 * **Sec. 17.** AS 08.18 is amended by adding a new section to read:

2 **Sec. 08.18.085. Legal actions against home inspector.** (a) Notwithstanding
3 contrary provisions of AS 08.18.081 or AS 09.10, a person may not bring an action
4 against an individual registered under this chapter based on a home inspection report
5 unless the action is commenced within

6 (1) two years after the date of the home inspection report if the report
7 related to a new home; and

8 (2) one year after the date of the home inspection report if the report
9 related to an existing home.

10 (b) The limitations in (a) of this section apply to all actions based on a home
11 inspection report, regardless of whether the action is based on breach of contract,
12 personal injury or death, property damage, or another source of liability except that (a)
13 of this section is not applicable to an action based on gross negligence or intentional
14 misconduct by the home inspector. The limitations may not be waived by contract.

15 (c) A person may not bring an action against an individual registered under
16 this chapter for damages that arise from an act or omission relating to a home
17 inspection performed by the individual unless the person

18 (1) was a party to the real estate transaction for which the home
19 inspection was conducted; or

20 (2) received the home inspection report with the written consent of the
21 party for whom the home inspection was originally performed.

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

25 * **Sec. 18.** AS 08.18.111 is amended to read:

26 **Sec. 08.18.111. Advertising bond and insurance.** Contractors and home
27 inspectors may not advertise that they are bonded and insured simply because they
28 have complied with the bond and insurance requirements of this chapter.

29 * **Sec. 19.** AS 08.18.115 is amended to read:

30 **Sec. 08.18.115. Return of cash deposit.** (a) A contractor or home inspector
31 who has filed a cash deposit and who ceases doing business as a contractor or home

1 inspector may request the return of as much of that cash deposit as is held by the
2 commissioner by

3 (1) filing a notarized statement with the commissioner that the
4 contractor or home inspector has ceased doing business as a contractor or home
5 inspector, as applicable; and

6 (2) filing a notarized statement with the commissioner at least three
7 years after filing the statement in (1) of this subsection that [WHICH]

8 (A) requests return of the cash deposit;

9 (B) certifies that the ~~former~~ contractor or home inspector has
10 not been engaged in business as a contractor or home inspector, as
11 applicable, for at least three years; and

12 (C) certifies that to the best of the contractor's or home
13 inspector's knowledge no action has been commenced upon the cash deposit
14 that [WHICH] has not been dismissed or reduced to a final judgment that
15 [WHICH] has been satisfied.

16 (b) The commissioner, after paying any judgments against the cash deposit
17 under AS 08.18.081(b), shall return the remainder of a former contractor's or former
18 home inspector's cash deposit to the contractor or home inspector, as applicable, if

19 (1) the former contractor or former home inspector has complied
20 with (a) of this section; and

21 (2) no action has been commenced upon the cash deposit that
22 [WHICH] has not been dismissed or reduced to a final judgment that [WHICH] has
23 been satisfied.

24 * Sec. 20. AS 08.18.116 is amended to read:

25 **Sec. 08.18.116. Investigations.** Either the Department of Community and
26 Economic Development or the Department of Labor and Workforce Development
27 may investigate alleged or apparent violations of this chapter relating to contractors.
28 The Department of Community and Economic Development may investigate
29 alleged or apparent violations of this chapter relating to home inspection
30 activities. These departments, upon showing proper credentials, may enter, during
31 regular hours of work, a construction site where it appears that contracting work is

1 being done. The departments may make inquiries about the identity of the contractor
2 or the person acting in the capacity of a contractor. The Department of Community
3 and Economic Development may make inquiries about the identity of a home
4 inspector or a person acting in the capacity of a home inspector. Upon demand, a
5 contractor or home inspector or person acting in the capacity of a contractor or home
6 inspector, or that person's representative, shall produce evidence of current
7 endorsement, if applicable, and registration.

8 * Sec. 21. AS 08.18.117 is amended to read:

9 Sec. 08.18.117. Issuance of citations. Either the Department of Community
10 and Economic Development or the Department of Labor and Workforce Development
11 may issue a citation for a violation if there is probable cause to believe a person has
12 violated this chapter with respect to contractor activities. The Department of
13 Community and Economic Development may issue a citation for a violation if
14 there is probable cause to believe a person has violated this chapter with respect
15 to home inspection activities. Each day a violation continues after a citation for the
16 violation has been issued constitutes a separate violation.

17 * Sec. 22. AS 08.18.121(a) is amended to read:

18 (a) If the insurance required in AS 08.18.101 ceases to be in effect, the
19 registration of the contractor or home inspector shall be suspended until the insurance
20 has been reinstated.

21 * Sec. 23. AS 08.18.121(b) is amended to read:

22 (b) If a final judgment impairs the liability of the surety upon the bond or
23 depletes the cash deposit so that there is not in effect a bond undertaking or cash
24 deposit in the full amount prescribed in AS 08.18.071, the registration of the
25 contractor or home inspector involved shall be suspended until the bond liability in
26 the required amount, unimpaired by unsatisfied judgment claims, has been furnished.

27 * Sec. 24. AS 08.18.121(c) is amended to read:

28 (c) If a bonding company cancels its bond of a contractor or home inspector,
29 the contractor's or home inspector's registration shall be revoked. The contractor or
30 home inspector may again obtain registration by complying with the requirements of
31 this chapter.

1 * Sec. 25. AS 08.18.121(d) is amended to read:

2 (d) If a registered contractor or registered home inspector fails to fulfill the
3 contractor's or home inspector's obligations as set out in AS 08.18.071, the
4 contractor's or home inspector's registration shall be suspended for a period of time
5 the commissioner determines is appropriate. After three suspensions, the contractor's
6 or home inspector's registration may be permanently revoked.

7 * Sec. 26. AS 08.18.121(f) is amended to read:

8 (f) If the Department of Community and Economic Development or the
9 Department of Labor and Workforce Development determines that a contractor or [A]
10 person acting in the capacity of a contractor [,] is in violation of this chapter, that
11 department may give written notice to the person prohibiting further action by the
12 person as a contractor. If the Department of Community and Economic
13 Development determines that a home inspector or a person acting in the capacity
14 of a home inspector is in violation of this chapter, the department may give
15 written notice to the person prohibiting further action by the person as a home
16 inspector. The prohibition in a notice given under this subsection continues until
17 the person has submitted evidence acceptable to the appropriate [THAT] department
18 showing that the violation has been corrected.

19 * Sec. 27. AS 08.18.123 is amended to read:

20 **Sec. 08.18.123. Denial, suspension, and revocation of endorsement or**
21 **home inspector registration.**

22 (a) The department may suspend, revoke, or refuse to grant or renew a
23 residential contractor endorsement, a home inspector registration, or an associate
24 home inspector registration upon a finding that

25 (1) the application is fraudulent or misleading;

26 (2) the endorsement holder or registrant [CONTRACTOR] has
27 knowingly violated this chapter or a lawful order or regulation of the department;

28 (3) the endorsement holder or registrant [CONTRACTOR] is
29 incompetent or has engaged in fraudulent practices.

30 (b) Proceedings for the denial, suspension, or revocation of residential
31 contractor endorsement, home inspector registration, or associate home inspector

1 registration are governed by AS 44.62 (Administrative Procedure Act).

2 * **Sec. 28.** AS 08.18.131 is amended to read:

3 **Sec. 08.18.131. Injunction: civil penalty.** In an action instituted in the
4 superior court by the Department of Community and Economic Development or the
5 Department of Labor and Workforce Development, the court may enjoin a person
6 from acting in the capacity of a contractor in violation of this chapter. **In an action**
7 **instituted in the superior court by the Department of Community and Economic**
8 **Development, the court may enjoin a person from acting in the capacity of a**
9 **home inspector in violation of this chapter.** In addition to other relief, the court may
10 impose a civil penalty of not more than \$250 for each violation. Each day that an
11 unlawful act continues constitutes a separate violation.

12 * **Sec. 29.** AS 08.18.141(a) is amended to read:

13 (a) A contractor, home inspector, or [A] person acting in the capacity of a
14 contractor or home inspector who knowingly violates AS 08.18.011 or 08.18.025 is
15 guilty of a class B misdemeanor. A person who violates another provision of this
16 chapter is guilty of a violation punishable under AS 12.

17 * **Sec. 30.** AS 08.18.151 is amended to read:

18 **Sec. 08.18.151. Legal actions by contractor or home inspector.** A person
19 acting in the capacity of a contractor or home inspector may not bring an action in a
20 court of this state for the collection of compensation for the performance of work or
21 for breach of a contract for which registration is required under this chapter without
22 alleging and proving that the contractor or home inspector was a registered contractor
23 or registered home inspector, as applicable, at the time of contracting for the
24 performance of the work.

25 * **Sec. 31.** AS 08.18 is amended by adding new sections to article 4 to read:

26 **Sec. 08.18.152. Prohibited acts for home inspectors.** An individual
27 registered under this chapter as a home inspector or associate home inspector may not

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

31 (2) inspect for a fee any property in which the home inspector or the

1 home inspector's company has a financial interest or an interest in the transfer of the
2 property;

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

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

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

12 (B) 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 home inspection
17 services;

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

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

24 **Sec. 08.18.154. Limitation on home inspector's activities.** A registration
25 issued under AS 08.18.022 does not authorize the holder to perform an activity for
26 which a license is required under provisions of this title that are outside of this chapter.

27 **Sec. 08.18.156. Exemptions related to home inspections.** (a)
28 Notwithstanding other provisions of this chapter, an individual who inspects a home is
29 not required to be registered under this chapter as a home inspector or associate home
30 inspector if the individual is

31 (1) employed by the federal or state government, a political

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subdivision of the state, or a municipality or unincorporated community and the employee is performing only duties that are within the employee's official duties;

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

(3) registered as an engineer or architect under AS 08.48, prepares a written report after the inspection, affixes the individual's seal to the home inspection report, signs and dates the report, and puts the individual's registration number on the report;

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

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

(6) registered as a general contractor with a residential contractor endorsement under this chapter and is performing only activities within the scope of that registration;

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

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

(b) Notwithstanding the definition of "home inspection" in AS 08.18.171(12), an individual is not considered to be doing a home inspection for purposes of this chapter if the individual

(1) is in the business of repairing, maintaining, or installing any of the systems or components listed in AS 08.18.171(12); and

(2) inspects the system or component for the sole purpose of determining the condition of the system or component before performing or offering to perform repair, maintenance, or installation work on the system or component.

1 * Sec. 32. AS 08.18.161 is amended to read:

2 Sec. 08.18.161. Exemptions. To the extent that this chapter governs
3 contractors, this [THIS] chapter does not apply to

4 (1) an authorized representative of the United States government, the
5 State of Alaska, or a political subdivision or agency of the state;

6 (2) an officer of a court when acting within the scope of office;

7 (3) a public utility operating under the regulations of the public service
8 commission in construction, maintenance, or development work incidental to its own
9 business;

10 (4) a construction, repair, or operation incidental to the discovering or
11 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation
12 of a petroleum or gas well or a surface or underground mine or mineral deposit when
13 performed by an owner or lessee;

14 (5) the sale or installation of finished products, materials, or articles of
15 merchandise that are not actually fabricated into and do not become a permanent,
16 fixed part of a structure;

17 (6) construction, alteration, or repair of personal property;

18 (7) a person who only furnished materials, supplies, or equipment
19 without fabricating them into, or consuming them in the performance of, the work of
20 the contractor;

21 (8) work on one project under one or more contracts, the aggregate
22 contract price of which for labor and materials and all other items is less than \$10,000
23 [THIS WORK BEING CONSIDERED AS OF A CASUAL, MINOR, OR
24 INCONSEQUENTIAL NATURE]; this exemption does not apply when the work is
25 only a part of a larger or major operation, whether undertaken by the same or a
26 different contractor, or when the work is divided into contracts of amounts less than
27 \$10,000 for the purpose of evasion of this chapter or otherwise; this exemption does
28 not apply to a person who advertises or puts out a sign or card or other device that
29 might indicate to the public that the person is a contractor, or that the person is
30 qualified to engage in the contracting business; a contractor who performs work priced
31 at \$2,500 or more, under this exemption, shall nevertheless keep in force public

1 liability and property damage insurance with coverage in at least the amounts set out
2 in AS 08.18.101;

3 (9) an owner who contracts for a project with a registered contractor;

4 (10) a person working on that person's own property, whether occupied
5 by the person or not, and a person working on that person's own residence, whether
6 owned by the person or not;

7 (11) an owner or tenant of commercial property who uses the owner's
8 or tenant's own employees to do maintenance, repair, and alteration work upon that
9 property;

10 (12) an owner who acts as the owner's own contractor and in doing so
11 hires workers on an hourly basis, hires subcontractors, purchases materials and, as
12 such, sees to the paying for all labor, subcontractors, and materials; in this case, the
13 owner shall be limited to construction of one home, duplex, triplex, four-plex, or one
14 commercial building a [PER] year;

15 (13) a person performing construction work incidental to farming,
16 dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing,
17 clearing, or other work upon the land in rural districts for fire prevention purposes, or
18 access road building, unless the person is a licensee.

19 * Sec. 33. AS 08.18.171 is amended by adding new paragraphs to read:

20 (11) "existing home" means a residence previously occupied as a
21 residence;

22 (12) "home inspection" means a visual examination, performed in
23 accordance with standards of practice adopted by the department, of the readily
24 accessible parts of one or more of the following systems and components of a
25 residence or intended residence:

26 (A) heating and air-conditioning systems;

27 (B) plumbing and electrical systems;

28 (C) built-in appliances;

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

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

31 (F) foundation and basement;

- 1 (G) visible interior and exterior structures;
2 (H) drainage to and from the residence;
3 (I) other systems or components as specified by the department
4 in regulations;

5 (13) "home inspector" means an individual who performs or offers to
6 perform a home inspection for a fee;

7 (14) "joint registration" means a certificate of registration that
8 authorizes an individual to inspect both new homes and existing homes;

9 (15) "knowingly" has the meaning given in AS 11.81.900;

10 (16) "new home" means a residence not previously occupied as a
11 residence;

12 (17) "residence" means

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

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

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

16 (18) "visual examination" means an examination performed in person
17 at the physical location of the residence except that, if a method other than personal
18 physical inspection has been approved by the Alaska Housing Finance Corporation
19 under AS 18.56.300(b), use of the other approved method constitutes a visual
20 examination under this chapter.

21 * Sec. 34. AS 18.56.300(b) is amended to read:

22 (b) As a condition of a commitment to purchase or approve a loan under this
23 section for residential housing the construction of which begins after June 30, 1992,
24 the corporation shall require inspection of the unit of residential housing that is the
25 subject of the loan. The inspection must be performed by a municipal building
26 inspector, by a person who is approved or certified to perform residential inspections
27 by the International Conference of Building Officials or the International Association
28 of Electrical Inspectors, by an individual who is registered under AS 08.18 to
29 perform home inspections for new construction [OR, WHEN THE UNIT OF
30 RESIDENTIAL HOUSING IS LOCATED IN A RURAL AREA], by an architect
31 registered under AS 08.48, by an engineer registered under AS 08.48, or by another

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

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

16 * **Sec. 35.** AS 18.56.300(b) is amended to read:

17 (b) As a condition of a commitment to purchase or approve a loan under this
18 section for residential housing the construction of which begins after June 30, 1992,
19 the corporation shall require inspection of the unit of residential housing that is the
20 subject of the loan. The inspection must be performed by a municipal building
21 inspector, [BY A PERSON WHO IS APPROVED OR CERTIFIED TO PERFORM
22 RESIDENTIAL INSPECTIONS BY THE INTERNATIONAL CONFERENCE OF
23 BUILDING OFFICIALS OR THE INTERNATIONAL ASSOCIATION OF
24 ELECTRICAL INSPECTORS,] by an individual who is registered under AS 08.18 to
25 perform home inspections for new construction, by an architect registered under
26 AS 08.48, by an engineer registered under AS 08.48, or by another person approved
27 by the corporation. When the unit of residential housing is located in a rural area, the
28 person who makes the inspection may use methods other than a personal physical
29 inspection to make the inspection if the method is approved by the corporation, and
30 variations from the applicable code may be accepted at the corporation's discretion, if
31 the person authorized to inspect the unit under this subsection satisfies the corporation

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

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

11 * **Sec. 36.** AS 36.30.050(b) is amended to read:

12 (b) A person who desires to be on a list shall submit to the commissioner
13 evidence of a valid Alaska business license. A biennial fee may be established by
14 regulation in an amount reasonably calculated to pay the costs of administering this
15 section. A construction contractor shall also submit a valid certificate of registration
16 as a contractor issued under AS 08.18. The commissioner, by regulation, may require
17 submission of additional information.

18 * **Sec. 37.** AS 36.30.115(a) is amended to read:

19 (a) Within five working days after the identification of the apparent low bidder
20 for a construction contract, the apparent low bidder shall submit a list of the
21 subcontractors the bidder proposes to use in the performance of the construction
22 contract. The list must include the name and location of the place of business for each
23 subcontractor, evidence of each subcontractor's valid Alaska business license, and
24 evidence of each subcontractor's registration as a contractor under AS 08.18. If a
25 subcontractor on the list did not have a valid Alaska business license and a valid
26 certificate of registration as a contractor under AS 08.18 at the time the bid was
27 opened, the bidder may not use the subcontractor in the performance of the contract,
28 and shall replace the subcontractor with a subcontractor who had a valid Alaska
29 business license and a valid certificate of registration as a contractor under AS 08.18
30 at the time the bid was opened.

31 * **Sec. 38.** AS 36.30.210(b) is amended to read:

1 (b) An offeror for a construction contract shall submit evidence of the offeror's
2 registration as a contractor under AS 08.18. A request for sealed proposals for a
3 construction contract, except a design-build construction contract, must require the
4 offeror, no later than five working days after the proposal that is the most
5 advantageous to the state is identified, to list subcontractors the offeror proposes to use
6 in the performance of the construction contract. The list must include the information
7 required under AS 36.30.115(a). The provisions of AS 36.30.115(b) - (g) that apply to
8 a construction contractor or an apparent low bidder apply to offerors submitting
9 competitive sealed proposals for construction contracts, except design-build
10 construction contracts.

11 * Sec. 39. AS 36.90.290(1) is amended to read:

12 (1) "prime contractor" means a person required to be registered as a
13 contractor under AS 08.18 who has a contract with the state or a political subdivision
14 of the state to provide materials or services, other than as an employee, for a public
15 construction or public works project;

16 * Sec. 40. AS 45.50.471(b) is amended by adding a new paragraph to read:

17 (45) violating AS 08.18.023(b) or 08.18.152.

18 * Sec. 41. AS 18.56.300(c) is repealed.

19 * Sec. 42. The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 APPLICABILITY. The change made by sec. 41 of this Act applies to causes of action
22 that accrue on or after July 1, 2005.

23 * Sec. 43. The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 REGULATIONS. The Department of Community and Economic Development may
26 proceed to adopt regulations to implement this Act. A regulation adopted under this section
27 takes effect under AS 44.62 (Administrative Procedure Act) but not before the effective date
28 of the law implemented by the regulation.

29 * Sec. 44. The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 TRANSITIONAL LICENSING PROVISIONS. (a) Notwithstanding AS 08.18.022,

1 added by sec. 7 of this Act, the Department of Community and Economic Development shall
2 issue a certificate of joint registration that is valid until January 1, 2006, to an individual who
3 submits to the department satisfactory evidence of being in the business of home inspection in
4 the state at the time of application for registration under this subsection and of having

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

6 and

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

9 (b) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
10 Community and Economic Development shall issue a certificate of registration to practice
11 home inspection of previously occupied residences that is valid until January 1, 2006, to an
12 individual who submits to the department satisfactory evidence of being in the business of
13 home inspection in the state at the time of application for registration under this subsection
14 and of having passed

15 (1) the national home inspector examination given by the American Society of
16 Home Inspectors, American Home Inspectors Training Institute, or National Association of
17 Home Inspectors; or

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

20 (c) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
21 Community and Economic Development shall issue a certificate of registration to practice
22 home inspection of new construction that is valid until January 1, 2006, to an individual who
23 submits to the department satisfactory evidence of being in the business of home inspection in
24 the state at the time of application for registration under this subsection and of having passed
25 the combination inspector examination or the combination dwelling inspector examination
26 given by the International Conference of Building Officials.

27 (d) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
28 Community and Economic Development shall issue a certificate of registration as an associate
29 home inspector that is valid until January 1, 2006, to an individual who submits to the
30 department satisfactory evidence of being employed by an individual who is in the business of
31 home inspection and is registered under this section or under AS 08.18.

1 (e) A certificate of registration issued under this section may not be renewed or
2 extended.

3 (f) Except as provided in (e) of this section, a certificate of registration as a home
4 inspector or associate home inspector issued under this section is considered to be a certificate
5 of registration as a home inspector or associate home inspector issued under AS 08.18.022,
6 added by sec. 7 of this Act.

7 (g) In this section, "joint registration" has the meaning given in AS 08.18.171, as
8 amended by sec. 33 of this Act.

9 * **Sec. 45.** AS 08.18.011(c) - (f), added by sec. 5 of this Act; AS 08.18.023, added by sec. 7
10 of this Act; AS 08.18.085, added by sec. 17 of this Act; AS 08.18.151, as amended by sec. 30
11 of this Act; and the amendment of AS 18.56.300(b), made by sec. 34 of this Act, take effect
12 July 1, 2004.

13 * **Sec. 46.** Section 35 of this Act takes effect January 1, 2006.

14 * **Sec. 47.** Sections 41 and 42 of this Act take effect July 1, 2005.

15 * **Sec. 48.** Except as provided in secs. 45 - 47 of this Act, this Act takes effect immediately
16 under AS 01.10.070(c).

Rep. B. Stoltz 2-20-03

(overview for attached fax)

Received from David Owens; ICBO Inspector from Palmer: 2/20/03.

Faxed list of persons who oppose HB 9 as it is currently written; they do not want contractor fees to increase and do not want private inspector's liability to a level higher than the state or municipal inspectors.

10 out of 11 are members of the Homebuilder's Association.

David R. Owens, PO Box 3589, Palmer, AK 99645	ICBO Inspector
Hall Homes, PO Box 1987, Palmer, AK 99645	Hall Quality Homes
G. T. Construction, Inc., PO Box 875408, Wasilla, AK 99654	Construction - Licensed Contractor
The Thomas Co., HC5 Box (?) 6929, Palmer, AK 99645	Licensed General Contractor
Steve Orr Construction, PO Box 871277, Wasilla, AK 99654	Licensed General Contractor
Ti-Le-An Mgmt, Inc., 165 E. Parks Hwy, Wasilla, AK 99654	ICBO New home inspector
South Fork Construction, PO Box 770567, Eagle River, AK 99577	Licens. General Contractor
Discovery Homes, PO Box 11-1411, Anchorage, AK 99511	Licens. General Contractor
Roth's Construction, PO Box 4103, Palmer, AK 99645	Licens. General Contractor
Farrell Homes, Inc. PO 872685, Wasilla, AK 99687	Licens. General Contractor
Carelson Custom Homes, PO Box 230334, Anchorage, AK	Licens. General Contractor

Ketchikan Home Builders Association Resolution:

Their Board of Directors doesn't support HB 9 as written and requests further public input and study.

Support

Concept of licensing home inspectors;

Concept of inspectors having same liability that state and muni inspectors are held accountable to;

Issues:

Discriminatory towards home inspectors by not requiring other inspectors to be licensed;

No guidelines or codes for standards of practice for home inspections adopted by State of Alaska;

State could adopt Int'l Residential Code for New Residential Construction and establish additional life safety issues for existing construction;

State could include the Alaska Module for Cold Climate Building Techniques.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



**Alaska State Home
Building Association**

POSITION STATEMENT
House Bill 9, Home Inspector Licensure

The Alaska State Home Building Association (ASHBA) supports the establishment of a state licensure system for home inspectors as provided in HB9.

ASHBA is a statewide organization. Our mission is to provide an organization wherein building contractors and persons engaged in a trade, industry or profession related to housing may meet to discuss various problems of common interest, particularly those related to labor, production and finance. To maintain high standards in the building industry, to support building contractors in efforts to rectify conditions of an unsatisfactory nature, to encourage those methods of contracting work which reduce the building contractors risks and to encourage sound business methods. We are an aggressive, service oriented Association run by and for the membership.

This bill has been written to make home inspectors a specialty contractor with a \$5,000 bond. The thought behind this path was to use an existing license without creating a new license for fee setting, insurance, and bonding, but to create a module under the specialty contractor specifically for home inspectors to deal with education, limitations, examinations, pre-inspection documents, and prohibitions, to name a few.

Representative Rokeberg has worked hard over the past five years to refine this legislation into language that will;

- recognize different standards for both new and existing construction;
- provide options for insuring inspection availability in small and rural communities;
- insure better consumer protection for home-buying families.

Sincerely,

Thom Antonovich
President
Alaska State Home Building Association

Subject: House Bill No. 9 Home Inspector Bill

Date: Wed, 12 Feb 2003 09:01:51 -0900

From: Don Sheppard <dsheppard@alaska.com>

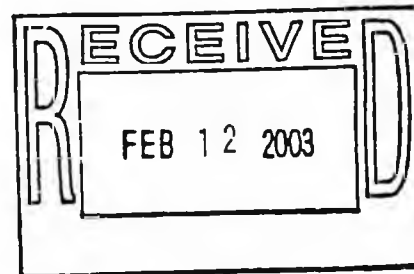
To: Representative_Norman_Rokeberg@legis.state.ak.us

This e mail message is in way of offering support for the passage of HB 9 concerning the requirement for regulation of home inspectors. We have tried unsuccessfully for several years in getting this regulation in place.

Sincerely,

Don Sheppard
Frank Sobottka
Mark Crawford

HouseMaster Home Inspection Service
6000 Yukon Rd.
Anchorage, AK 99507
ASHI





2/13/03

Representative Bill Williams
C/O Randy Kuaro

Re: Home Inspector License

Dear Randy,

Per our conversation this morning, I am sending the information requested and some additional information. Please find attached the following documents and letters:

- 1) Letter from me to Rep. Rokeburg during last years HB 27 work draft.
- 2) Copies of the Uniform Building Code from 1970 to the 2000 International Building Code as well as the 2000 International Residential Code concerning liability.
- 3) Two ASHI Home Inspection report Contracts describing liability/responsibilities.

Since our conversation, additional issues may need clarification:

- 1) Where is the differentiation between new housing and existing? Will ICBO inspectors be required to join some Defacto Inspection Organization?
- 2) Will any Inspector be required to take The Alaska Module for building in cold climates?
- 3) What about indoor air quality and the high rate of asthma and other respiratory ailments our children face?
- 4) Will the State create a Board of Appeals?
- 5) This House Bill seems discriminatory. Why just home inspectors? Why not commercial, industrial etc..
- 6) Who will enforce this Bill? There is very little enforcement for the residential contractors. How can the State regulate from Anchorage with one man?
- 7) Why has this Bill been ram-rodded on the fast track with little chance for public input or debate?

I have contacted most of the Ketchikan Home Builders Association members and the consensus is that a resolution against this bill in the current state will be forthcoming. We agree that there should be licensing, but some standard by the State should be imposed to establish standards of practice and codes relevant to the industry.

Sincerely,

Handwritten signature of Charles R. Dearden.
Charles R. Dearden



Representative Norman Rokeberg
716 West 4th Ave., Suite 350
Anchorage, AK 99501

Re: HB 27 Work Draft (Design Alaska) Comments

Dear Representative Rokeberg,

My name is Chuck Dearden. I am an Energy Rater, ICBO Combination Dwelling Inspector, and currently the Building Official for The City of Ketchikan, Alaska. I sit on several non-profit Board of Directors organizations involved in the home building industry. I am writing to you today as a Sole Proprietor of Gold Coast Builders. My company is licensed as a General Contractor with Residential Endorsement. I do not claim to represent any other interest with this correspondence.

Thank you for your solicitation for comments on this bill. I hope the following information will be of aid in your quest for Home Inspector Licensing. I am in general agreement with you on this issue, but several problems are of concern to me.

- 1) California and Washington States do not require home inspectors to be licensed. Oregon does but requires points to be built up before taking a **Home Inspector Licensing Test**. This test is composed by an Exam Committee under the State Contractors Licensing Board appointed by the Governor. The list of acceptable organizations to instruct the initiate to comply with part of the point system includes ASHI but not exclusively. There is no **De Facto Organization** that is responsible for the testing procedure and is exclusively a State Function.
- 2) There is no Pool for Errors and Omissions Insurance in this State. The premiums are high and will undoubtedly increase the costs to the consumer.
- 3) There is no standard of which the Home Inspector is suppose to adhere to. The liability proposed by this bill is not limited. Even the language of the cover letter limiting liability issues proposed by ASHI would be in conflict.
- 4) The State has not adopted the IRC. local ordinances, State or non-state entities, do not adequately address ventilation, mold or other Northern Climate issues. AIFC does but some issues are in the process of completion, but not finished. It appears the language of this House Bill does not address future issues or liabilities.

5) Documentation of all building components would have to include video as well as photos in order to protect the inspector from changes not witnessed during the construction process as well as after the home has been completed.

Conclusion:

It would seem prudent to include some liability restraints for the inspector. A commission would be in order to test applicants. It is extremely important to adopt some type of State Standard. The IRC could be adopted State wide, after hearings to change components to fit Alaska, as we propose to do in Ketchikan. There is plenty of language in the codes to address existing structures and the inspections required. Model some of the inspection criteria from organizations such as ASHI but not exclusively.

If legislation is enacted, there must be some form of standard that applies.

Sincerely,

Charles R. Dearden

HOME INSPECTION REPORT

Date _____

For a cost of \$ _____, _____ (Inspection Company) will visually inspect and give a written professional opinion of the present condition of the property located at:

The inspection includes only the items listed in the report, as defined by the Standards of Practice of the American Society of Home Inspectors, which are included in the report.

Questions during the inspection are encouraged so that your specific concerns can be addressed. Further evaluation by a "specialist" may be necessary since this is a general home inspection.

Every effort will be made to be complete and thorough, leaving the property clean and undisturbed.

It is important for you to understand that:

1. this inspection is not a warranty
2. items that are not visible cannot be inspected
3. this is not a "code" inspection
4. true repair estimates are obtained from contractors, not inspectors
5. this inspection is not a reflection of property value
6. the condition of the property may change before your occupancy.

A brief summary is provided for your convenience, but please read the entire report and phone anytime for clarification.

GENERAL INFORMATION

Time In: _____ Out: _____

Soil: _____

Type: _____

Weather: _____

Home: occupied vacant

Present: client owner tenant

agent: buyer seller

Approx. age: _____

Inspector: _____

Face: North South East West

The inspection / survey shall be limited to the fee or to the extent allowed by the law, whichever is the least.

Client(s) signature prior to inspections X _____

One signature binds spouse, et al, etc.

I / We have read all of the above, understand, and I / We agree to be bound by the terms of this contract, or having renegotiated them in writing to my _____

CHAPTER 2—ORGANIZATION AND ENFORCEMENT

Creation of Department

Sec. 201. There is hereby established in the city the "Building Department" which shall be under the jurisdiction of the Building Official designated by the appointing authority.

Powers and Duties of Building Official

Sec. 202. (a) General. The Building Official is hereby authorized and directed to enforce all the provisions of this Code. For such purpose he shall have the powers of a police officer.

(b) Deputies. In accordance with the procedure and with the approval of the chief appointing authority of the municipality, the Building Official may appoint such number of officers, inspectors and assistants, and other employees as shall be authorized from time to time. He may deputize such employees as may be necessary to carry out the functions of the Building Department.

(c) Reports and Records. The Building Official shall submit a report to the proper city official not less than once a year, covering the work of the department during the preceding period. He shall incorporate in said report a summary of his recommendations as to desirable amendments to this Code.

The Building Official shall keep a permanent, accurate account of all fees and other moneys collected and received under this Code, the names of the persons upon whose account the same were paid, the date and amount thereof, together with the location of the building or premises to which they relate.

(d) Right of Entry. Whenever necessary to make an inspection to enforce any of the provisions of this Code, or whenever the Building Official or his authorized representative has reasonable cause to believe that there exists in any building or upon any premises, any condition which makes such building or premises unsafe as defined in Section 203 of this Code, the Building Official or his authorized representative may enter such building or premises at all reasonable times to inspect the same or to perform any duty imposed upon the Building Official by this Code; provided that if such building or premises be occupied, he shall first present proper credentials and demand entry; and if such building or premises be unoccupied, he shall first make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and demand entry. If such entry is refused, the Building Official or his authorized representative shall have recourse to every remedy provided by law to secure entry.

"Authorized Representative" shall include the officers named in Section 202 (a) and (b) of this Code.

Powers and Duties of Building Official (Continued)

No owner or occupant or any other person having charge, care or control of any building or premises shall fail or neglect, after proper demand is made as herein provided, to properly permit entry therein by the Building Official or his authorized representative for the purpose of inspection and examination pursuant to this Code. Any person violating this subdivision shall be guilty of a misdemeanor.

(e) Stop Orders. Whenever any building work is being done contrary to the provisions of this Code, the Building Official may order the work stopped by notice in writing served on any persons engaged in the doing or causing such work to be done, and any such persons shall forthwith stop such work until authorized by the Building Official to proceed with the work.

(f) Occupancy Violations. Whenever any structure is being used contrary to the provisions of this Code, the Building Official may order such use discontinued and the structure, or portion thereof, vacated by notice served on any person causing such use to be continued. Such person shall discontinue the use within 10 days after receipt of such notice or make the structure, or portion thereof, comply with the requirements of this Code; provided, however, that in the event of an unsafe building Section 203 shall apply.

(g) Liability. The Building Official or any employee charged with the enforcement of this Code, acting in good faith and without malice for the city in the discharge of his duties, shall not thereby render himself liable personally and he is hereby relieved from all personal liability for any damage that may accrue to persons or property as a result of any act required or by reason of any act or omission in the discharge of his duties. Any suit brought against the Building Official or employee, because of such act or omission performed by him in the enforcement of any provisions of this Code, shall be defended by the legal department of the city until final termination of the proceedings.

(h) Cooperation of Other Officials. The Building Official may request, and shall receive so far as may be necessary in the discharge of his duties, the assistance and cooperation of other officials of the city.

Sec. 203. All buildings or structures which are structurally unsafe or not provided with adequate egress, or which constitute a fire hazard, or are otherwise dangerous to human life, or which in relation to existing use constitute a hazard to safety or health, or public welfare, by reason of inadequate maintenance, dilapidation, obsolescence, fire hazard, disaster damage, or abandonment, as specified in this Code or any other effective ordinance, are, for the purpose of this Section, unsafe buildings. All such unsafe buildings are

Unsafe Buildings

1979 EDITION

202-209

(e) **Occupancy Violations.** Whenever any building or structure or equipment therein regulated by this code is being used contrary to the provisions of this code, the building official may order such use discontinued and the structure, or portion thereof, vacated by notice served on any person causing such use to be continued. Such person shall discontinue the use within the time prescribed by the building official after receipt of such notice to make the structure, or portion thereof, comply with the requirements of this code.

(f) **Liability.** The building official, or his authorized representative charged with the enforcement of this code, acting in good faith and without malice in the discharge of his duties, shall not thereby render himself personally liable for any damage that may accrue to persons or property as a result of any act or by reason of any act or omission in the discharge of his duties. Any suit brought against the building official or employee because of such act or omission performed by him in the enforcement of any provision of this code shall be defended by legal counsel provided by this jurisdiction until final termination of such proceedings.

This code shall not be construed to relieve from or lessen the responsibility of any person owning, operating or controlling any building or structure for any damages to persons or property caused by defects, nor shall the code enforcement agency or its parent jurisdiction be held as assuming any such liability by reason of the inspections authorized by this code or any certificates of inspection issued under this code.

(g) **Cooperation of Other Officials and Officers.** The building official may request, and shall receive so far as is required, in the discharge of his duties, the assistance and cooperation of other officials of this jurisdiction.

Unsafe Buildings or Structures

Sec. 203. All buildings or structures regulated by this code which are structurally unsafe or not provided with adequate egress, or which constitute a fire hazard, or are otherwise dangerous to human life are, for the purpose of this section, unsafe. Any use of buildings or structures constituting a hazard to safety, health or public welfare by reason of inadequate maintenance, dilapidation, obsolescence, fire hazard, disaster, damage or abandonment are, for the purpose of this section, unsafe uses. Parapet walls, cornices, spires, towers, tanks, statuary and other appendages or structural members which are supported by, attached to, or a part of a building and which are in deteriorated condition or otherwise unable to sustain the design loads which are specified in the Building Code are hereby designated as unsafe building appendages.

All such unsafe buildings, structures or appendages are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal in accordance with the procedures set forth in the Dangerous Buildings Code or such alternate procedures as may have been or may be adopted by this jurisdiction. As an alternative, the building official, or other employee or official of this jurisdiction as designated by the

R104.3 - R105.1

ADMINISTRATION

structures, inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code.

R104.3 Notices and orders. The building official shall issue all necessary notices or orders to ensure compliance with this code.

R104.4 Inspections. The building official is authorized to make all of the required inspections, or the building official shall have the authority to accept reports of inspection by approved agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The building official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise, subject to the approval of the appointing authority.

R104.5 Identification. The building official shall carry proper identification when inspecting structures or premises in the performance of duties under this code.

R104.6 Right of entry. Where it is necessary to make an inspection to enforce the provisions of this code, or where the building official has reasonable cause to believe that there exists in a structure or upon a premises a condition which is contrary to or in violation of this code which makes the structure or premises unsafe, dangerous or hazardous, the building official or designee is authorized to enter the structure or premises at reasonable times to inspect or to perform the duties imposed by this code, provided that if such structure or premises be occupied that credentials be presented to the occupant and entry requested. If such structure or premises be unoccupied, the building official shall first make a reasonable effort to locate the owner or other person having charge or control of the structure or premises and request entry. If entry is refused, the building official shall have recourse to the remedies provided by law to secure entry.

R104.7 Department records. The building official shall keep official records of applications received, permits and certificates issued, fees collected, reports of inspections, and notices and orders issued. Such records shall be retained in the official records for the period required for the retention of public records.

R104.8 Liability. The building official, member of the board of appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code.

R104.9 Approved materials and equipment. Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

R104.9.1 Used materials and equipment. Used materials, equipment and devices shall not be reused unless approved by the building official.

R104.10 Modifications. Wherever there are practical difficulties involved in carrying out the provisions of this code, the building official shall have the authority to grant modifications for individual cases, provided the building official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, life and fire safety requirements or structural. The details of action granting modifications shall be recorded and entered in the files of the department of building safety.

R104.10.1 Areas prone to flooding. The building official shall not grant modifications to any provision related to areas prone to flooding as established by Table R301.2(1) without the granting of a variance to such provisions by the board of appeals.

R104.11 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code. Compliance with the specific performance-based provisions of the International Code Council (ICC) codes in lieu of specific requirements of this code shall also be permitted as an alternate.

R104.11.1 Tests. Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

SECTION R105 PERMITS

R105.1 Required. Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done,

ADMINISTRATION

104.8 - 106.2

104.8 Liability. The building official, member of the Board of Appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code.

104.9 Approved materials and equipment. Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

104.9.1 Used materials and equipment. The use of used materials which meet the requirements of this code for new materials is permitted. Used equipment and devices shall not be reused unless approved by the building official.

104.10 Modifications. Wherever there are practical difficulties involved in carrying out the provisions of this code, the building official shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the building official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and entered in the files of the department of building safety.

104.11 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety.

2000 INTERNATIONAL BUILDING CODE®

104.11.1 Tests. Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

SECTION 105
PERMITS

105.1 Required. Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done, shall first make application to the building official and obtain the required permit.

105.1.1 Annual permit. In lieu of an individual permit for each alteration to an already approved electrical, gas, mechanical or plumbing installation, the building official is authorized to issue an annual permit upon application therefor to any person, firm or corporation regularly employing one or more qualified trade persons in the building, structure or on the premises owned or operated by the applicant for the permit.

105.1.2 Annual permit records. The person to whom an annual permit is issued shall keep a detailed record of alterations made under such annual permit. The building official shall have access to such records at all times or such records shall be filed with the building official as designated.

105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required for the following:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11.15 m²).
2. Fences not over 6 feet (1829 mm) high.

104.2.5
106.2

1997 UNIFORM BUILDING CODE

104.2.5 Occupancy violations. Whenever any building or structure or equipment therein regulated by this code is being used contrary to the provisions of this code, the building official may order such use discontinued and the structure, or portion thereof, vacated by notice served on any person causing such use to be continued. Such person shall discontinue the use within the time prescribed by the building official after receipt of such notice to make the structure, or portion thereof, comply with the requirements of this code.

104.2.6 Liability. The building official charged with the enforcement of this code, acting in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance shall not thereby be rendered personally liable for damages that may accrue to persons or property as a result of an act or by reason of an act or omission in the discharge of such duties. A suit brought against the building official or employee because of such act or omission performed by the building official or employee in the enforcement of any provision of such codes or other pertinent laws or ordinances implemented through the enforcement of this code or enforced by the code enforcement agency shall be defended by this jurisdiction until final termination of such proceedings, and any judgment resulting therefrom shall be assumed by this jurisdiction.

This code shall not be construed to relieve from or lessen the responsibility of any person owning, operating or controlling any building or structure for any damages to persons or property caused by defects, nor shall the code enforcement agency or its parent jurisdiction be held as assuming any such liability by reason of the inspections authorized by this code or any permits or certificates issued under this code.

104.2.7 Modifications. When there are practical difficulties involved in carrying out the provisions of this code, the building official may grant modifications for individual cases. The building official shall first find that a special individual reason makes the strict letter of this code impractical and that the modification is in conformance with the intent and purpose of this code and that such modification does not lessen any fire-protection requirements or any degree of structural integrity. The details of any action granting modifications shall be recorded and entered in the files of the code enforcement agency.

104.2.8 Alternate materials, alternate design and methods of construction. The provisions of this code are not intended to prevent the use of any material, alternate design or method of construction not specifically prescribed by this code, provided any alternate has been approved and its use authorized by the building official.

The building official may approve any such alternate, provided the building official finds that the proposed design is satisfactory and complies with the provisions of this code and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in suitability, strength, effectiveness, fire resistance, durability, safety and sanitation.

The building official shall require that sufficient evidence or proof be submitted to substantiate any claims that may be made regarding its use. The details of any action granting approval of an alternate shall be recorded and entered in the files of the code enforcement agency.

104.2.9 Tests. Whenever there is insufficient evidence of compliance with any of the provisions of this code or evidence that any material or construction does not conform to the requirements of this code, the building official may require tests as proof of compliance to be made at no expense to this jurisdiction.

Test methods shall be as specified by this code or by other recognized test standards. If there are no recognized and accepted test methods for the proposed alternate, the building official shall determine test procedures.

All tests shall be made by an approved agency. Reports of such tests shall be retained by the building official for the period required for the retention of public records.

104.2.10 Cooperation of other officials and officers. The building official may request, and shall receive, the assistance and cooperation of other officials of this jurisdiction so far as is required in the discharge of the duties required by this code or other pertinent law or ordinance.

SECTION 105 — BOARD OF APPEALS

105.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretation of this code, there shall be and is hereby created a board of appeals consisting of members who are qualified by experience and training to pass on matters pertaining to building construction and who are not employees of the jurisdiction. The building official shall be an ex officio member of and shall act as secretary to said board but shall have no vote on any matter before the board. The board of appeals shall be appointed by the governing body and shall hold office at its pleasure. The board shall adopt rules of procedure for conducting its business, and shall render all decisions and findings in writing to the applicant with a duplicate copy to the building official.

105.2 Limitations of Authority. The board of appeals shall have no authority relative to interpretation of the administrative provisions of this code nor shall the board be empowered to waive requirements of this code.

SECTION 106 — PERMITS

106.1 Permits Required. Except as specified in Section 106.2, no building or structure regulated by this code shall be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished unless a separate permit for each building or structure has first been obtained from the building official.

106.2 Work Exempt from Permit. A building permit shall not be required for the following:

1. One-story detached accessory buildings used as tool and storage sheds, playhouses, and similar uses, provided the floor area does not exceed 120 square feet (11.15 m²).
2. Fences not over 6 feet (1829 mm) high.
3. Oil derricks.
4. Movable cases, counters and partitions not over 5 feet 9 inches (1753 mm) high.
5. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or III-A liquids.
6. Water tanks supported directly upon grade if the capacity does not exceed 5,000 gallons (18 927 L) and the ratio of height to diameter or width does not exceed 2:1.
7. Platforms, walks and driveways not more than 30 inches (762 mm) above grade and not over any basement or story below.
8. Painting, papering and similar finish work.

CONTRACT

CLIENT _____

INVOICE # _____

INSPECTION ADDRESS _____

PLEASE BE SURE TO CAREFULLY REVIEW THIS CONTRACT.

RIGHT OF ENTRY: I warrant that I or my agent have made all necessary arrangements with the selling party for the inspector / surveyor company to enter and to properly inspect/survey the property described in this agreement. The inspecting / surveying of buildings contemplated for purchase is a very imperfect effort, which can be done to a variety of depths and costs. This company offers a "standard" inspection / survey with any and all liability limited to the fee charged. _____X

SEVERABILITY: If any tribunal determines that any portion of this contract is unenforceable, that tribunal shall enforce the remainder of the contract as though the unenforceable portion did not exist. _____X

PARTICIPATION: I have been encouraged to participate in the inspection / survey & I accept responsibility for incomplete information should I not participate in the inspection. My participation shall be at my own risk for falls, injuries, damage, etc. _____X

SCOPE OF THE INSPECTION: The extent of the standard building inspection / survey work is to visually screen for "exposed to view" things which need major repair or further evaluation by a specialist. It is limited to the readily accessible and visible major systems, components, & equipment of the primary premises. Weather limitations affecting the extent of the work are accepted without additional burden to the inspection / survey company. The inspector is not required to move furniture, personal goods, or equipment, which may impede access or limit visibility. No destructive or disruptive testing procedures are performed by the inspector / surveyor. Design problems and adequacies are not within the scope of the inspection. The inspector will not determine the operational capacity, quality, or suitability for a particular use of the items inspected. The inspection does not determine compliance or noncompliance with manufacturer's specifications, past or present. The client agrees to assume all the risks and liabilities for all conditions which are concealed from view at the time of the inspections. This is not at home warranty, guaranteed, insurance policy, or substitute for real estate transfer disclosures, which may be required by law.

Whether or not they are concealed, the following are outside the scope of this inspection:

Building code or zoning ordinance violations, geological stability or soil conditions, structural stability or engineering analysis, termite or other wood destroying organisms, trees or their condition, pests, asbestos, radon, formaldehyde, lead, water or air quality, electromagnetic radiation or any environmental hazards, building value appraisal or cost estimates, condition of detached buildings, tennis courts, pools or spas bodies and underground piping, underground oil storage tanks, specific components noted as being excluded on the individual system inspection forms, private water or private sewage systems, saunas, steam baths, or fixtures and equipment, radio-controlled devices, automatic gates, elevators, lifts, dumbwaiters and thermostatic or time clock controls, internal condition of chimney; water valves, softener / purifier systems or solar heating systems, furnace heat exchangers, freestanding appliances, security alarms or personal property, prediction of life expectancy of any item, a building's inability to be expanded, microwave ovens, storm windows, screens, shutters, awnings, intercoms, smoke / carbon monoxide detectors, sprinkler systems, fences, any appliance that is a sealed unit. Some of the above may be included in the inspection if any of the above fall within the guidelines of this agreement and if the inspector can make a clear and concise evaluation. _____X

I accept that certain things will be randomly sampled and that hidden damages and conditions, public records, codes, engineering, pest and environmental checks are beyond the scope of the standard visual inspection. Your inspector / surveyor is a home inspection generalist and is not acting as a licensed engineer or expert in any craft or trade. If your inspector / surveyor recommends consulting other specialized experts, the client must do so at the client's expense. I have read and agree to the above: _____X

RISK ASSESSMENT: I understand this work cannot accurately and completely assess risk, detect all flaws, predict all occurrences, or make assurances. I accept this will not eliminate my risk and I will not burden the inspector / surveyor or the company with such risk. I understand this is no warranty, guarantee, or insurance policy though some jurisdictions may imply such. I will purchase such instruments from others if I desire. _____X

PRE-SETTLEMENT: I accept this work is no substitute for a pre-settlement inspection for which I am responsible since damages, mechanical failures, and symptoms, clues, etc. may appear after this work and before my legal acceptance of the property. I / We waive all claims against the inspector / surveyor or company in the absence of diligently performing my pre-settlement inspection and for lack of more extensive investigation and follow through with a specialist on any problems noted including confirmation of any cost approximation. _____X

THIRD PARTY LIABILITY: I request this inspection / survey and report, for my confidential use only. I promise to indemnify and hold harmless the inspector / surveyor and the company for any damages and / or expenses involved in addressing or defending claims made by others. _____X

DISCLOSURE: The information in this report is the property of the client solely for this transaction. It will be disclosed by the inspection company to real estate agents, sellers, lenders, or other parties intimate to this particular transaction for the purpose of clarification and facilitation of repairs with the client's expressed permission. PERMISSION GRANTED: YES ___ NO ___ _____X

LEGAL FEES: If I make a claim against the inspector / surveyor or the company for any alleged error, omission, or other act arising out of this work and fail to prove such claim, I will pay all attorney / lawyer fees, arbitrator's fees, legal expenses, and costs incurred by the inspector / surveyor or company in the defense of the claim. _____X

Client agrees to notify the inspection company if the house is not to be purchased. _____X

STANDARD INSPECTION: I hereby request a standard visual inspection / survey of the property at the above address in full understanding and acceptance that the total liability of the inspector / inspection company for mistakes, errors, or omissions in this inspection / survey shall be limited to the fee or to the extent allowed by the law, whichever is the least.

Client(s) signature prior to inspections X _____

One signature binds spouse, et al., etc.

I / We have read all of the above, understand, and I / We agree to be bound by the terms of this contract, or having renegotiated them in writing to my satisfaction. I understand that this is a contract between myself and the inspector / survey company and I sign of my own free will.

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 9(JUD)

- 1 Page 1, line 6, following ";":
- 2 Insert "**repealing a law that limits liability for damages based on a duty to inspect**
- 3 **a residential unit to damages caused by gross negligence or intentional misconduct;**"

23-LS00291
Lauterbach
2/10/03

CS FOR HOUSE BILL NO. 9(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES ROKEBERG, Hawker

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the registration of individuals who perform home inspections;
2 relating to regulation of contractors; relating to registration fees for specialty
3 contractors, home inspectors, and associate home inspectors; relating to home inspection
4 requirements for residential loans purchased or approved by the Alaska Housing
5 Finance Corporation; relating to civil actions by and against home inspectors and to
6 civil actions arising from residential unit inspections; and providing for an effective
7 date."

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

9 * Section 1. AS 08.01.010(12) is amended to read:

10 (12) regulation of construction contractors and home inspectors under
11 AS 08.18;

12 * Sec. 2. AS 08.01.065(c) is amended to read:

13 (c) Except as provided in (f) - (i) [(f) - (h)] of this section, the department shall

1 establish fee levels under (a) of this section so that the total amount of fees collected
2 for an occupation approximately equals the actual regulatory costs for the occupation.
3 The department shall annually review each fee level to determine whether the
4 regulatory costs of each occupation are approximately equal to fee collections related
5 to that occupation. If the review indicates that an occupation's fee collections and
6 regulatory costs are not approximately equal, the department shall calculate fee
7 adjustments and adopt regulations under (a) of this section to implement the
8 adjustments. In January of each year, the department shall report on all fee levels and
9 revisions for the previous year under this subsection to the office of management and
10 budget. If a board regulates an occupation covered by this chapter, the department
11 shall consider the board's recommendations concerning the occupation's fee levels and
12 regulatory costs before revising fee schedules to comply with this subsection. In this
13 subsection, "regulatory costs" means costs of the department that are attributable to
14 regulation of an occupation plus

15 (1) all expenses of the board that regulates the occupation if the board
16 regulates only one occupation;

17 (2) the expenses of a board that are attributable to the occupation if the
18 board regulates more than one occupation.

19 * Sec. 3. AS 08.01.065 is amended by adding a new subsection to read:

20 (i) Notwithstanding (c) of this section, the department shall establish fee levels
21 under (a) of this section so that the total amount of fees collected by the Department of
22 Community and Economic Development for specialty contractors, home inspectors,
23 and associate home inspectors approximately equals the total regulatory costs of the
24 department for those three registration categories. The department shall set the fee
25 levels for the issuance and renewal of a certificate of registration issued under
26 AS 08.18 so that the fee levels are the same for all three of these registration
27 categories and so that the fee level for a home inspector with a joint registration is not
28 different from the fee level for a home inspector who does not have a joint
29 registration. In this subsection, "joint registration" has the meaning given in
30 AS 08.18.171.

31 * Sec. 4. AS 08.18.011 is amended to read:

1 **Sec. 08.18.011. Registration required.** (a) A person may not submit a bid or
2 work as a contractor until that person has been issued a certificate of registration as a
3 contractor by the department. A partnership or joint venture shall be considered
4 registered as a contractor if one of the general partners or venturers whose name
5 appears in the name under which the partnership or venture does business is registered
6 as a contractor.

7 (b) A general contractor may not use a bid or proposal from, award a bid or
8 proposal to, contract with, or allow a person required to be registered under this
9 chapter to work for the general contractor as a specialty contractor unless the person is
10 registered as a specialty contractor under this chapter.

11 * **Sec. 5.** AS 08.18.011 is amended by adding new subsections to read:

12 (c) Unless exempt under AS 08.18.156 or serving lawfully as an associate
13 home inspector under (d) of this section, an individual may not perform a home
14 inspection

15 (1) for a residence not previously occupied as a residence unless that
16 individual is registered as a home inspector for new homes under this chapter;

17 (2) for a residence previously occupied as a residence unless that
18 individual is registered as a home inspector for existing homes under this chapter.

19 (d) Notwithstanding (c) of this section, an individual who is not registered as a
20 home inspector under this chapter may perform a home inspection as an associate
21 home inspector if the individual

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

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

26 (e) A registered home inspector who employs an associate home inspector
27 under (d) of this section is liable for the work done by the associate home inspector.

28 (f) An individual who holds a joint registration for home inspection is
29 considered to be registered as both a home inspector for new homes and a home
30 inspector for existing homes.

31 * **Sec. 6.** AS 08.18.021(a) is amended to read:

1 (a) An applicant for registration as a contractor or home inspector shall
2 submit an application under oath upon a form to be prescribed by the commissioner
3 and that [WHICH] must include the following information pertaining to the applicant:

4 (1) the applicant's [EMPLOYER] social security number;

5 (2) if applying to be a registered contractor, the type of contracting
6 activity, whether a general or a specialty contractor and, if the latter, the type of
7 specialty;

8 (3) if applying to be a registered home inspector, whether the
9 applicant is applying to inspect new homes or existing homes, or both:

10 (4) if applying to be a registered contractor, the name and address of
11 each partner if the applicant is a firm or partnership, or the name and address of the
12 owner if the applicant is an individual proprietorship, or the name and address of the
13 corporate officers and statutory agent, if any, if the applicant is a corporation; and

14 (5) if applying to be a registered home inspector, the name and
15 address of the applicant.

16 * Sec. 7. AS 08.18 is amended by adding new sections to read:

17 Sec. 08.18.022. Home inspectors; associate home inspectors. (a) The
18 department shall issue a certificate of registration as a home inspector for new homes,
19 existing homes, or both, as appropriate, to an individual who

20 (1) passes the appropriate home inspection examination; for purposes
21 of this paragraph, the appropriate home inspection examination for an individual who
22 applies to be registered for inspection of

23 (A) existing homes is the examination offered by the American
24 Society of Home Inspectors, American Home Inspectors Training Institute, or
25 National Association of Home Inspectors;

26 (B) new homes or for a joint registration is the examination
27 offered by the International Conference of Building Officials;

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

30 (3) submits a complete application for registration within one year
31 after passing the examination required under (1) of this subsection;

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

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

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

(7) pays the appropriate fees.

(b) An individual may register with the department as an associate home inspector upon application, payment of the required fee, and determination by the department that the individual

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

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

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

Sec. 08.18.023. Pre-inspection documents and inspection reports. (a)

Before performing a home inspection, a registered home inspector or associate home inspector shall provide to the person on whose behalf a home is inspected a written document specifying

(1) the scope of intended inspection; the scope of the intended inspection may include systems and components that are not listed in AS 08.18.171(12); and

(2) that the inspector will notify in writing the person on whose behalf the inspection is being made of defects noted during the inspection along with a recommendation, if any, that experts be retained to conduct further evaluation through examination and analysis by a qualified professional, tradesperson, or service

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1 technician beyond that provided by the home inspection to determine the extent of
2 defects and corrective action necessary to address the defects.

3 (b) After performance of a home inspection, a registered home inspector or
4 associate home inspector shall give a written home inspection report to the person
5 requesting the inspection. The written report must include a review of the condition of
6 each system and component identified as being within the scope of the intended
7 inspection under (a) of this section except that a home inspector's written report for
8 new construction that is the subject of a loan by the Alaska Housing Finance
9 Corporation or another lender may be in the form required by the corporation or other
10 lender, as appropriate.

11 (c) In addition to the written inspection report required under (b) of this
12 section, an oral inspection report may be given by the inspector during or after the
13 inspection.

14 (d) A home inspection report is valid for 180 days after the date the home
15 inspector signs and dates the report.

16 * Sec. 8. AS 08.18.031(a) is amended to read:

17 (a) Except as provided in (c) of this section, a [A] certificate of registratic
18 shall be renewed under the same requirements as for an original registration, and the
19 [. THE] commissioner shall issue to the applicant a certificate of registration upon
20 compliance with the registration requirements of this chapter.

21 * Sec. 9. AS 08.18.031 is amended by adding a new subsection to read:

22 (c) A certificate of registration as a home inspector may not be renewed unless
23 the home inspector has complied with the continuing competency requirements
24 established by the department. The department shall adopt regulations establishing the
25 continuing competency requirements. The department shall require at least eight
26 hours of continuing competency activity for each licensing period. The regulations
27 must provide that a continuing competency activity approved by one of the following
28 entities satisfies the continuing competency requirements of this subsection if the
29 activity meets the requirements established by the department in regulations adopted
30 under this subsection:

31 (1) Alaska Housing Finance Corporation;

- 1 (2) University of Alaska;
- 2 (3) American Society of Home Inspectors Alaska Chapter;
- 3 (4) a chapter of the International Conference of Building Officials
- 4 Alaska;
- 5 (5) Alaska State Homebuilders Association; or
- 6 (6) a state agency that offers an activity that meets the requirements set
- 7 by the department.

8 * Sec. 10. AS 08.18.041 is amended to read:

9 Sec. 08.18.041. Fees. (a) The department shall set fees under AS 08.01.065

10 for

11 (1) registration and renewal of registration for all categories of

12 contractors;

13 (2) registration and renewal of registration for a home inspector

14 qualified to inspect new homes;

15 (3) registration and renewal of registration for a home inspector

16 qualified to inspect existing homes;

17 (4) joint registration and renewal of joint registration for home

18 inspectors;

19 (5) registration and renewal of registration as an associate home

20 inspector;

21 (6) examinations for applicants for home inspector registration;

22 (7) examination, issuance of initial endorsement, and renewal of active

23 or inactive endorsements for residential contractors: and

24 (8) [(3)] departmental publications and seminars related to this chapter.

25 (b) A person who fails a residential contractor examination or home

26 inspector examination shall pay the examination fee set by the department if the

27 person applies to retake an examination.

28 * Sec. 11. AS 08.18.051(a) is amended to read:

29 (a) Except as provided otherwise by law, a person who has registered as a

30 contractor under one name as required by this chapter may not act in the capacity of a

31 contractor under any other name unless that name also is registered.

1 * **Sec. 12.** AS 08.18 is amended by adding a new section to read:

2 **Sec. 08.18.053. Identification requirements for home inspectors.** (a)

3 Except as provided otherwise by law, an individual who is registered as a home
4 inspector or associate home inspector under this chapter by one name may not act in
5 the capacity of a home inspector or associate home inspector under any other name.

6 (b) All advertising and business cards prepared by a registered home inspector
7 or associate home inspector for the home inspection business and the pre-inspection
8 documents and written inspection reports provided under AS 08.18.023 must show the
9 inspector's name, mailing address, and registration number.

10 (c) Individual registered home inspectors and partners, associates, agents,
11 salespeople, solicitors, officers, and employees of registered home inspectors shall use
12 their true names and addresses and the true name of the home inspecting firm at all
13 times while acting in the capacity of a registered home inspector or performing related
14 activities.

15 (d) Individuals who are exempt from registration under AS 08.18.156(a) or
16 whose actions are not considered to be home inspections under AS 08.18.156(b) may
17 not hold themselves out to be registered home inspectors or use words or titles that
18 may reasonably be confused with the title of "registered home inspector" unless they
19 are registered as a home inspector under this chapter.

20 * **Sec. 13.** AS 08.18.061 is amended to read:

21 **Sec. 08.18.061. Requirements of political subdivision.** A contractor or
22 home inspector who is registered with the state under this chapter may not be
23 required to give bond in applying for or holding a license issued by a political
24 subdivision for a similar occupation.

25 * **Sec. 14.** AS 08.18.071(a) is amended to read:

26 (a) Each applicant shall, at the time of applying for a certificate of registration,
27 file with the commissioner a surety bond running to the state conditioned upon the
28 applicant's promise to pay all

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

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

1 (3) amounts that may be adjudged against the applicant by reason of
2 negligent or improper work or breach of contract in the conduct of the contracting
3 business or home inspection activity, as applicable, or by reason of damage to
4 public facilities occurring in the course of a construction project.

5 * Sec. 15. AS 08.18.071(b) is amended to read:

6 (b) If the applicant is a general contractor, the amount of the bond shall be
7 \$10,000; if the applicant is a mechanical or specialty contractor or home inspector,
8 the amount of the bond shall be \$5,000. In lieu of the surety bond the applicant may
9 file with the commissioner a cash deposit or other negotiable security acceptable to the
10 commissioner in the amount specified for bonds.

11 * Sec. 16. AS 08.18.081(a) is amended to read:

12 (a) Except as provided in AS 08.18.085, a [A] person having a claim against
13 a contractor or home inspector for any of the items referred to in AS 08.18.071 may
14 bring suit upon the bond in the district court of the judicial district in which venue lies.
15 A copy of the complaint shall be served by registered or certified mail upon the
16 commissioner at the time suit is filed, and the commissioner shall maintain a record,
17 available for public inspection, of all suits commenced. Two additional copies shall
18 be served upon the director of the division of insurance with the payment to the
19 director of a fee set under AS 21.06.250, taxable as costs in the action. This service
20 upon the director shall constitute service on the surety, and the director shall transmit
21 the complaint or a copy of it to the surety within 72 hours after it has been received.
22 The surety upon the bond is not liable in an aggregate amount in excess of that named
23 in the bond, but in case claims pending at any one time exceed the amount of the bond,
24 the claims shall be satisfied from the bond in the following order:

25 (1) labor, including employee benefits;

26 (2) taxes and contributions due the state, city, and borough, in that
27 order;

28 (3) material and equipment;

29 (4) claims for breach of contract;

30 (5) repair of public facilities.

31 * Sec. 17. AS 08.18 is amended by adding a new section to read:

1 **Sec. 08.18.085. Legal actions against home inspector.** (a) Notwithstanding
2 contrary provisions of AS 08.18.081 or AS 09.10, a person may not bring an action
3 against an individual registered under this chapter based on a home inspection report
4 unless the action is commenced within

5 (1) two years after the date of the home inspection report if the report
6 related to a new home; and

7 (2) one year after the date of the home inspection report if the report
8 related to an existing home.

9 (b) The limitations in (a) of this section apply to all actions based on a home
10 inspection report, regardless of whether the action is based on breach of contract,
11 personal injury or death, property damage, or another source of liability. The
12 limitations may not be waived by contract.

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

16 (1) not a party to the transaction for which the home inspection was
17 conducted; or

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

20 (d) Contractual provisions that purport to limit the liability of a home
21 inspector to an amount that is less than the fair market value of the inspected home at
22 the time of the inspection are contrary to public policy and void.

23 * **Sec. 18.** AS 08.18.111 is amended to read:

24 **Sec. 08.18.111. Advertising bond and insurance.** Contractors and home
25 inspectors may not advertise that they are bonded and insured simply because they
26 have complied with the bond and insurance requirements of this chapter.

27 * **Sec. 19.** AS 08.18.115 is amended to read:

28 **Sec. 08.18.115. Return of cash deposit.** (a) A contractor or home inspector
29 who has filed a cash deposit and who ceases doing business as a contractor or home
30 inspector may request the return of as much of that cash deposit as is held by the
31 commissioner by

1 (1) filing a notarized statement with the commissioner that the
2 contractor or home inspector has ceased doing business as a contractor or home
3 inspector, as applicable; and

4 (2) filing a notarized statement with the commissioner at least three
5 years after filing the statement in (1) of this subsection that [WHICH]

6 (A) requests return of the cash deposit;

7 (B) certifies that the former contractor or home inspector has
8 not been engaged in business as a contractor or home inspector, as
9 applicable, for at least three years; and

10 (C) certifies that to the best of the contractor's or home
11 inspector's knowledge no action has been commenced upon the cash deposit
12 that [WHICH] has not been dismissed or reduced to a final judgment that
13 [WHICH] has been satisfied.

14 (b) The commissioner, after paying any judgments against the cash deposit
15 under AS 08.18.081(b), shall return the remainder of a former contractor's or former
16 home inspector's cash deposit to the contractor or home inspector, as applicable, if

17 (1) the former contractor or former home inspector has complied
18 with (a) of this section; and

19 (2) no action has been commenced upon the cash deposit that
20 [WHICH] has not been dismissed or reduced to a final judgment that [WHICH] has
21 been satisfied.

22 * Sec. 20. AS 08.18.116 is amended to read:

23 **Sec. 08.18.116. Investigations.** Either the Department of Community and
24 Economic Development or the Department of Labor and Workforce Development
25 may investigate alleged or apparent violations of this chapter relating to contractors.
26 The Department of Community and Economic Development may investigate
27 alleged or apparent violations of this chapter relating to home inspection
28 activities. These departments, upon showing proper credentials, may enter, during
29 regular hours of work, a construction site where it appears that contracting work is
30 being done. The departments may make inquiries about the identity of the contractor
31 or the person acting in the capacity of a contractor. The Department of Community

1 and Economic Development may make inquiries about the identity of a home
2 inspector or a person acting in the capacity of a home inspector. Upon demand, a
3 contractor or home inspector or person acting in the capacity of a contractor or home
4 inspector, or that person's representative, shall produce evidence of current
5 endorsement, if applicable, and registration.

6 * Sec. 21. AS 08.18.117 is amended to read:

7 **Sec. 08.18.117. Issuance of citations.** Either the Department of Community
8 and Economic Development or the Department of Labor and Workforce Development
9 may issue a citation for a violation if there is probable cause to believe a person has
10 violated this chapter with respect to contractor activities. The Department of
11 Community and Economic Development may issue a citation for a violation if
12 there is probable cause to believe a person has violated this chapter with respect
13 to home inspection activities. Each day a violation continues after a citation for the
14 violation has been issued constitutes a separate violation.

15 * Sec. 22. AS 08.18.121(a) is amended to read:

16 (a) If the insurance required in AS 08.18.101 ceases to be in effect, the
17 registration of the contractor or home inspector shall be suspended until the insurance
18 has been reinstated.

19 * Sec. 23. AS 08.18.121(b) is amended to read:

20 (b) If a final judgment impairs the liability of the surety upon the bond or
21 depletes the cash deposit so that there is not in effect a bond undertaking or cash
22 deposit in the full amount prescribed in AS 08.18.071, the registration of the
23 contractor or home inspector involved shall be suspended until the bond liability in
24 the required amount, unimpaired by unsatisfied judgment claims, has been furnished.

25 * Sec. 24. AS 08.18.121(c) is amended to read:

26 (c) If a bonding company cancels its bond of a contractor or home inspector,
27 the contractor's or home inspector's registration shall be revoked. The contractor or
28 home inspector may again obtain registration by complying with the requirements of
29 this chapter.

30 * Sec. 25. AS 08.18.121(d) is amended to read:

31 (d) If a registered contractor or registered home inspector fails to fulfill the

1 contractor's or home inspector's obligations as set out in AS 08.18.071, the
2 contractor's or home inspector's registration shall be suspended for a period of time
3 the commissioner determines is appropriate. After three suspensions, the contractor's
4 or home inspector's registration may be permanently revoked.

5 * Sec. 26. AS 08.18.121(f) is amended to read:

6 (f) If the Department of Community and Economic Development or the
7 Department of Labor and Workforce Development determines that a contractor or [A]
8 person acting in the capacity of a contractor [,] is in violation of this chapter, that
9 department may give written notice to the person prohibiting further action by the
10 person as a contractor. If the Department of Community and Economic
11 Development determines that a home inspector or a person acting in the capacity
12 of a home inspector is in violation of this chapter, the department may give
13 written notice to the person prohibiting further action by the person as a home
14 inspector. The prohibition in a notice given under this subsection continues until
15 the person has submitted evidence acceptable to the appropriate [THAT] department
16 showing that the violation has been corrected.

17 * Sec. 27. AS 08.18.123 is amended to read:

18 Sec. 08.18.123. Denial, suspension, and revocation of endorsement or
19 home inspector registration.

20 (a) The department may suspend, revoke, or refuse to grant or renew a
21 residential contractor endorsement, a home inspector registration, or an associate
22 home inspector registration upon a finding that

23 (1) the application is fraudulent or misleading;

24 (2) the endorsement holder or registrant [CONTRACTOR] has
25 knowingly violated this chapter or a lawful order or regulation of the department;

26 (3) the endorsement holder or registrant [CONTRACTOR] is
27 incompetent or has engaged in fraudulent practices.

28 (b) Proceedings for the denial, suspension, or revocation of residential
29 contractor endorsement, home inspector registration, or associate home inspector
30 registration are governed by AS 44.62 (Administrative Procedure Act).

31 * Sec. 28. AS 08.18.131 is amended to read:

1 **Sec. 08.18.131. Injunction: civil penalty.** In an action instituted in the
2 superior court by the Department of Community and Economic Development or the
3 Department of Labor and Workforce Development, the court may enjoin a person
4 from acting in the capacity of a contractor in violation of this chapter. **In an action**
5 **instituted in the superior court by the Department of Community and Economic**
6 **Development, the court may enjoin a person from acting in the capacity of a**
7 **home inspector in violation of this chapter.** In addition to other relief, the court may
8 impose a civil penalty of not more than \$250 for each violation. Each day that an
9 unlawful act continues constitutes a separate violation.

10 * **Sec. 29.** AS 08.18.141(a) is amended to read:

11 (a) A contractor, home inspector, or [A] person acting in the capacity of a
12 contractor or home inspector who knowingly violates AS 08.18.011 or 08.18.025 is
13 guilty of a class B misdemeanor. A person who violates another provision of this
14 chapter is guilty of a violation punishable under AS 12.

15 * **Sec. 30.** AS 08.18.151 is amended to read:

16 **Sec. 08.18.151. Legal actions by contractor or home inspector.** A person
17 acting in the capacity of a contractor or home inspector may not bring an action in a
18 court of this state for the collection of compensation for the performance of work or
19 for breach of a contract for which registration is required under this chapter without
20 alleging and proving that the contractor or home inspector was a registered contractor
21 or registered home inspector, as applicable, at the time of contracting for the
22 performance of the work.

23 * **Sec. 31.** AS 08.18 is amended by adding new sections to article 4 to read:

24 **Sec. 08.18.152. Prohibited acts for home inspectors.** An individual
25 registered under this chapter as a home inspector or associate home inspector may not

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

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

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

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

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

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

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

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

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

22 **Sec. 08.18.154. Limitation on home inspector's activities.** A registration
23 issued under AS 08.18.022 does not authorize the holder to perform an activity for
24 which a license is required under provisions of this title that are outside of this chapter.

25 **Sec. 08.18.156. Exemptions related to home inspections.** (a)
26 Notwithstanding other provisions of this chapter, an individual who inspects a home is
27 not required to be registered under this chapter as a home inspector or associate home
28 inspector if the individual is

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

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

3 (3) registered as an engineer or architect under AS 08.48, prepares a
4 written report after the inspection, affixes the individual's seal to the home inspection
5 report, signs and dates the report, and puts the individual's registration number on the
6 report;

7 (4) engaged as an engineer in training or architect in training who
8 works for and is supervised by a person described in (3) of this subsection and the
9 person described in (3) of this subsection affixes the person's seal to the home
10 inspection report, signs and dates the report, and puts the person's registration number
11 on the report;

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

15 (6) registered as a general contractor with a residential contractor
16 endorsement under this chapter and is performing only activities within the scope of
17 that registration;

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

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

22 (b) Notwithstanding the definition of "home inspection" in AS 08.18.171(12),
23 an individual is not considered to be doing a home inspection for purposes of this
24 chapter if the individual

25 (1) is in the business of repairing, maintaining, or installing any of the
26 systems or components listed in AS 08.18.171(12); and

27 (2) inspects the system or component for the sole purpose of
28 determining the condition of the system or component before performing or offering
29 to perform repair, maintenance, or installation work on the system or component.

30 * Sec. 32. AS 08.18.161 is amended to read:

31 **Sec. 08.18.161. Exemptions. To the extent that this chapter governs**

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contractors. this [THIS] chapter does not apply to

(1) an authorized representative of the United States government, the State of Alaska, or a political subdivision or agency of the state;

(2) an officer of a court when acting within the scope of office;

(3) a public utility operating under the regulations of the public service commission in construction, maintenance, or development work incidental to its own business;

(4) a construction, repair, or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning, or other operation of a petroleum or gas well or a surface or underground mine or mineral deposit when performed by an owner or lessee;

(5) the sale or installation of finished products, materials, or articles of merchandise that are not actually fabricated into and do not become a permanent, fixed part of a structure;

(6) construction, alteration, or repair of personal property;

(7) a person who only furnished materials, supplies, or equipment without fabricating them into, or consuming them in the performance of, the work of the contractor;

(8) work on one project under one or more contracts, the aggregate contract price of which for labor and materials and all other items is less than \$10,000 [, THIS WORK BEING CONSIDERED AS OF A CASUAL, MINOR, OR INCONSEQUENTIAL NATURE]; this exemption does not apply when the work is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or when the work is divided into contracts of amounts less than \$10,000 for the purpose of evasion of this chapter or otherwise; this exemption does not apply to a person who advertises or puts out a sign or card or other device that might indicate to the public that the person is a contractor, or that the person is qualified to engage in the contracting business; a contractor who performs work priced at \$2,500 or more, under this exemption, shall nevertheless keep in force public liability and property damage insurance with coverage in at least the amounts set out in AS 08.18.101;

1 (9) an owner who contracts for a project with a registered contractor:

2 (10) a person working on that person's own property, whether occupied
3 by the person or not, and a person working on that person's own residence, whether
4 owned by the person or not;

5 (11) an owner or tenant of commercial property who uses the owner's
6 or tenant's own employees to do maintenance, repair, and alteration work upon that
7 property;

8 (12) an owner who acts as the owner's own contractor and in doing so
9 hires workers on an hourly basis, hires subcontractors, purchases materials and, as
10 such, sees to the paying for all labor, subcontractors, and materials; in this case, the
11 owner shall be limited to construction of one home, duplex, triplex, four-plex, or one
12 commercial building a [PER] year;

13 (13) a person performing construction work incidental to farming,
14 dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing,
15 clearing, or other work upon the land in rural districts for fire prevention purposes, or
16 access road building, unless the person is a licensee.

17 * Sec. 33. AS 08.18.171 is amended by adding new paragraphs to read:

18 (11) "existing home" means a residence previously occupied as a
19 residence;

20 (12) "home inspection" means a visual examination, performed in
21 accordance with standards of practice adopted by the department, of the readily
22 accessible parts of one or more of the following systems and components of a
23 residence or intended residence:

24 (A) heating and air-conditioning systems;

25 (B) plumbing and electrical systems;

26 (C) built-in appliances;

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

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

29 (F) foundation and basement;

30 (G) visible interior and exterior structures;

31 (H) drainage to and from the residence;

1 (I) other systems or components as specified by the department
2 in regulations;

3 (13) "home inspector" means an individual who performs or offers to
4 perform a home inspection for a fee;

5 (14) "joint registration" means a certificate of registration that
6 authorizes an individual to inspect both new homes and existing homes;

7 (15) "knowingly" has the meaning given in AS 11.81.900;

8 (16) "new home" means a residence not previously occupied as a
9 residence;

10 (17) "residence" means

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

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

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

14 (18) "visual examination" means an examination performed in person
15 at the physical location of the residence except that, if a method other than personal
16 physical inspection has been approved by the Alaska Housing Finance Corporation
17 under AS 18.56.300(b), use of the other approved method constitutes a visual
18 examination under this chapter.

19 * Sec. 34. AS 18.56.300(b) is amended to read:

20 (b) As a condition of a commitment to purchase or approve a loan under this
21 section for residential housing the construction of which begins after June 30, 1992,
22 the corporation shall require inspection of the unit of residential housing that is the
23 subject of the loan. The inspection must be performed by a municipal building
24 inspector, by a person who is approved or certified to perform residential inspections
25 by the International Conference of Building Officials or the International Association
26 of Electrical Inspectors, by an individual who is registered under AS 08.18 to
27 perform home inspections for new construction [OR, WHEN THE UNIT OF
28 RESIDENTIAL HOUSING IS LOCATED IN A RURAL AREA], by an architect
29 registered under AS 08.48, by an engineer registered under AS 08.48, or by another
30 person approved by the corporation. When the unit of residential housing is located in
31 a rural area, the person who makes the inspection may use methods other than a

1 personal physical inspection to make the inspection if the method is approved by the
2 corporation, and variations from the applicable code may be accepted at the
3 corporation's discretion, if the person authorized to inspect the unit under this
4 subsection satisfies the corporation that the variation does not adversely affect the
5 structural integrity of the unit or the health and safety of the residents. The person
6 who makes the inspection shall determine whether the construction conforms to
7 relevant provisions of the construction codes of the municipality or of the state
8 building code, as applicable, at each of the following stages of construction:

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

14 * Sec. 35. AS 18.56.300(b) is amended to read:

15 (b) As a condition of a commitment to purchase or approve a loan under this
16 section for residential housing the construction of which begins after June 30, 1992,
17 the corporation shall require inspection of the unit of residential housing that is the
18 subject of the loan. The inspection must be performed by a municipal building
19 inspector, [BY A PERSON WHO IS APPROVED OR CERTIFIED TO PERFORM
20 RESIDENTIAL INSPECTIONS BY THE INTERNATIONAL CONFERENCE OF
21 BUILDING OFFICIALS OR THE INTERNATIONAL ASSOCIATION OF
22 ELECTRICAL INSPECTORS,] by an individual who is registered under AS 08.18 to
23 perform home inspections for new construction, by an architect registered under
24 AS 08.48, by an engineer registered under AS 08.48, or by another person approved
25 by the corporation. When the unit of residential housing is located in a rural area, the
26 person who make the inspection may use methods other than a personal physical
27 inspection to make the inspection if the method is approved by the corporation, and
28 variations from the applicable code may be accepted at the corporation's discretion, if
29 the person authorized to inspect the unit under this subsection satisfies the corporation
30 that the variation does not adversely affect the structural integrity of the unit or the
31 health and safety of the residents. The person who makes the inspection shall

1 determine whether the construction conforms to relevant provisions of the
2 construction codes of the municipality or of the state building code, as applicable, at
3 each of the following stages of construction:

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

9 * Sec. 36. AS 36.30.050(b) is amended to read:

10 (b) A person who desires to be on a list shall submit to the commissioner
11 evidence of a valid Alaska business license. A biennial fee may be established by
12 regulation in an amount reasonably calculated to pay the costs of administering this
13 section. A construction contractor shall also submit a valid certificate of registration
14 as a contractor issued under AS 08.18. The commissioner, by regulation, may require
15 submission of additional information.

16 * Sec. 37. AS 36.30.115(a) is amended to read:

17 (a) Within five working days after the identification of the apparent low bidder
18 for a construction contract, the apparent low bidder shall submit a list of the
19 subcontractors the bidder proposes to use in the performance of the construction
20 contract. The list must include the name and location of the place of business for each
21 subcontractor, evidence of each subcontractor's valid Alaska business license, and
22 evidence of each subcontractor's registration as a contractor under AS 08.18. If a
23 subcontractor on the list did not have a valid Alaska business license and a valid
24 certificate of registration as a contractor under AS 08.18 at the time the bid was
25 opened, the bidder may not use the subcontractor in the performance of the contract,
26 and shall replace the subcontractor with a subcontractor who had a valid Alaska
27 business license and a valid certificate of registration as a contractor under AS 08.18
28 at the time the bid was opened.

29 * Sec. 38. AS 36.30.210(b) is amended to read:

30 (b) An offeror for a construction contract shall submit evidence of the offeror's
31 registration as a contractor under AS 08.18. A request for sealed proposals for a

1 construction contract, except a design-build construction contract, must require the
2 offeror, not [NO] later than five working days after the proposal that is the most
3 advantageous to the state is identified, to list subcontractors the offeror proposes to use
4 in the performance of the construction contract. The list must include the information
5 required under AS 36.30.115(a). The provisions of AS 36.30.115(b) - (g) that apply to
6 a construction contractor or an apparent low bidder apply to offerors submitting
7 competitive sealed proposals for construction contracts, except design-build
8 construction contracts.

9 * **Sec. 39.** AS 36.90.290(1) is amended to read:

10 (1) "prime contractor" means a person required to be registered as a
11 contractor under AS 08.18 who has a contract with the state or a political subdivision
12 of the state to provide materials or services, other than as an employee, for a public
13 construction or public works project;

14 * **Sec. 40.** AS 45.50.471(b) is amended by adding a new paragraph to read:

15 (45) violating AS 08.18.023(b) or 08.18.152.

16 * **Sec. 41.** AS 18.56.300(c) is repealed.

17 * **Sec. 42.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **APPLICABILITY.** The change made by *sec. 41* of this Act applies to causes of action
20 that accrue on or after July 1, 2005.

21 * **Sec. 43.** The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 **REGULATIONS.** The Department of Community and Economic Development may
24 proceed to adopt regulations to implement this Act. A regulation adopted under this section
25 takes effect under AS 44.62 (Administrative Procedure Act) but not before the effective date
26 of the law implemented by the regulation.

27 * **Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **TRANSITIONAL LICENSING PROVISIONS.** (a) Notwithstanding AS 08.18.022,
30 added by *sec. 7* of this Act, the Department of Community and Economic Development shall
31 issue a certificate of joint registration that is valid until January 1, 2006, to an individual who

1 submits to the department satisfactory evidence of being in the business of home inspection in
2 the state at the time of application for registration under this subsection and of having

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

4 and

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

7 (b) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
8 Community and Economic Development shall issue a certificate of registration to practice
9 home inspection of previously occupied residences that is valid until January 1, 2006, to an
10 individual who submits to the department satisfactory evidence of being in the business of
11 home inspection in the state at the time of application for registration under this subsection
12 and of having passed

13 (1) the national home inspector examination given by the American Society of
14 Home Inspectors, American Home Inspectors Training Institute, or National Association of
15 Home Inspectors; or

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

18 (c) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
19 Community and Economic Development shall issue a certificate of registration to practice
20 home inspection of new construction that is valid until January 1, 2006, to an individual who
21 submits to the department satisfactory evidence of being in the business of home inspection in
22 the state at the time of application for registration under this subsection and of having passed
23 the combination inspector examination or the combination dwelling inspector examination
24 given by the International Conference of Building Officials.

25 (d) Notwithstanding AS 08.18.022, added by sec. 7 of this Act, the Department of
26 Community and Economic Development shall issue a certificate of registration as an associate
27 home inspector that is valid until January 1, 2006, to an individual who submits to the
28 department satisfactory evidence of being employed by an individual who is in the business of
29 home inspection and is registered under this section or under AS 08.18.

30 (e) A certificate of registration issued under this section may not be renewed or
31 extended.

1 (f) Except as provided in (e) of this section, a certificate of registration as a home
2 inspector or associate home inspector issued under this section is considered to be a certificate
3 of registration as a home inspector or associate home inspector issued under AS 08.18.022,
4 added by sec. 7 of this Act.

5 (g) In this section, "joint registration" has the meaning given in AS 08.18.171, as
6 amended by sec. 33 of this Act.

7 * **Sec. 45.** AS 08.18.011(c) - (f), added by sec. 5 of this Act; AS 08.18.023, added by sec. 7
8 of this Act; AS 08.18.085, added by sec. 17 of this Act; AS 08.18.151, as amended by sec. 30
9 of this Act; and the amendment of AS 18.56.300(b), made by sec. 34 of this Act, take effect
10 July 1, 2004.

11 * **Sec. 46.** Section 35 of this Act takes effect January 1, 2006.

12 * **Sec. 47.** Sections 41 and 42 of this Act take effect July 1, 2005.

13 * **Sec. 48.** Except as provided in secs. 45 - 47 of this Act, this Act takes effect immediately
14 under AS 01.10.070(c).

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR CSHB 9 (JUD)

BY: Representative Norman Rokeberg

TITLE: An Act relating to the registration of individuals who perform home inspections; relating to regulation of contractors; relating to registration fees for specialty contractors, home inspectors, and associate home inspectors; 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 to civil actions arising from residential unit inspections; and providing for an effective date.

HB 9 will protect consumers and the home inspection industry by requiring registration of home inspectors in Alaska.

Currently, anyone can call himself or herself a home inspector. 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. HB 9 accomplishes this by establishing registration requirements, identification requirements, bonding, insurance, and proof of competency via examination and continuing competency requirements. Home inspectors will also be required to provide consumers with a written and signed inspection report.

A faulty inspection could have serious consequences for consumers, especially when they are buying or selling a home. Common sense dictates that home inspectors must be held accountable for their work. The legislation limits legal actions against a registered home inspector to a written home inspector report that is not more than 180 days old and/or unlawfully disclosed.

For ease of administration and in order to keep costs at a minimum, home inspectors are added to the statutes concerning specialty contractors. Clarifying language is inserted in the statutes as necessary.

I would urge your support for this legislation.

ED03: 02/06/03

Tuesday, February 11, 2003

Louanne Christian

HFC Assistant

To whom it may concern

My name is Kevin Jones, owner/operator of Quality Home Inspection Service in Anchorage, AK. I am the current President of the Alaska Chapter of the American Society of Home Inspectors (ASHI), as well as a ICBO Certified Combination Dwelling Inspector. I mainly concentrate on existing home inspections, however I have also performed new construction inspections. I have been in business for 6 years and have performed over 2000 inspections in pre-existing structures to date.

I am in support of licensure requirements for the home inspection industry. Currently only a \$50 business licensed is required to perform home inspections in the State of Alaska no matter what experience one has. My dentist or mechanic could be licensed tomorrow and performing inspections with no experience whatsoever. Most people that have no experience do get weeded out by the industry however, if even one person is damaged as a result of a non-trained professional inspector it is one too many. HB 9 is needed to prevent this injustice to the consumer.

HB 9 has good points in that it sets minimum qualifications, testing requirements and continuing Education. ASHI national strongly supports licensure of the industry. ASHI is the largest non-profit home inspection organization in the nation with over 6000 members. HB 9 has recognized our organization as a leader in the industry due in part to our established Standards and Code of Ethics as well as our requirement for continuing education. So as you can see HB 9 fits into our basic philosophy of ensuring competency within the profession.

I understand that the new construction inspection industry is not in complete agreement due to the recision of the liability clause originally provided in AS 18.56.300(c). I feel this is a mute point that will have little meaning in a court of law anyway. HB 9 sets time frames for the validity of reports as well as liability time frames for actions performed that I feel are adequate. The bill may not be perfect however over 5 years of effort and improvements have been put into this bill and it has evolved into a good baseline for the industry. Improvements may need to come at a later date but some protection needs to be given to the consumer before someone is unjustly impacted as a result of our idleness. Changes are never easy and growing is not always fun. But to be idle and do nothing is to not care. I would appreciate your support of HB 9.

Sincerely,

Kevin D. Jones

Owner

Quality Home Inspection Service
6015 Glenkerry Drive
Anchorage, AK
99504

Phone: 907 333-1719
FAX: 907 929-5259
email: qualhome@aol.com

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SECTIONAL ANALYSIS CSHB 9 (JUD)

BY: Representative Norman Rokeberg

Title: An Act relating to the registration of individuals who perform home inspections; relating to regulation of contractors; relating to registration fees for specialty contractors, home inspectors, and associate home inspectors; 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 to civil actions arising from residential unit inspections; and providing for an effective date.

- Section 1: Amends AS 08.01.010 [Centralized Licensing, Applicability of Chapter] to add reference to home inspectors.
- Section 2: Amends AS 08.01.065(c) [Centralized Licensing, Establishment of Fees] to add reference to new subsection in Section 3.
- Section 3: Amends 08.01.065 [Centralized Licensing, Establishment of Fees] to require that the fees established for AS 08.18 [Construction Contractors] so that fee levels for specialty contractors, home inspectors, and associate home inspectors shall equal total regulatory costs for these three categories. Fee for home inspector, associate home inspector, and joint license shall be the same.
- Section 4: Amends 08.18.011 [Construction Contractors, Registration required] to make clarifying amendments concerning contractor registration.
- Section 5: Amends 08.18.011 [Construction Contractors, Registration required] to require registration for home inspectors and associate home inspectors. Associate home inspector is to be employed by a registered home inspector who will be liable for the associate's work. Clarifies that an individual holding a joint registration for home inspection is considered to be registered as both a home inspector for new homes and existing homes.
- Section 6: Amends AS 08.18.021(a) [Construction Contractors, Application for registration] to insert language concerning home inspector registration and to clarify requirements for home inspectors and contractors. Corrects

reference to "employer" social security number in the current statute to the "applicant's" social security number.

Section 7: Adds new sections to AS 08.18 [Construction Contractors] as follows:

Section 08.18.022. Home inspectors; associate home inspectors. Sets forth examination requirements, education and experience requirements, and application requirements for registration as a home inspector or associate home inspector.

Section 08.18.023. Pre-inspection documents and inspection reports. Establishes the procedure for pre-inspection documents and inspection reports. Sets forth the items to be included in the report and requires a written report. Indicates that an oral inspection report may be given by a home inspector during or after the inspection. Sets the validity period of the inspection report at 180 days.

Section 8: Amends AS 08.18.031(a) [Construction Contractors, Certificate of Registration] to clarify the renewal of home inspector registrations.

Section 9: Adds new section to 08.18.031 [Construction Contractors, Certificate of Registration]. Sets forth the renewal procedure for a home inspector registration. Permits the Department to adopt regulations concerning continuing competency requirements. Requires at least eight hours of continuing competency activity. Indicates that regulations must provide that a continuing competency activity approved by one of the following entities satisfies the continuing competency requirements if the activity meets the Department's requirements: Alaska Housing Finance Corporation, University of Alaska, American Society of Home Inspectors Alaska Chapter, a chapter of the International Conference of Building Officials Alaska, Alaska State Homebuilders Association, or a state agency whose activity meets the Department requirements.

Section 10: Amends 08.18.041 [Construction Contractors, Fees] to permit the Department to establish fees for registration of home inspectors, associate home inspectors, renewal of registration, and examinations.

Section 11: Amends 08.18.051(a) [Construction Contractors, Identification requirements] to clarify that this subsection applies to contractors.

Section 12: Adds new section to AS 08.18 [Construction Contractors] to provide identification requirements for home inspectors. Includes that a home inspector or associate home inspector registered under one name may not act under another name; sets forth advertising requirements; establishes

that "registered home inspector" may only be used by individuals registered with the Department as a home inspector.

- Section 13: Amends AS 08.18.061 [Construction Contractors, Requirements of political subdivision] to add reference to home inspectors.
- Section 14: Amends AS 08.18.071 [Construction Contractors, Bond required]. Adds home inspection activity to this section.
- Section 15: Amends AS 08.18.071(b) [Construction Contractors, Bond required]. Adds home inspectors to the \$5,000 bond requirement. Cash deposit or other negotiable security acceptable to the commissioner may be used in lieu of bond.
- Section 16: Amends AS 08.18.081(a) [Construction Contractors, Claims against contractor]. Adds home inspector to this section.
- Section 17: Adds new section to AS 08.18 [Construction Contractors]. Legal actions against home inspector. Sets out provisions concerning legal actions against a home inspector. Actions must be commenced within two years from the date of the inspection report on new homes and one year on existing homes. Limitations of this section may not be waived by contract. Home inspector and associate home inspector not liable to person if person is not a party to the transaction or is unlawfully in receipt of home inspection report. Contractual provisions that purport to limit liability of home inspector to cost of home inspection report are contrary to public policy and void.
- Section 18: Amends AS 08.18.111 [Construction Contractors, Advertising bond and insurance]. Adds home inspectors to this section.
- Section 19: Amends AS 08.18.115 [Construction Contractors, Return of cash deposit]. Adds provisions for home inspector who ceases doing business to have any cash deposit in lieu of bond returned.
- Section 20: Amends AS 08.18.116 [Construction Contractors, Investigations] to provide that the Department of Community and Economic Development is the agency to investigate alleged or apparent violations against home inspectors.
- Section 21: Amends AS 08.18.117 [Construction Contractors, Issuance of citations] to provide that the Department of Community and Economic Development may issue citations for violations with regard to home inspectors.

- Section 22: Amends AS 08.18.121(a) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if insurance under AS 08.18.101 (worker's compensation, property and liability) is not in effect, the registration is suspended until such time the insurance is reinstated.
- Section 23: Amends AS 08.18.121(b) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if any final judgment impairs the liability of the surety bond or depletes any cash deposit that registration is suspended until bond liability in required amount, unimpaired by unsatisfied judgment claims, has been furnished.
- Section 24: Amends AS 08.18.121 (c) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicated that if a bonding company cancels the bond, the registration shall be revoked. Registration may be regained by again complying with bonding requirements.
- Section 25: Amends AS 08.18.121(d) [Construction Contractors, Suspension and revocation of registration] to add home inspectors to the provisions concerning suspension for failure to follow 08.18.071. Further provides that if a bond is suspended three times, the commissioner may permanent revoke registration.
- Section 26: Amends AS 08.18.121(f) [Construction Contractors, Suspension and revocation of registration] to provisions concerning violations and the authority of the Department of Commerce and Economic Development with regard to home inspectors.
- Section 27: Amends AS 08.18.123 [Construction Contractors, Denial, Suspension, and Revocation of Endorsement] to add reference to home inspectors.
- Section 28: Amends AS 08.18.131 [Construction Contractors, Injunction] to add reference to civil penalty. Further adds reference to ability of Department to enjoin person who is violating home inspectors statutes from acting in that capacity.
- Section 29: Amends AS 08.18.141(a) [Violations] to include home inspector. Those violating 08.18.011 [Registration required] or 08.18.025 [Residential contractors] may be guilty of class B misdemeanor; other violations of this chapter are punishable under AS 12.

Section 30: Amends AS 08.18.151 [Construction Contractors, Legal actions by contractor] to add reference to home inspectors.

Section 31: Amends AS 08.18 [Construction Contractors] to add new section as follows:

- a. 08.18.152. Prohibited acts for home inspectors. Sets out the acts which home inspectors may not do, such as: repairs to subject property for additional fees; inspect property for a fee in which home inspector has a financial interest; offer rewards or compensation for business referrals; without written consent of client, disclose information from a home inspection report unless to a subsequent client who requests an inspection on the same premises or in a judicial action; accept compensation from more than one party for the same home inspection; accept commission; accept engagement for home inspection based on outcome of inspection report.
- b. 08.18.154. Limitation on home inspector's activities. Sets for limitation on activities.
- c. 08.18.156. Exemptions related to home inspectors. Exempts following from registering as a home inspector or associate home inspector in order to inspect a home: federal, state or local government employee performing duties within scope of office; inspecting own home or one in which person has a financial interest; registered engineer or architect who affixes seal, signs and dates the report and puts registration number on report; engineer or architect in training supervised by registered engineer or architect; pesticide applicator performing duties in scope of license issued by Department of Environmental Conservation; general contractor with residential contractor endorsement performing activities within scope of that registered; real estate appraiser performing those duties; determining if thermal and lighting energy standards are being met. Establishes that the definition of "home inspection" does not include repairing, maintaining, or installing systems or components listed in new 08.18.171(12) and inspects those systems or components in order to perform or offer repair, maintenance or installation work on those items.

Section 32: Amends 08.18.161 [Construction Contractors, Exemptions] to add qualifying reference to contractors.

Section 33: Amends AS 08.18.171 [Construction Contractors, Definitions] to add definitions for: existing home, home inspection, home inspector, joint registration, knowingly, new home, residence, and visual examination.

- Section 34: Amends AS 18.56.300(b) [Alaska Housing Finance Corporation, Construction standards for housing eligible for purchase of loans] current AHFC statute requiring a home inspection before certain loan commitments are made by AHFC. Adds registered 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 35: Amends same AHFC statute described in Section 33 [Alaska Housing Finance Corporation, Construction standards for housing eligible for purchase of loans], but amendment does not take effect until January 1, 2005, 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 36: Amends AS 36.30.050(b) [State procurement code, Lists of contractors] to add qualifying language concerning contractors.
- Section 37: Amends 36.30.115(a) [State procurement code, subcontractors for construction contracts] to add clarifying references to contractors.
- Section 38: Amends 36.30.210 [State procurement code, Request for proposals] to add clarifying reference to contractors.
- Section 39: Amends AS 36.90.290(1) [State procurement code, definition] adds qualifying language to definition of "prime contractor".
- Section 40: Amends AS 45.50.471(b) [Competitive Practices and Regulations of Competition, unlawful acts and practices] to bring violations of 08.18.023(b) [inspection reports] and 08.18.152 [prohibited acts for home inspectors] under unfair trade practice statutes.
- Section 41: Repeals AS 18.56.300(c) [Alaska Housing Finance Corporation, construction standards for housing eligible for purchase of loans] effective July 1, 2005 (see Section 46).
- Section 42: Applicability: Change made in Section 40 applies to causes of action that accrue on or after July 1, 2005.
- Section 43: Regulations: Permits Department to proceed to adopt regulations regarding home inspectors.

Section 44. Provides for transitional licensing.

Section 45: Effective date for certain provisions of the legislation.

Section 46: Section 34 effective date is January 1, 2006.

Section 47: Sections 40 and 41 take effect July 1, 2005.

Section 48: Immediate effective date for remainder of legislation except as provided for in sections 44-46.

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NOTES TO DECISIONS

Section not prerequisite to satisfying AS 08.18.011. — No specific language makes satisfaction of this section a prerequisite to a finding that AS 08.18.011 is satisfied. *Fomby v. Whisenhunt*, 680 P.2d 787 (Alaska 1984).

Penalty for violating section. — The penalty for violating this section is contained in AS 08.18.141, which makes it a misdemeanor to violate any provi-

sion of the chapter; and AS 08.18.151 should only be applied to bar an action when the contractor has not registered at all at the time of contracting. *Alaska Protection Servs., Inc. v. Frontier Cable, Inc.*, 680 P.2d 1119 (Alaska 1984).

Stated in *Gross v. Bayshore Land Co.*, 710 P.2d 1007 (Alaska 1985).

Sec. 08.18.060. [Repealed, § 1 ch 100 SLA 1968.]

Sec. 08.18.061. Requirements of political subdivision. A contractor who is registered with the state under this chapter may not be required to give bond in applying for or holding a license issued by a political subdivision. (§ 2 ch 100 SLA 1968)

Sec. 08.18.070. [Repealed, § 1 ch 100 SLA 1968.]

Article 2. Bond and Insurance.

Section

71. Bond required
81. Claims against contractor
91. Cancellation of bond

Section

101. Insurance required
111. Advertising bond and insurance
115. Return of cash deposit

Sec. 08.18.071. Bond required. (a) Each applicant shall, at the time of applying for a certificate of registration, file with the commissioner a surety bond running to the state conditioned upon the applicant's promise to pay all

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

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

(3) amounts that may be adjudged against the applicant by reason of negligent or improper work or breach of contract in the conduct of the contracting business or by reason of damage to public facilities occurring in the course of a construction project.

(b) If the applicant is a general contractor, the amount of the bond shall be \$10,000; if the applicant is a mechanical or specialty contractor, the amount of the bond shall be \$5,000. In lieu of the surety bond the applicant may file with the commissioner a cash deposit or other negotiable security acceptable to the commissioner in the amount specified for bonds.

(c) The bond required by this section remains in effect until cancelled by action of the surety, the principal, or the commissioner. An action may not be commenced upon the bond later than three years after its cancellation. (§ 2 ch 100 SLA 1968; am § 1 ch 15 SLA 1977; am § 4 ch 83 SLA 1985; am § 5 ch 132 SLA 1988)

NOTES TO DECISIONS

Material and equipment excluded from operation of section. — AS 08.18.161(5), which makes the chapter inapplicable to materials and equipment not incorporated or consumed in the construction of a structure, operates to exclude such material and equipment from the operation of this section and AS

08.18.081. *Balboa Ins. Co. v. Senco Alaska, Inc.*, 567 P.2d 295 (Alaska 1977).

Quoted in *State ex rel. Smith v. Tyonek Timber, Inc.*, 680 P.2d 1148 (Alaska 1984).

Cited in *Allison v. State*, 583 P.2d 813 (Alaska 1978); *Jones v. Short*, 696 P.2d 665 (Alaska 1985).

Sec. 08.18.080. [Repealed, § 1 ch 100 SLA 1968.]

Sec. 08.18.081. Claims against contractor. (a) A person having a claim against a contractor for any of the items referred to in AS 08.18.071 may bring suit upon the bond

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relating to the purchase of certain housing loans of the Department of Community and Regional Affairs as of June 26, 1992, by the Alaska Housing Finance Corporation, see § 147, ch. 4, FSSLA 1992 in the Temporary and Special Acts; for legislative findings and intent in connection with the enactment of this section, see sec.

1, ch. 147, SLA 1988 in the Temporary and Special Acts.

Legislative history reports. — For legislative letter of intent relating to a legislative oversight committee in connection with AHFC activities under this section, see 1988 Senate Journal 3681.

Sec. 18.56.220. Duty to advise about corporation's programs. The corporation shall make a reasonable effort, through seminars, training sessions, and other forms of technical assistance, to assist local governments, regional housing authorities, nonprofit organizations, and other organizations and individuals to understand the corporation's housing programs and the opportunities that exist to obtain financial assistance from the corporation. (§ 98 ch 4 FSSLA 1992)

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 registered under AS 08.48, by an engineer registered 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; am § 6 ch 20 SLA 2002)

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).

effective May 18, 2002, substituted "registered" for "licensed" in two places in the second sentence in subsection (b).

Effect of amendments. — The 2002 amendment,

Sec. 18.56.390. Definitions for AS 18.56.010 — 18.56.390. In AS 18.56.010 — 18.56.390, unless the context clearly indicates a different meaning,

(1) "adjustable rate mortgage loan" means a mortgage loan with respect to which the interest rate varies or is expected to vary from time to time by reference to an index or formula or other reference point;

(2) "bond" or "obligation" means a bond, bond anticipation note, or other note of the corporation authorized to be issued by the corporation under this chapter, or a mortgage participation certificate issued with respect to mortgages of the corporation;

(3) "construction loan" means a construction loan for land development or residential housing that is secured by a federally insured or guaranteed mortgage or that is insured or guaranteed by the United States or an instrumentality of the United States, or for which there is a commitment by the United States or an instrumentality of the United States to insure or guarantee such a loan, or a construction loan for land development or residential housing which land development or residential housing will be secured by a mortgage loan;

(4) "development costs" means the costs approved by the corporation as appropriate expenditures that may be incurred by sponsors, builders, and developers of residential housing, before commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to

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HOMEBUYERS / SELLERS

STATE REGULATIONS

- Standards of Practice
- Code of Ethics
- Glossary of Terms
- Consumer Alerts
- State Regulations
- FAQ's on Inspections



Download ASHI's official position on the regulation of the home inspection profession.

Existing State Home Inspector Regulatory Legislation

Alabama Licensure (Act 517 of 2002) Requires individuals performing home inspection to become licensed by the Alabama Building Commission. The Alabama Standards of Practice and Code of Ethics is adopted from the ASHI Standards of Practice and Code of Ethics. The Alabama Building Commission gratefully acknowledges ASHI's consent. The bill also outlines educational and experiential requirements to become licensed, sets license fees and insurance requirements, and defines penalties under which licensure may be suspended or revoked. This law replaces Act 96-574.

For more information, contact the State of Alabama Building Commission, (334) 242-40 (334) 242-4182 fax, email buildcom@bc.state.al.us

To download Act 517 go to: <http://alisdb.legislature.state.al.us/acas/ACASLogin.asp>, click on Bills, click on Status, type in HB216 and click on Get Status, click on the HB216 button click View for PDF.

Arizona Certification (Chapter 1, Sec. 5, Title 32) enacted in 2000. Under the Arizona Home Inspector Registration Act, registration requirements for home inspectors are administered by the State Board of Technical Registration (SBTR). The law establishes 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 or pass an exam through December 31, 2002. Exempts individuals from course study requirements for registration who can provide evidence to the SBTR that they have performed 250 or more home inspections for compensation.

For more information, contact State Board of Technical Registration, (602) 255-4053, (602) 255-4051 fax.

To download the law go to: <http://www.btr.state.az.us/> and click "Legislative Updates," click "Senate Bill 1132." To download the Rules, click "Applicable Statutes" and then "Statute Governing the AZ BTR effective Aug. 8, 2001."

Arkansas Registration (Act 791 of 1997) enacted in 1997. 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 Standards of Practice and Code of Ethics of ASHI, the Arkansas Association of Real Estate Inspectors, or an equivalent professional home inspection association. The law also prohibits inspectors from performing repairs on a structure that he has inspected within

last 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.

For more information, contact Secretary of State, Division of Corporations
(501) 682-3409
(501) 682-3437 f
<http://www.sosweb.state.ar.us/business.html>

To download the law go to: http://www.ark-homeinspectors.com/law_formatted.htm.

California Trade practice act (Chapter 338) enacted in 1996. The law in California prohibits unethical home inspection practices, including comparing properties that home inspectors have inspected in the previous 12 months. The law encourages courts to consider the Standards of Practice and Code of Ethics of ASHI and the California Real Estate Inspection Association when determining whether an inspection meets the required standard of care.

For more information, contact the License Board
(916) 255-3900

To download the law go to:
<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=bpc&group=07001-08000&file=7>

Connecticut Licensure (Chapter 400F enacted in 1999). 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 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 function required; and 4) have paid a \$100 fee.

For more information, contact the Dept. of Consumer Protection, Licenses Service Division
(860) 713-6000
(860) 713-7239 f
email: licencse.services@po.state.ct.us

For Regulations, applications, etc. go to:
<http://www.dcp.state.ct.us/licensing/professions.htm>

To download the law only go to: <http://www.cga.state.ct.us/2001/pub/Chap400f.htm>

Georgia Trade practice act (Chapter 3, Title 8) enacted in 1994. Georgia law requires home inspectors to provide written documents containing certain information with regard to inspections. This written document must include the scope of the inspection, including the structural elements and systems to be inspected, that 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.

For more information, contact the Secretary of State, Construction Industry License Board
(901) 207-1416
(901) 207-1425 f
<http://www.sos.state.ga.us/plb/construc/>

To download the law go to:

www.state.ga.us/cgi-bin/pub/ocode/ocqsearch?docname=OCode/G/8/3/330.

Illinois Licensure (Public Act 92-039). Illinois law creates the "Home Inspector Licensing Act" and establishes a Home Inspector Advisory Board within the Office of Banks and Real Estate, which is charged with regulating home inspectors. The law directs the Board to establish standards of practice, as well as educational and administrative requirements they relate to the practice of home inspections. Under the law, home inspectors are required to take a Board-approved examination. The Board is responsible for developing administrative rules to define and establish the education requirements, application and appropriate fees, as well as establishing any penalties or disciplinary actions for violating the terms of a license. The law also exempts certain professionals from licensure as a home inspector while acting under the scope of their licenses. The law becomes effective January 1, 2003.

For more information contact the Office of Banks and Real Estate
(217)782-3000
(217)524-5941 f
www.obre.state.il.us.

To download the law go to:

<http://www.legis.state.il.us/legisnet/legisnet92/hogroups/hb/920HB1805eng.html>

Louisiana Licensure (Chapter 17-A of Title 37) enacted in 1999. Louisiana law creates the "Louisiana Home Inspectors Licensing Act." It creates the Louisiana State Board of Home Inspectors within the Department of Economic Development and requires the Board to establish minimum qualifications for licensing and allows the Board to charge and collect fees. Applicants must be at least 18 years old and must have successfully completed high school or its equivalent, and passed the required examination. Applicants must show evidence of successful completion of at least 120 hours of instruction, at least 30 hours 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 inspection and for a reasonable time thereafter, advertising or soliciting to perform repair services on the home upon 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.

For more information, contact the Louisiana State Board of Home Inspectors
225-248-1334
225-248-1335 fax
1-866-244-1334.

To download the law go to:

<http://la.realtorplace.com/Meetings/fallmtng98/agendas/homeinspectbill.htm>.

To download the Rules and Regulations of the Board go to: www.lsbhi.com/documents!

Maryland Trade practice act enacted in 1992. Maryland law requires home inspectors 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.

Licensure (Chapter 470) enacted in 2001. Maryland law creates the State Commission on Real Estate Appraisers and Home Inspectors to regulate home inspectors in the state. The Commission is charged with establishing a code of ethics and standards of practice for licensed home inspectors, and providing a copy of such standards to each licensed home inspector. To qualify for licensure prior to July 1, 2002, an applicant must complete two of the following conditions: 1) complete a minimum of 48 hours of an on-site training course approved by a national home inspection organization of the Commission, 2) complete a

minimum of 2 years of relevant work experience as determined by the Commission, 3) complete at least 100 home inspections for compensation, or 4) submit proof of full membership in or certification by ASHI or NAHI. Effective July 1, 2002, an applicant for a home inspector license shall: 1) have completed a minimum of 48 hours of an off-site training course, 2) have a high school diploma or its equivalent, 3) have general liability insurance in an amount not less than \$50,000, 4) submit an application sanctioned by the Commission, 5) pay the application fee of \$50 to the Commission. The law also exempts certain professionals from licensure as a home inspector while acting under the scope of their licenses, and provides a reciprocity provision for licensed home inspectors from other states.

For more information, contact the Division of Occupational & Professional Licensing
(410) 230-6165
(410) 333-6314 f
www.dlr.state.md.us/license/occprof/reappr.html

To download the law go to: <http://mlis.state.md.us/2001rs/bills/hb/hb0379e.rtf>

Massachusetts Licensure (Chapter 146) enacted in 1999. Massachusetts 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 Office of Consumer Affairs and Business Regulation publish an informational brochure on home inspections which must be issued to home buyers 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. License holders for 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.

Amendment to Current Law (Ch. 146 of 1999) enacted in 2001. The amended section of the law (Chapter 17 of 2001) extends the time period during which the Board may issue a temporary license to an applicant seeking licensure as a home inspector. The law moves the effective date back to November 1, 2001 from May 1, 2001 and establishes the criteria under which a temporary license may be issued. A temporary license may be issued if: 1) an individual has been engaged in home inspection for not less than three years prior to the effective date and has performed at least 100 inspections for compensation, or 2) an individual has been engaged in the practice of home inspection for not less than one year prior to the effective date, and has performed at least 125 inspections for compensation. Temporary licenses shall terminate in 90 days, or whenever the applicant furnishes proof of having passed a licensing examination approved by the Board, whichever occurs first.

For more information, contact the Board of Registration of Home Inspectors
(617) 727-9921
(617) 727-2197 f
www.state.ma.us/reg/boards/hi/

To download the law go to: www.state.ma.us/legis/laws/seslaw99/s1990146.htm

For Rules/Regulations of the Board go to: <http://www.state.ma.us/reg/boards/hi/cmr.htm>

Mississippi Licensure (Chapter 539) enacted in 2001. Mississippi law requires home inspectors to be licensed by the Mississippi Real Estate Commission (Commission) and given the following powers: 1) receiving and approving applications for licensure and collecting fees, 2) implementing recommendations made by the Home Inspector Advisory Board, 3) adoption of a code of ethics and standards of practice, 4) developing a licensure exam which meets nationally recognized standards, as well as developing applications and licensing forms, 6) adopting rules and regulations for administering the law. The law also created a five person Home Inspector Regulatory Board (Board), members of which are to be licensed inspectors, and appointed by the Governor. The Board serves in an advisory capacity to the Commission, and was given the following duties and powers: 1) responsibility for matters relating to the code of ethics, standards and qualifications, 2) holding hearings and preparing examination specifications for licensure, 3) conducting investigations, 4) further defining regulation, educational and equivalent experience, and recommending suspension or revocation of licenses. To qualify for a license under this act a person must: 1) have successfully completed high school or attained an equivalency degree, 2) be at least 21 years old, 3) have successfully completed an approved course of study of at least 60 hours, which may include field work as required by the Commission, pass an examination prescribed by the Commission, and 5) provide a certificate of insurance for errors and omissions and general liability. Certain individuals acting under their profession or license are exempted from additional licensure by the Commission for "visual inspections"--specialty and general contractors, architects, engineers, financial institution employee, licensed real estate broker, appraiser or home builder. There is also a three-year limitation included for clients seeking to recover damages from an inspection reciprocity provision, and a grandfather clause included in the act.

For more information, contact the Real Estate Commission (Home Inspector Regulatory Board)
(601) 932-9191
<http://www.mrec.state.ms.us/>

To download the law go to:
<http://billstatus.ls.state.ms.us/documents/2001/html/HB/0800-0899/HB0848SG.htm>

Montana Trade Practice Act (Chapter 14, Title 30) enacted in 1999. Montana law, the Home Inspection Trade Practices Act, prescribes what elements must be identified in a home inspection and defines prohibited activities by a home inspector.

For more information, contact the Office of Building Codes and Inspection
(406) 444-3933
(406) 444-2903 f

To download the law go to: <http://data.opi.state.mt.us/bills/BillHtml/SB0210.htm>

Nevada Certification (Chapter 475) enacted in 1997. 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 that 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.

For more information, contact the Department of Business and Industry, Real Estate Division
http://red.state.nv.us/inspector/insp_home.htm
(775) 687-4280
(775) 687-4868 f

To download the law go to: www.leg.state.nv.us/nrs/nrs-645d.html and
www.leg.state.nv.us/nac/nac-645d.html

New Jersey Licensure (Chapter 8, Title 45) enacted in 1998. 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. Inspectors do not have to be a member or candidate of ASHI in order to take the 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 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.

For more information, contact the Department of Law and Public Safety, Office of Consumer Protection
 (973) 504-6200
 (973) 504-3538 f
www.state.nj.us/lps/ca/nonmed.htm

To download the law go to: <http://www.state.nj.us/lps/ca/pels/hlstats.htm>

North Carolina Licensure (Chapter 143) enacted in 1993. 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.

For more information, contact the Inspector License Board
 (910) 715-0991
www.ncdoi.com/

Scroll down to Home Inspector Licensure Board

The General Statutes and the Administrative Code are meant to be used together.

To download Chapter 143 go to:
<http://www.ncdoi.com/QSFM/Documents/Engineering/HILB/NCHILBStatutes.PDF>

To download the Administrative Code go to:
www.ncdoi.com/QSFM/Documents/Engineering/HILB/BoardRules2000.PDF

Oklahoma Licensure (Section 858-622 of Title 59) enacted in 2001. The "Oklahoma Home Inspection Licensing Act" provides for the licensing of home inspectors through the State Board of Health, and a newly created Committee of Home Inspector Examiners (Committee). The Committee is charged with advising the Board of Health in establishing rules relating to: 1) qualifications and examinations for licensure, 2) renewal requirements, 3) reinstatement of licenses, 4) continuing education, 5) standards of practice and prohibitions, 6) approval of schools and educational course content for home inspection standards for schools to remain approved to provide courses of instruction, 7) reciprocity agreements, and 8) investigative procedures. In order to take an examination for licensure, an applicant must be at least 18 years of age, and successfully complete eighty (80) hours

of home inspection training, or its equivalent, as determined by the Committee. Renewal licenses will be granted provided home inspectors attend five hours of continuing education within the preceding 12 months. A grandfather clause is included as well, with a sunset of January 1, 2002. Under the law, licensed home inspectors will be required to carry no less than \$50,000 of general liability insurance.

For more information, contact the Department of Health
(405) 271-5217

www.health.state.ok.us/

To download the law go to: http://www2.lsb.state.ok.us/2001-02SB/sb198_sflr.rtf

Oregon Certification (ORS 701.350, 355) enacted in 1997. The Oregon Home Inspection Certification Law requires individuals who perform home inspections of two or more components to be certified by the Oregon Construction Contractors Board (CCB). An individual must meet minimum training and/or experience requirements to take a comprehensive test, pass the test and complete continuing education courses to renew certification. The Oregon Standards of Practice, Standards of Behavior and Definitions adopted from the ASHI Standards with Oregon amendments; Oregon acknowledges the assistance of ASHI in developing its standards and definitions. Each certified home inspector must be an owner or employee of a business licensed with the CCB. Businesses that perform home inspections must be licensed with the CCB in categories that require either a \$10,000 or \$15,000 bond and either a \$300,000 or \$500,000 liability insurance policy. **Amendment to current law** (ORS 710.35, Chapter 812). The amendment to current law provides an exemption for a home inspector acting within the scope of his/her certification or licensure, from licensure as a real estate appraiser.

For more information, contact the Construction Contractors Board
(503) 378-4621
(503) 373-2007 f
<http://www.ccb.state.or.us/CCBHome.htm>

To download ORS 701.350 go to: <http://ccbed.ccb.state.or.us/WebPDF/CCB/statutes/hi>

For information on Continuing Education Units go to:
<http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-ceu.pdf>

For a Summary of the Standards of Practice go to:
<http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-s-sop.pdf>

For the full text of the Rules of the Board, including the full Standards, go to:
<http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-s-sop.pdf>

For information on the Oregon Exam go to:
<http://ccbed.ccb.state.or.us/WebPDF/CCB/Publications/hi-AP-P.pdf>

Pennsylvania Trade Practice Act (Act 114 of 2000, Title 68 enacted in 2000). The law provides a uniform definition for the term "home inspection" and for a national home inspection association. It establishes that a home inspector shall conduct their inspection 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. It further outlines consumer remedies as they relate to a home inspection, and establishes penalties for misrepresentations of fact in an inspection report. Under the law, home inspectors are required to maintain errors and omissions and general liability insurance coverage of not less than \$100,000 per occurrence and \$500,000 in the aggregate. The law is scheduled to take effect in December 2001.

For more information, contact the Pennsylvania Bureau of Consumer Protection
(717) 787-9707

To download the law go to:

<http://www.legis.state.pa.us/WU01/LI/BI/BT/1999/0/SB1032P2140.HTM>

Rhode Island Trade practice act enacted in 1996. 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 (Chapter 65.1) enacted in 2000. Rhode Island law 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.

For more information, contact the RI Contractors' Registration Board
(401) 222-1268
(401) 222-2599
www.crb.state.ri.us/inspectors.htm

To download the law go to:

South Carolina Licensure (Title 40, Chapter 59, Article 3) enacted in 1996. 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.

For more information, contact the Department of Labor, Licensing and Regulation

Residential Builders Commission
(803) 896-4363 main
(803) 896-4603 for
Home Inspectors
www.llr.state.sc.us

To download the law go to: <http://www.lbitr.state.sc.us/code/t40c059.htm>

South Dakota Licensure (Chapter 3621C) enacted in 2000. 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 no 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.

For more information, contact the Real Estate Commission
(605) 773-3600
(605) 773-4356 www.state.sd.us/sdrec/ To download the law go to:
<http://www.state.sd.us/sdrec/home%20inspector%20statutes.htm>

Tennessee Certification (Title 62, Chapter 6, Part 3) enacted in 1997. 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 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.

For more information, contact the Department of Commerce, Division of Regulatory Box (615) 741-3449
www.state.tn.us/commerce

To download the law go to:
<http://198.187.128.12/tennessee/lpext.dll?f=templates&fn=fs-main.htm&2.0>

Texas Licensure (Title 113A, Article 6573a, Section 23) enacted in 1991. The Texas licensure law, the Real Estate License Act, 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 licer home inspector. If an applicant is unable to obtain an apprenticeship, educational course work and an examination can be substituted. Home inspectors are regulated by the Texas Real Estate Licensing Board.

For more information, contact the Texas Real Estate Commission (512) 465-3900
 (512) 465-3910 f
www.trec.state.tx.us/

To download the law go to: <http://www.capitol.state.tx.us/statutes/vn/vn00113A.html>

To download the Rules go to:
[info.sos.state.tx.us/pub/plsql/readtac\\$ext.ViewTAC?tac_view=5&ti=22&pt=23&ch=535&](http://info.sos.state.tx.us/pub/plsql/readtac$ext.ViewTAC?tac_view=5&ti=22&pt=23&ch=535&)

Virginia Certification (Chapter 723, adding Chap. 5 of Title 54.1) enacted in 2001. The Virginia certification law provides a voluntary certification program for home inspectors in the state. However, no person may hold him/herself out as a "certified home inspector" without meeting the certification requirements prescribed by the Board. The Board may issue a certificate to practice home inspection to any applicant who has successfully completed: 1) any educational requirements as required by the Board, 2) any experience requirements as required by the Board, and 3) passed any written or electronic examination offered or approved by the Board. The Board may issue a certificate to practice as a certified home inspector to any applicant who is a member of a national or state professional home inspector association approved by the Board, provided that the requirements for the class of membership in such association are equal to or exceed the requirements established by the Board for all applicants. Because the law was enacted recently, the language does not include specific requirements. The Board is undoubtedly working on creating those rules and requirements, in preparation for the law's July 1, 20 effective date.

For more information, contact Virginia Board for Asbestos, Lead, and Home Inspectors (804) 367-8507
http://www.state.va.us/dpor/asb_main.htm

To download the law go to:
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+TOC540100000050000000000000>

In PDF: http://www.state.va.us/dpor/asb_finalreq.pdf

Wisconsin Certification (Chapter 440.97) enacted in 1998. 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 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.

For more information, contact the Department of Regulation and Licensing

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Final Edition

Anchorage Daily News

Monday, June 17, 2002

ALASKA'S NEWSPAPER

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This house is no home sweet home

■ **UNFIXABLE?** House that passed inspections before purchase has major faults.

By ROSEMARY SHIMOHARA
Anchorage Daily News

Spenard resident Hope Prehn got a government-subsidized loan to buy a house that was supposed to have been fully inspected and in good condition. She has learned, too late, that the house is rotting and is probably unfixable.

"The place is not safe, and I don't know what to do," said Prehn, 38, a single mother with two children, and a first-time homebuyer.

"I'm stuck with a home that's con-

demnable."

None of the companies and agencies involved in the purchase think it's their fault.

The bank and a housing agency that signed off on the loan, and the home inspector who indicated major problems had been taken care of, suggest Prehn look elsewhere for help. They say there's nothing they can do about the fact that they helped her purchase a house that cost \$117,000 and could prove to be worthless.

However, former owner Rick Anderson has agreed to participate with Prehn in a voluntary mediation session before an official of the Anchorage Board of Realtors. Anderson said he is not aware of the specific problems. "I'm in the dark and know that she's not happy. That's

where we stand."

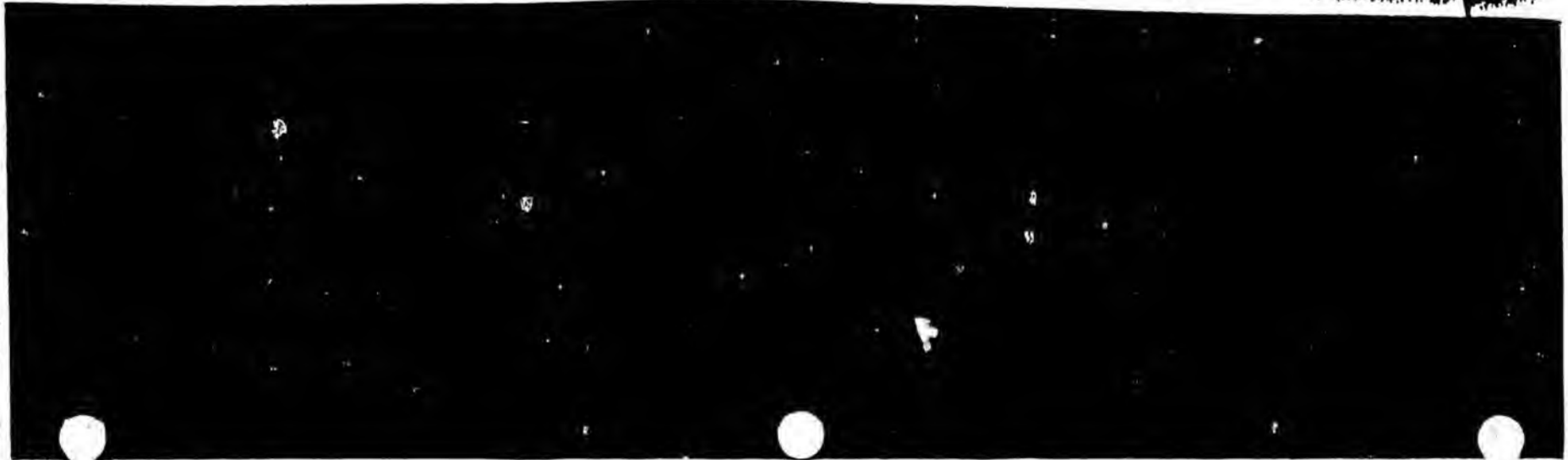
Ironically, Prehn bought the house near Tudor Road and Minnesota Drive through a program aimed at giving low- and moderate-income families a chance to raise their standards of living. AnchorHomes, sponsored by the city and run by the nonprofit Anchorage Neighborhood Housing Services, contributes to the down payment and closing costs, with government money.

When she began looking for a house last year, Prehn thought she'd done everything right. She went to a first-time home buyers class and took to heart the importance of getting a home inspection by an

See Back Page, DEFECTS



Hope Prehn bought a house in Spenard in January with the help of AnchorHomes, a program sponsored by the city and run by the nonprofit Anchorage Neighborhood Housing Services. Two months have since told her the house is a wreck.



DEFECTS: Owner of rotting home can't find anyone to take responsibility

Continued from A-1

expert.

Houses in her price range were scarce. She knew the Spenard house needed work, but the location was right, not too far from her job as a state social services associate. And she planned to remodel.

The house, blue-green with a peeling white picket fence, was built about 1950. With a swing set in the yard and a black-and-white cat roaming around, it looks cozy.

But in reality it's about as cozy as an electric shock — which someone could get from nailing a picture to one of its walls, with wires strung around instead of through the studs, an inspector said.

Prehn moved in Jan. 12. She pulled off some dark wall panels about two months later and began discovering that both the wooden supports and the foundation are falling apart.

Since she first peered behind the panels, two experts have told her the house is a wreck, and a project manager for Anchorage Neighborhood Housing has confirmed that the wood frame is rotting and the foundation is falling.

General contractor Eric Hawley of Hawleycraft, whom Prehn asked to look at the house and give her some advice, said in an interview that the defects are obvious.

"The foundation is crumbling. The structural members are rotting. It needs to be bulldozed," said Hawley, who specializes in structural work.

"I was there for five minutes, and I could tell right away I would have torn the place down, no questions asked," he said.

A home inspector Prehn hired in April, Christopher Effgen of Alaska Inspection Center, examined both the house and the documents Prehn accumulated before buying it.

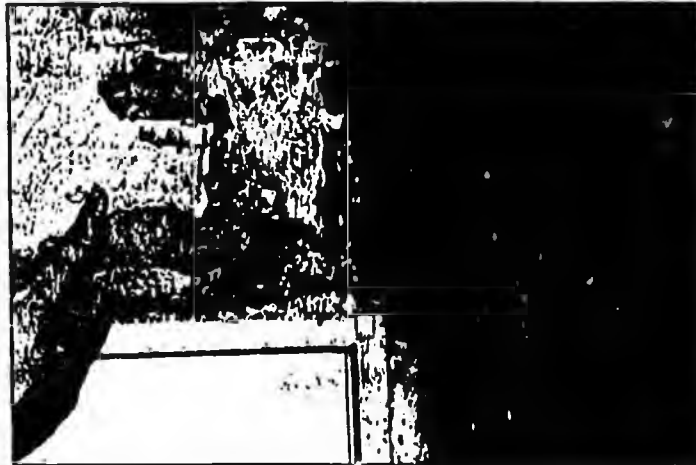


PHOTO BY BILL ROTH / Anchorage Daily News

Roger Sleber, a construction project manager for Anchorage Neighborhood Housing, said in a written report that he saw "extensive deterioration" of the wood frames around a door where Hope Prehn had removed wood paneling and of wood framing around the foundation.

"I am at a loss to suggest anything," Effgen wrote in his post-purchase report. "The foundation is subpar. It did not meet the standards of the Building Code where the code was enforced at the time of construction."

It's easy to see that the south wall leans outward at the base, Effgen said. "The wood supporting the wall on the south addition, and therefore the roof, is rotten. The walls are in the process of rolling off that rotten wood." The south section of the house, added on at least 20 years ago, is unsafe and should be dismantled, he said.

First National Bank of Anchorage, which gave Prehn the home loan, would have sent its own inspector to Prehn's house if the bank were going to keep the loan in its own portfolio, said David Lawer, senior vice president of the bank.

But if it's going to pass the loan along to another investor — which it did in this case — the bank does not make its own inspection, Lawer said.

The bank is concerned primarily with whether the borrower has means to repay the mortgage and not whether the house is worth the money being paid for it, he said.

"The rule traditionally is buyer, beware," he said.

Anchorage Neighborhood Housing provided about \$20,000 for Prehn's down payment. The housing agency requires the buyer to get a home inspection but doesn't inspect houses itself either.

Agency director Mary Jane Michael said in an interview that "for a down payment loan, we tend to rely on the primary mortgage lender," the bank.

Prehn's situation is unfortunate, Michael said. "It makes me think we

should be doing our own inspections, but we're a nonprofit."

The agency did send one of its construction project managers over to examine Prehn's house this spring, at Prehn's request.

The project manager, Roger Sleber, said in his written report that he saw "extensive deterioration" of the wood frame around the door, where Prehn had removed the wood paneling, and of wood framing around the foundation.

"We kind of agree with her" that the house has serious problems, Michael said. "We've tried every way we can to figure out what to do about it. My suggestion to her would be to hire an attorney and see if there are flaws in the original home inspection."

A growing concern in Alaska is that there are no standards for home inspectors. Anyone can claim to be one. Home inspectors in Alaska may get certified by the American Society of Home Inspectors if they choose to, says Kevin Jones of Quality Home Inspectors, president of the society's local chapter. Certified inspectors have passed an exam that proves they have a certain level of knowledge and they have committed to continuing education, Jones said.

Rep. Norm Rokeberg, R-Anchorage, has been trying for four years to get a state law enacted requiring home inspectors to be licensed. Over the years, home inspectors have become an ever more important part of real estate transactions, Rokeberg said. His bill died in the Senate when the Legislature adjourned in May.

Christopher Effgen of Alaska Inspection Center, the inspection firm Prehn hired to examine the house after she bought it, does think the pre-purchase inspection of her house was flawed.

The first inspector missed major

clues to the structural defects. "The accounting for the fact that the original inspection was what the 'nondestructive' — based on what the inspector could see and feel — was tearing out any walls, floors or other parts," Effgen said.

But Tanya Bratslavsky of Bratslavsky Consulting Engineers, who performed the initial pre-purchase inspection and a follow-up before Prehn bought the house, said she relied on reports from three contractors that the structural systems were acceptable.

In an April letter to Prehn, Bratslavsky said contractors performed detailed checks of the boiler, water heater, walls, foundation and roof. But she wasn't present when they did it, she said.

"Since all of the contractors' inspections and reports were performed ... before the engineer was invited to the house again, no opportunity was provided to verify their work; and thus the engineer had to rely on the information provided in the reports."

She advised Prehn: "You should look to the seller and his contractors to compensate you for your damages since they made the representations that all the problems had been fixed."

Prehn is fighting to get what she thought she paid for. She hired a lawyer on contingency. She asked the Board of Realtors to set up a mediation session, which it is doing. She has filed claims or complaints wherever she thinks it might do some good.

"I want it either repaired or replaced, or I want all the money back, including the down payment," she said. "I don't think it's fair for me to have to go back and live in an apartment. I was trying to move up in the world, not down."

Reporter Rosemary Winchell can be reached at rwinchell@adn.com and 267-4348.

Inspectors should be bonded; Hope Prehn should get windfall

In response to the Hope Prehn home inspection story, the fault lies squarely on the backs of the home inspection company ("This house is no home sweet home," June 17). This industry as a whole is run by people who have, for the most part, never swung a hammer in their lives. They live off of the referrals generated by the lenders and make sure the value comes in at the requested amount. The truth is most never look at the things they claim.

In a town where you cannot even have a sign too tall or smoke in a restaurant, you would think it would not be too much to ask that these companies be required to purchase a bond. The real pros will not have a problem taking a test and getting bonded if they have nothing to hide. As for the rest, they are just taking advantage of a loophole in the system that allows them to make a fast buck off something they know little or nothing about.

Hope Prehn should get a judgment for the proceeds of an auction of everything this company and all their principals own.

— Warren Weldon
Chugiak

JUNE 21, 2002 ADN



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 billions of dollars worth of properties each year. But they are NOT state tested for knowledge, or licensed in any manner. Their reports and their opinions, 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.

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

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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 structure's 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 on services is like asking the surgeon or anesthesiologist to do the other person's job. Not

1998 218,001,718 \$170,028,388 \$90.3
1994 181,218,848 \$174,547,828 \$93.5
1993 218,071,180 \$149,328,508 \$77.6

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-8, RAMSEY

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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.

Q Clair Ramsey, CAS, 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 maximum 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 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
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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.



3201 C Street, Suite 110 • Anchorage, Alaska 99503

(Continued from Page 8)

me 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.

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scheduling



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*- Katherine Harffradahl
Fortune Properties*

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Kathleen Kowalczyk	Anita Bates
360-1176	243-8777

State of Alaska

**Residential Real Property Transfer
Disclosure Statement**

Attached two pages, where indicated,
note the use of a home inspection.

* Note

Documentation:

Check the documents for the subject property that the seller has available for review:

- Current Engineer/Property Inspection Report(s) completed within the last 24 months
- Preliminary Title Report
- As-Built Survey
- Written Agreements With Adjacent Property Owners
- Energy Rating Certificate
- Resale Certificate
- Water Rights Certificate
- Deed Restrictions
- Subdivision Covenants/Restrictions
- Party Wall Agreement
- Lease/Rental Agreement
- Soils Test
- Well Log and Water Tests
- Hazardous Materials Test(s)
- Other _____
- Other _____

Additional Information:

Supply information for the following items:

- | | Yes | No |
|--|--------------------------|--------------------------|
| > Drainage: | | |
| • Are you aware of ever having any water in the crawl space, basement, or lower level? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, how has the problem been resolved? | | |
| <input type="checkbox"/> Sump Pump(s) <input type="checkbox"/> Curtain Drain <input type="checkbox"/> Rain Gutter Extension <input type="checkbox"/> Other _____ | | |
| • When was problem resolved? _____ | | |
| • Location of each sump pump: _____ | | |
| • To where does the water drain after it leaves the sump pump? _____ | | |
| • If gutters, where do downspouts discharge? _____ | | |
| • Is there a floor drain in the structure, including garage? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, where is it located and where does it drain to? _____ | | |
| > Roof or Other Leakage: | | |
| • Age: _____ years. | | |
| • Type: <input type="checkbox"/> Asphalt/Composition Shingle <input type="checkbox"/> Cedar Shake <input type="checkbox"/> Built-up <input type="checkbox"/> Metal <input type="checkbox"/> Other _____ | | |
| • Are you aware of any leaks/damaging on the roof? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, provide location. _____ | | |
| • Are you aware of any water leaking into the home? i.e., windows, lights, fireplace, etc. | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, provide location. _____ | | |
| > Fireplace and/or Woodstove: Date chimneys last cleaned? _____ Who cleaned? _____ | | |
| > Heating System(s): | | |
| • Mark all types that apply: <input type="checkbox"/> Hot Water Baseboard <input type="checkbox"/> Forced Air <input type="checkbox"/> Radiant Heat <input type="checkbox"/> Electrical Heat | | |
| <input type="checkbox"/> Wood Stove <input type="checkbox"/> Other _____ | | |
| • Age: _____ years. Last Cleaned: _____ Last Inspected: _____ | | |
| • Source: <input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Oil with _____ gallon storage which is <input type="checkbox"/> Buried <input type="checkbox"/> Above Ground | | |
| <input type="checkbox"/> Propane Tank <input type="checkbox"/> Wood <input type="checkbox"/> Coal <input type="checkbox"/> Other _____ | | |
| • Age of Tank? _____ years | | |
| > Hot Water Heater: | | |
| • Age: _____ years. Capacity: _____ gallons Type: <input type="checkbox"/> Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other _____ | | |
| > Water Supply: | | |
| • Type: <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Community <input type="checkbox"/> Cistern <input type="checkbox"/> Other _____ | | |
| • Have you had any problems with your water supply? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Private: Well Depth: _____ feet. Flow Rate: _____ gallons per minute. | | |
| • Has the water supply been tested in the past 12 months? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, attach all documentation from all tests. | | |
| • Has the well failed while you have owned the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have you ever had a well pump problem or failure? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do you supply water to or receive water from others? | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, is there a recorded agreement? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do you have a water rights certificate for this property? | <input type="checkbox"/> | <input type="checkbox"/> |

Seller's Initials _____ Date _____ Property Address _____ Buyer's Initials _____ Date _____

I/We have completed this disclosure statement according to AS 34.70.010 - AS 34.70.200 and these instructions, and the statements are made in good faith and are true and correct to the best of my/our knowledge as of the date signed. I/We authorize any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated transfer of the property or interest in the property.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer's Notice and Receipt of Copy

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska Information Center Internet site: www.state.ak.us, under Hot Topics for the "Registry/Sex Offenders."

** Note*

The Buyer is urged to inspect the property carefully and to have the property inspected by an expert. Buyer understands that there are aspects of the property of which the Seller may not have knowledge and that this disclosure statement does not encompass those aspects. Buyer also acknowledges that he/she has read and received a signed copy of this statement from the Seller or the Seller's agent.

Buyer: _____

Date: _____

Buyer: _____

Date: _____

Seller's Initials _____ Date _____ Property Address _____ Buyer's Initials _____ Date _____



Municipality of Anchorage

Office of the Mayor

George P. Wuerch, Mayor



February 4, 2003

Representative Norman Rokeberg
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: House Bill 9

Dear Representative Rokeberg,

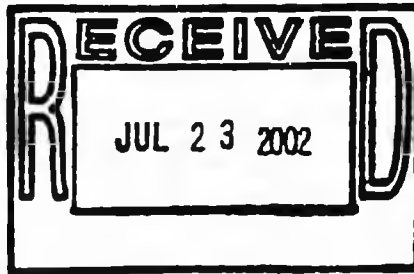
Purchasing a home is, for most families, the largest single investment they will make. Before making that investment, many people are now turning to home inspectors to assist them in making their purchase decision. Unfortunately, anyone can call himself or herself a home inspector and there is no oversight of this growing industry.

A faulty inspection could have serious consequences for consumers when selling or purchasing a home. Consumers should have the peace of mind of knowing that the home inspector they are hiring is qualified to do the inspection and that they can be held accountable for their work.

The Municipality of Anchorage supports your efforts, through HB 9 to provide protection to Alaskans by establishing proof of competency for home inspectors as well as registration, identification, bonding and insurance requirements.

Sincerely,

Tim Rogers
Legislative Program Coordinator



Richard F. Gaver
3050 Lore Road, C2
Anchorage, AK 99507
July 22, 2002

Representative Norman Rokeberg
716 West 4th Avenue, Suite 640
Anchorage, AK 99501-2133

Re: Home inspector licensing

Dear Sir:

From an Anchorage Daily News article by Rosemary Shinohara (This house is no home sweet home) published last month, I learned of your efforts to enact a state law requiring home inspectors to be licensed. I am rather surprised this is not already required of inspectors, and firmly believe anybody involved in the home buying process ought to be licensed and regulated.

As evidenced by Ms. Shinohara's story about Hope Prehn, I think it irrefutable there is plenty of fault and blame in this pitiful and woeful situation, in which all these "experts" failed, collectively and selfishly, to provide this poor woman even a modicum of fairness and decency. How could so many participants be involved in this abomination without even one putting a stop to it? I would object to anyone involved being referred to as a professional.

As Ms. Prehn did, I also attended a first-time home buyers class. It did not prepare me for what was to come. I came through the process much better than she did, but it all left me disgusted and quite angry at all I endured to get through it. Deceit, lies, misinformation, obfuscation and condescension were my experience. I've used this opportunity to convey my thoughts on the subject to AHFC, sponsor of Home Choice, the first-time home buyers class I went to (and still endorse). The class ought to begin with "caveat emptor" (let the buyer beware).

Sincerely,

Richard F. Gaver

Enclosure: letter to AHFC



ALASKA ASSOCIATION OF REALTORS, INC.
741 Seward Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133 • Fax 907-563-8476

January 24, 2003

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

RE: Relating to the licensing of home inspectors

Dear Representative Rokeberg,

The Alaska Association of REALTORS with over 1,100 members statewide supports House Bill 9 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, education and the forming of a home inspector board.

The Association encourages the passage of HB 9 during this first session. We are available as a resource to pass this bill. Please feel free to contact the Alaska Association at (907) 563-7133.

Sincerely,

A handwritten signature in cursive script that reads 'Carole Winton'.

Carole Winton
President





**ANCHORAGE BOARD
OF REALTORS, INC.**

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

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

January 24, 2003

Representative Rokeberg
State Capitol
Juneau, Alaska 99801-1182

RE: HB 9 - Relating to the licensing of home inspectors

Dear Representative Rokeberg,

The Anchorage Board of REALTORS with over 600 members statewide supports House Bill 9 relating to the licensing of home inspector.

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

The Board encourages the passage of HB 9.

Sincerely,

Bert Dozark, CRS, GRI
President



LESSMEIER & WINTERS

LAWYERS - LLC

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

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

TELEPHONE: (907) 586-5912
FACSIMILE: (907) 463-3030
E-MAIL: lw@gcl.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



WARD

Development
& Construction Management
INCORPORATED

April 18, 2002

Dear Legislator: *Worm*

It is my understanding that HB 27, licensing of home inspectors, will be heard on the House Floor today.

I would like to urge my support for this bill, given it's broad support within the affected industries. This piece of legislation has been in the works for several years and the version you see today is the product of hard work and compromise by the many parties involved.

Some may ask; is this a union issue? It is not. Labor should not be affected.

Others may ask; how will this affect the Third Party Alternative Inspector ordinance that is being introduced at the Anchorage Assembly? It will enhance it. If the Anchorage ordinance were adopted, those inspectors would be licensed and certified, which is good public policy.

I would be available to answer any questions on my cell phone at 229-8403.

Thank you for your support!

Robin

Robin E. Ward

Approved

Date: 3/19/02

Submitted by: Assemblymembers Von Gemmingen,
Tesche, Taylor, Van Ethen, Traini
Prepared by: Department of Assembly
For reading: March 19, 2002

**ANCHORAGE, ALASKA
AR NO. 2002-93**

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING CS FOR HOUSE BILL NO. 27(JUD), "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."

WHEREAS, currently there is no State agency that oversees the home inspector industry and anyone can determine that he/she is a home inspector; and

WHEREAS, consumers throughout the State of Alaska desire and should have assurance that the home inspector they hire is competent, and that they have recourse against inspectors who are not; and

WHEREAS, faulty inspections could have serious consequences for consumers when purchasing or selling a home, and inspectors should and must be held accountable for their work; and

WHEREAS, representatives within the industry agree licensure for home inspectors is a worthwhile goal to establish a competency level that will protect the name of the profession and protect consumers from faulty inspections; and

WHEREAS, CSHB 27 (JUD) accomplishes this by establishing licensing qualifications such as registration, insurance, and proof of competency through the administration of a written and practical examination.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That the Anchorage Assembly supports and urges passage of CSHB 27 (JUD) which will provide protection to consumers and the home inspection industry.

Section 2: That copies of this resolution be forwarded to the Governor and the Alaska State Legislature immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____ 2002.

Chair

ATTEST:

Municipal Clerk

MAR 21 2002

Subject: House Bill 27 - Home Inspection Licensing

Date: Mon, 06 May 2002 16:14:53 -0800

From: Karen Crawford <housemaster@alaska.com>

Organization: HouseMaster

To: Representative Norman Rokeberg <Representative_Norman_Rokeberg@legis.state.ak.us>

Representative Rokeberg:

As an active ASHI member and a long term home inspector I wish to add my encouragement for the passage of HB 27. We have waited too long to provide for inspector certification by the state. While the vocal minority will always find something in the bill to complain about it is my feeling that we must proceed with passage of the bill and work out the kinks should any arise. State certification is ongoing throughout the rest of the country and sooner or later will encompass the entire 50 states.

Only through a well thought out certification bill will we be able to achieve minimum standards for those people calling themselves home inspectors and thereby provide the home buying public with assurance of professional inspections.

The following ASHI members/ candidates support the passage of this legislation.

Don Sheppard Owner/President HouseMaster Home Inspection Service
ASHI #116913, NIBI #65495RT, ICBO#0865225-55

Frank Sobottka Inspector ASHI #204775, NIBI135700RT, ICBO#5071485-55
Mark Crawford Inspector ASHI Candidate, NIBI #141601RT

Gregg Russo Inspector ASHI Candidate

Sincerely,

Don Sheppard

Subject: HB27

Date: Tue, 7 May 2002 02:33:01 EDT

From: Qualhome@aol.com

To: Representative_Norman_Rokeberg@legis.state.ak.us

Representative Rokeburg,

My name is Kevin Jones and I am the owner operator of Quality Home Inspection Service in Anchorage. I wish to express my support for HB27 and would ask for your assistance and support in getting this very important consumer protection bill into law. It appears that only the negative responses are reaching the senates ears when the majority of home inspectors are supportive of this bill.

Currently in Alaska anyone with a 50 dollar business license can advertise themselves as home inspectors to the buying public, without any background or experience in the principles of construction and building safety. I am a member of the American Society of Home Inspectors and currently hold the position of Alaska ASHI President. I am also a Certified Combination Dwelling Inspector through the International Conference of Building Officials (ICBO). In the state we have 19 members or candidates in the local Alaska ASHI chapter. Our organization requires passing the national home inspectors examination and having performed at least 250 fee paid inspections that conform to the Standards and Practice set forth by the organization. Additionally membership requires 20 continuing education credits for renewal every year. Certification from the ICBO required passing an examination on the knowledge of the Uniform Building Code, Uniform Mechanical Code, Uniform Plumbing Code, National Electric Code, International Residential Code, International Mechanical Code and the International Plumbing Code. The ICBO requires recertification by examination every three years.

As you can see the knowledge required to adequately and responsibly perform home inspections cannot be obtained with a 50 dollar bill and a business license. Home purchasing will likely be the single most important and costly decision the majority of consumers will ever make. In that regard the homebuying public deserves to have qualified and knowledgeable individuals representing them in the process of their home buying experience. With the price of homes today few people can ill afford to find costly defects existed after the fact, when a professional inspector could identify them prior to moving into the new home and allow the homebuyer to make knowledged decisions. It is only natural then that some sort of protection be in place to ensure that the individuals performing the inspections meet some established minimum standard/requirement of knowledge and experience.

This is where HB27 comes into effect. This bill has been around for almost two years and provides the consumer protection that everyone is entitled to. Again I would appreciate your help and support in gaining passage of this bill during the 2nd session. Thanks so much for your time.

Sincerely,

Kevin D Jones
Quality Home Inspection Service
33-1719
Owner

Testimony of Mr. William H. Bruu ICBO Inspector 0865499-55
1/5/03 Judicial Committee

I feel that this legislation does not foster consumer protection for reasons stated below. I feel that for the past five years Representative Rokeberg has tried to satisfy his obligation to his Real Estate associates by passing legislation that will require licensing of Home Inspectors and ICBO Certified Combination Dwelling Inspectors.

The current proposed legislation is flawed in that it assesses a common set of liabilities to two totally different activities.

As to certification a HOME INSPECTOR is an individual who says, "I AM A HOME INSPECTOR". Meanwhile a ICBO **Certified Combination Dwelling Inspector** is a person who has proven his knowledge of the all the applicable codes through a comprehensive test. Many of the current ICBO Inspectors in Alaska obtained that certification by attending a week long series of seminars and then challenging the test. For those attempting the test for the first time the test had an failure rate in excess of 50%, the test is comprehensive and tough. The ICBO inspector is also required to maintain his/her certification by testing on code changes and additions on a three year cycle.

One aspect of the legislation before you. Pages 5 line 21-31 and page 6 lines 1-12 in summary lay out the required reports that a Home Inspector is required to provide and perform as part of the inspection. An ICBO inspector is already required leave a copy of his field notes at each phase inspection. The requirement that he provide a verbal report to the customer is counter productive. All the inspections performed by the ICBO inspector on new construction are required to be formally documented on an AHFC form PUR-102. The PUR 102 becomes a recordable document upon completion. The completed PUR 102 is then recorded and becomes attached to the deed on the property. The name and the ICBO certification number of the inspector becomes a matter of record and in reality the inspector stands liable for those inspections as long as the document

exists. A previous Legislature has provided some protection for the inspectors from unscrupulous clients by adopting the provision in 18.56.300(C). This legislation proposes to drop that protection.

As to function of the home inspector versus the ICBO inspector there is world of difference. The ICBO Inspector is required to perform a series of inspection during the construction. Those periodic inspection include a plans review(may take up to 4 hours depending on the complexity), footing and foundation(some foundation types require 5 trips to the site to view progress), rough-ins Inspections(Includes four major sub assemblies), insulation and vapor retarder(extremely important in our severe climate areas), and a final inspection(AHFC has published very specific policy on final inspections). All installed appliances and systems are checked for installation and function. It would be very, very unusual if any of the appliances or mechanical equipment installed in new construction be "Used" and require the Inspector to render an opinion as to life expectancy.

Conversely, the Home Inspector visits a house once for a period of time usually less than three hours. He is expected to visually inspect the property. He cannot and is not expected to view the interior of walls and other hidden parts of the construction. He is expected to comment on the age and condition of appliances and system installed. The American Society of Home Inspectors in their Standards of Practice recommend that an Inspector not address code issues because they are not trained nor equipped with the knowledge to do so.

There are other major differences in the scope of the responsibilities of a ICBO inspector and a Home Inspector that this legislation does not address.

If this legislation passes as written there will be a major reduction in the standards to which homes have to be built in order that they be financed by AHFC. Sections 33 and 34, when implemented, will allow anyone who claims to be a Home Inspector and is licensed by the state to perform code inspections on new construction. The Inspector will not have to be certified by any of the code writing organizations. If the legislature wishes to keep the standards as high

as they are today and have the inspectors respond to changes and advancements, then they should continue to call for the new home inspectors to be certified by the code writing organizations. AHFC should continue to be required to have their collateral inspected to insure they have code compliant dwellings in compliance with the legislature's wishes and provided some consumer protection..

Wisdom & Associates, Inc.

PO Box 4184
Kenai, Alaska 99603
907-255-6045

Fax 907-283-9188

PO Box 5415
Kenai, Alaska 99601
907-283-0629

February 13, 2003

House Judiciary Committee,

Re: House Bill 9

In discussion of Section 7 of AS 08.18.022, certifying registration of home inspectors for new homes and existing homes, House Bill Number 9 states that for existing home inspectors (as per line 24) must pass an examination offered by the American Society of Home Inspectors, American Home Inspectors Training Institute or National Association of Home Inspectors. However, as per line 26 of House Bill Number 9, it states "(B) new homes or for a joint registration is the examination offered by the International Conference of Building Officials."

Line 26 of Section 7 of AS 08.18.22 would allow joint inspectors (those who may inspect existing and new homes) to take one test, a code compliant competency test and then be certified as an existing home inspector which is an area they did not show competency in. The International Conference of Building Officials test for a combination dwelling license for one or two family dwellings is a test that covers current residential codes. An existing home inspector is not inspecting homes for code compliance, but for "information regarding the condition of the systems and components of the home as inspected at the time of the Home Inspection" as stated by *The American Society of Home Inspectors Standards of Practice and Code of Ethics*.

Furthermore line 26 of this house bill would only require new home inspectors to be certified by the International Conference of Building Officials. ICBO has dozens of certifications, most of which would not be appropriate for the inspection of residential new construction.

We suggest that the language on line 26 be revised to say, "(B) new homes registration is the examinations for a combination dwelling inspector offered by the International Conference of Building Officials." This language would identify that new home inspectors would need to complete the competency exams by ICBO to inspect all components of new residential homes. ICBO offers certification exams in safety, plans examination, and commercial as well as residential, simply requiring new home inspectors to pass an ICBO examination would allow a home inspector to pass an exam in any of ICBO certification areas, whether they apply to residential buildings or not.

In addition, Section 16 of AS 08.18.085 per (a) (1) states that a person may not bring an action against an individual registered under this chapter based on a home inspection report unless the action is commenced within "(1) two years after the date of the home inspection report if the report is related to a new home."

This language is inappropriate. While we do not disagree with there being a period of time that the home inspector may be held liable for the services they performed, however, we disagree for the amount of time a home inspector should be held liable for his services. A general contractor who does the work is only held liable for a warranty period of one (1) year.

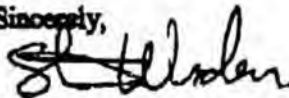
We suggest that the language in this part of the bill read; "(1) one year after the date of the home inspection report if the report is related to a new home."

Finally in Section 08.18.156 (3) it states "registered as an engineer or architect under AS 08.48, prepares a written report after the inspection, affixes the individual's seal to the home inspection report signs and dates the report and puts the individual's registration number on the report,"

This would allow engineers or architects to legally perform inspections with only their engineers or architects license. We feel that an engineers license is not a sufficient certification to certify code compliance or has had the specialized training to perform existing home inspections. While engineers may have knowledge about structural components of a building, we feel that to be an effective code compliant inspector for new construction they should also be well versed in plumbing, electrical, and mechanical. Simply having knowledge about structural components does not necessarily mean they have knowledge about electrical or other new home component codes. As this section is written, a landscape architect or engineer could certify code compliance for your home.

We thank you for your time, and urge all of you to re-examine this bill and make the necessary changes to allow for a more straight law.

Sincerely,



Steven R. Wisdom

P.O. BOX 3589
PALMER, ALASKA 99645



TEL: (907) 746-5471
FAX: (907) 746-5476

DAVID R. OWENS

CERTIFIED INSPECTOR

February 11, 2003

My name is David R. Owens. I reside in Palmer, Alaska. I own and operate Owens Inspection Services. I currently sit on the Board of Directors for the Matanuska-Susitna Home Builders Association and the American Society of Home Inspectors (ASHI) Alaska Chapter.

My testimony today is my own:

Attached is a copy of my testimony dated May 2002, that was not heard in the Senate in 2002. Please read the 2-page document.

The proposed HB9 bill has not substantially changed from last year. The drafter of this bill has failed to insert any of our concerns with regards to new construction that have been proposed to him over the last five years. Please review the previous testimonies.

This bill is not just a simple document to insure an inspector is qualified and licensed. It is a complicated and fragmented 23-page piece of legislation that violates the Constitution of the State of Alaska. Further more, it creates a discrimination issue.

If this bill is passed in its current form, new home Inspectors as a group, will file a lawsuit based on the constitutionality and discrimination issues this bill will pose.

Questions:

- Why is Alaska Housing law being changed in an Inspectors licensing bill? (I suggest you take any reference to Alaska Housing out of this bill).
- Why is it that all Inspectors doing business in the State are not being regulated and licensed under this bill?
- Why do we need 23 pages? (I suggest we make this a simple requirement to get a license and provide proof of your qualifications to be an inspector)
- Personally I would like to know why the Anchorage Real Estate Association is so intent on only regulating the residential side of this business?

Owens Inspection Services current inspection team consists of:

- 3 New and existing home inspectors
- 1 Energy Rater
- 2 Commercial Inspectors (Including myself)

50 Percent of my current team will require regulation. The others will not.

The Liability:

The repeal of Article 40 page 21 line 29 will substantially increase the new home inspection liability. This article that we currently have in place under Alaska Statute 18.56.300(c) allows a reasonable level of protection for the purpose of Alaska Housing new home inspections. New home inspectors only want the same level of protection under the law as the State and Municipal inspectors have.

(See attached references from the International Building Code, International Residential Code, Uniform Plumbing Code, and International Electrical Code. Exhibit A, B, C, & D. The type of language mentioned in the above references should be included in this bill.)

The Cost:

If this bill is passed as is, our firm will double or possibly triple our fees in the next 2 to 3 years. This will be due in part from added insurance costs; administrative costs and a large part will be due to additional re-inspections to prevent the possibility of frivolous lawsuits. These costs will be transferred to the client, or contractor, but will eventually cost the consumer in the long run. I believe the consumer wants a good quality new home inspection at a reasonable price and I believe it is one of his rights to expect this.

Currently new home inspections range from \$750.00 to \$1500.00 depending on the level of service requested. The consumer who builds his own home would take the brunt of this increase in cost due to their lack of construction experience.

Time delays. Time is money, as we all know.

As you tighten the regulations on new home inspectors this will transfer to the field. Due to the possibility of frivolous law suits stemming from this legislation any small detail on an inspection report will have to be completed and re-inspected prior to giving the contractor a go ahead to the next phase of construction. This type of over zealous inspection activity will cause time delays for the contractor, real estate agent and eventually the homebuyer. Again, the consumer will be the party that is impacted the most.

The code:

It is unfortunate that here we are in the year 2003 and the State of Alaska has not adopted a minimum code standard for new construction. It is further unfortunate that it has been left up to the lenders to write regulations to protect their investment in these properties. For example FHA, VA and AHFC have their own regulations for inspection and construction of new homes. Again there is no code for new construction in the State of Alaska.

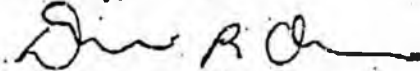
How can you tell a new home inspector or a general contractor he did not do his job properly if the State does not have a minimum standard to compare his work to?



In summary:

I do support the concept of fair and equal regulation of the Inspection Industry. In my opinion the concept of regulating new home inspectors has occurred too soon in the legal process of protecting the consumer. I do not support this bill as written.

Sincerely,



David R. Owens
Owens Inspection Services



P.O. BOX 3589
PALMER, ALASKA 99645



TEL.: (907) 746-5471
FAX: (907) 746-5476

DAVID R. OWENS

CERTIFIED INSPECTOR

May 10, 2002

To: Senator Robin Taylor, Chairman
Senate Judiciary Committee

RE: HB27

My Name is David R. Owens, the owner of Owens Inspection Services, based in Palmer, Alaska. My company performs commercial and residential inspections on new and existing housing projects. My primary work area is between Anchorage and Palmer extending north to Willow, Alaska.

I have been a resident of Alaska since 1962. I was raised in Anchorage and moved to the Palmer area in 1991. I became a carpenter and general contractor in the early 1970's in the Anchorage area. I commenced building inspection work in 1983. I served 8 years with the Municipality of Anchorage, Building Department. During that time I was the Senior Inspector on the Eklutna Water Project. I started my own Inspection Company in 1994 and was contracted for all the quality control work on the Alaska Native Medical center in Anchorage from 1994 to 1997. I have the following building inspector certifications:

1. International Conference of Building Officials (ICBO)
 - Plans Examiner
 - Building Inspector
 - Plumbing Inspector
 - Reinforced Concrete Special Inspector
 - Combination Dwelling Inspector
 - Light Commercial Combination Inspector
2. International Association of Electrical Inspectors (IAEI)
 - Combination Inspector
 - Electrical Inspector
 - Mechanical Inspector
3. American Society of Home Inspectors (ASHI)
 - Standards and Ethics
 - National Home Inspector
4. International Association of Plumbing and Mechanical Officials (IAPMO)
 - Plumbing Inspector
 - Mechanical Inspector
5. Licensed Alaska General Contractor with residential endorsement.

I am opposed to House Bill 27 for the following reasons:

If you are going to regulate the activity of inspection work in the State of Alaska, I feel strongly that all aspects of inspection work be included. . This bill only addresses a small portion of the inspection process. By only regulating part of the industry you create a situation of discrimination.

Attached is a list of inspectors that perform work in the State of Alaska that are not included in this bill.

Commercial Inspectors
Concrete Inspectors
Structural Steel Inspectors
Reinforced Concrete Inspectors
Fireproofing Inspectors
Soil Inspectors
Home Energy Raters
VA Inspectors
Quality Control Inspectors

Special Inspectors
Structural Bolting Inspectors
Welding Inspectors
Structural Masonry Inspector
Pile and Drilling Inspectors
Home Warranty Inspectors
FHA Inspectors
Rural Housing Inspectors
Quality Assurance Inspectors

Many other inspectors are exempted under Section 5 of this bill.

I feel we are putting the cart before the horse with this legislation. The State of Alaska has never adopted a Building Code for residential construction. The only codes adopted at this time apply to four dwelling units and above. It is very difficult to regulate an inspection activity when there is no standard in place to compare it to.

This legislation changes current Alaska Housing Finance Corporation law. In my opinion this AHFC change has no place in this legislation. The intent of this legislation is to regulate inspection activity, not change current Alaska Housing Law.

We are attempting to form another layer of government that probably will not have any enforcement. The cost of this legislation according to the last fiscal note will raise all subcontractors fees in the State of Alaska \$100.00. I doubt that the subcontractors are aware of this increase due to the inspectors being incorporated into their program.

If you really want to do this right, consolidate all the codes that relate to building construction from all of the 23 separate State Departments into one State Building Department, then adopt a basic minimum code for residential construction, existing construction and other related areas. Then all inspectors, contractors and other related trades could be managed from this one level of government. This would save the State of Alaska considerable money and relieve the public from footing the bill again.

I do support proper and fair regulation of building inspection in the State of Alaska, just not the version that is presented in HB27.

Sincerely,


David R. Owens

5/10/02

Exhibit "A"**2000 IBC****ADMINISTRATION**

104.5 - 105.2

104.8 Liability. The building official, member of the Board of Appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code.

104.9 Approved materials and equipment. Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

104.9.1 Used materials and equipment. The use of used materials which meet the requirements of this code for new materials is permitted. Used equipment and devices shall not be reused unless approved by the building official.

104.10 Modifications. Wherever there are practical difficulties involved in carrying out the provisions of this code, the building official shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the building official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and entered in the files of the department of building safety.

104.11 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety.

104.11.1 Tests. Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

**SECTION 105
PERMITS**

105.1 Required. Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done, shall first make application to the building official and obtain the required permit.

105.1.1 Annual permit. In lieu of an individual permit for each alteration to an already approved electrical, gas, mechanical or plumbing installation, the building official is authorized to issue an annual permit upon application therefor to any person, firm or corporation regularly employing one or more qualified trade persons in the building, structure or on the premises owned or operated by the applicant for the permit.

105.1.2 Annual permit records. The person to whom an annual permit is issued shall keep a detailed record of alterations made under such annual permit. The building official shall have access to such records at all times or such records shall be filed with the building official as designated.

105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required for the following:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11.15 m²).
2. Fences not over 6 feet (1829 mm) high.

R104.3 - R105.1

Exhibit B

ADMINISTRATION

2000 IRC

structures. inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code.

R104.3 Notices and orders. The building official shall issue all necessary notices or orders to ensure compliance with this code.

R104.4 Inspections. The building official is authorized to make all of the required inspections. or the building official shall have the authority to accept reports of inspection by approved agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The building official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise, subject to the approval of the appointing authority.

R104.5 Identification. The building official shall carry proper identification when inspecting structures or premises in the performance of duties under this code.

R104.6 Right of entry. Where it is necessary to make an inspection to enforce the provisions of this code, or where the building official has reasonable cause to believe that there exists in a structure or upon a premises a condition which is contrary to or in violation of this code which makes the structure or premises unsafe, dangerous or hazardous, the building official or designee is authorized to enter the structure or premises at reasonable times to inspect or to perform the duties imposed by this code, provided that if such structure or premises be occupied that credentials be presented to the occupant and entry requested. If such structure or premises be unoccupied, the building official shall first make a reasonable effort to locate the owner or other person having charge or control of the structure or premises and request entry. If entry is refused, the building official shall have recourse to the remedies provided by law to secure entry.

R104.7 Department records. The building official shall keep official records of applications received, permits and certificates issued, fees collected, reports of inspections, and notices and orders issued. Such records shall be retained in the official records for the period required for the retention of public records.

R104.8 Liability. The building official, member of the board of appeals or employee charged with the enforcement of this code, while acting for the jurisdiction in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered liable personally and is hereby relieved from personal liability for any damage accruing to persons or property as a result of any act or by reason of an act or omission in the discharge of official duties. Any suit instituted against an officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code.

R104.9 Approved materials and equipment. Materials, equipment and devices approved by the building official shall be constructed and installed in accordance with such approval.

R104.9.1 Used materials and equipment. Used materials, equipment and devices shall not be reused unless approved by the building official.

R104.10 Modifications. Where there are practical difficulties involved in carrying out the provisions of this code, the building official shall have the authority to grant modifications for individual cases, provided the building official shall first find that special individual reason makes the strict letter of this code impractical and the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, life and fire safety requirements or structural. The details of action granting modifications shall be recorded and entered in the files of the department of building safety.

R104.10.1 Areas prone to flooding. The building official shall not grant modifications to any provision related to areas prone to flooding as established by Table R301.2(1) without the granting of a variance to such provisions by the board of appeals.

R104.11 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the building official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code. Compliance with the specific performance-based provisions of the International Code Council (ICC) codes in lieu of specific requirements of this code shall also be permitted as an alternate.

R104.11.1 Tests. Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the building official shall have the authority to require tests as evidence of compliance to be made at no expense to the jurisdiction. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the building official shall approve the testing procedures. Tests shall be performed by an approved agency. Reports of such tests shall be retained by the building official for the period required for retention of public records.

**SECTION R105
PERMITS**

R105.1 Required. Any owner or authorized agent who intends to construct, enlarge, alter, repair, move, demolish, or change the occupancy of a building or structure, or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause any such work to be done,

Exhibit "C"**UPC 2000****CHAPTER 1****UPC ILLUSTRATED TRAINING MANUAL**

101.5.4 Changes in Building Occupancy. A change in building occupancy refers to a building being used for a different purpose than originally intended. A single family residence converted into a restaurant, or a store changed into a doctor's office are examples of a change in building occupancy. Whenever this happens, the plumbing systems must be suitable for the new use as determined by the UPC. This could involve separate facilities for men and women, different types of fixtures, etc..

101.5.5 Maintenance. The best plumbing systems can become hazardous to public health and safety if left unmaintained. Therefore, this Code again emphasizes the need of the building's owner to properly maintain the plumbing system. If the Administrative Authority is given reason to suspect that a system is not being maintained properly, the Administrative Authority may require a reinspection, and any violations found will need to be brought into compliance with the current Code.

101.5.6 Moved Buildings. The practice of relocating structures has increased over the years. Sometimes buildings built where a different Code, or no Code at all, is followed, will be moved into an area where the Uniform Plumbing Code is enforced. Plumbing systems in these buildings are required to comply with the Code. (note the exception in 103.5.5.2)

102.0 Organization and Enforcement

102.1 Administrative Authority. By definition the Administrative Authority is the agency or individual given the power and responsibility to insure that this Code is followed.

102.2.1 The UPC is adopted by various and diverse communities. When adopted by a smaller community, the Administrative Authority may be one individual or a small committee. When adopted by larger communities such as cities, counties, or states, the number of people involved in the enforcement of the Code will increase proportionately.

102.2 Duties and Powers of the Administrative Authority

102.2.2 Right of Entry. Protecting the health and safety of a community is serious business. For that reason the Code has given the Administrative Authority the right to enter a building to inspect the condition of the plumbing systems whenever there is a just cause to do so. If the plumbing inspector requests entry and the building's owner refuses to allow the inspector to enter the building in question, then a suitable court-authorized warrant may be secured to which the owner is then legally obligated to allow the inspector to enter the building for inspection purposes.

102.2.3 Stop Order. "Stop Work Orders", though rarely needed, are a tool the Administrative Authority can use to shut down a plumbing job which is being performed contrary to the Code. Such orders are usually employed only after other attempts have been made to force the contractor to comply with the Code. (See Figure 1-3).

102.2.4 Authority to Disconnect Utilities in Emergencies. In the case where a plumbing system is causing a serious threat to life or property, such as a significant natural gas or water leak, the Administrative Authority has the right to have the offending system disconnected to prevent injury or damage.

102.2.5 Authority to Condemn. The purpose of this section is to provide standards protecting the "public health, safety, and welfare." Hence, when a plumbing system creates a hazard to public health, safety, and welfare, the Code enforcement agency may condemn the system until it is made safe. During the time the system is condemned, no one may use it and the building's occupants may be forced to leave the building. If the problem is not corrected in the time allowed by the Administrative Authority, then the Administrative Authority may have the system disconnected. The owner will be notified prior to the disconnection unless the situation presents an emergency. In that case no notification is required before the disconnection.

102.2.6 Liability. This section declares that whenever damage occurs to a person or property as the result of something the Administrative Authority or its representatives either did or failed to do while lawfully performing the duties of their position, the Administrative Authority and its representatives are not to be held liable for the damages incurred. And, if a lawsuit is brought against the Administrative Authority or its representatives, the jurisdiction will bear the cost of the defense.

102.3 Violations and Penalties

102.3.1 Violations. No one is allowed to violate the Code or knowingly permit it to be violated by others

102.3.2 Penalties. Disobedience to the Code is a misdemeanor crime and those who violate the Code may be fined and/or imprisoned accordingly. In addition, each day an offense continues to occur becomes a separate violation of the Code, likewise punishable.

103.0 Permits and Inspections

103.1 Permits. A plumbing permit must be obtained before anyone may install or alter a plumbing system. (See Figures 1-4 and 1-5).

Exhibit "D"**2002 NEC**

ARTICLE 90 — INTRODUCTION

70-29

authority to cause the disconnection of that portion of the installation that is not in conformity.

80.27 Inspector's Qualifications.

(A) **Certificate.** All electrical inspectors shall be certified by a nationally recognized inspector certification program accepted by the Board. The certification program shall specifically qualify the inspector in electrical inspections. No person shall be employed as an Electrical Inspector unless that person is the holder of an Electrical Inspector's certificate of qualification issued by the Board, except that any person who on the date on which this law went into effect was serving as a legally appointed Electrical Inspector of _____ shall, upon application and payment of the prescribed fee and without examination, be issued a special certificate permitting him or her to continue to serve as an Electrical Inspector in the same territory.

(B) **Experience.** Electrical inspector applicants shall demonstrate the following:

- (1) Have a demonstrated knowledge of the standard materials and methods used in the installation of electric equipment
- (2) Be well versed in the approved methods of construction for safety to persons and property
- (3) Be well versed in the statutes of _____ relating to electrical work and the *National Electrical Code*, as approved by the American National Standards Institute
- (4) Have had at least _____ years' experience as an Electrical Inspector or _____ years in the installation of electrical equipment. In lieu of such experience, the applicant shall be a graduate in electrical engineering or of a similar curriculum of a college or university considered by the Board as having suitable requirements for graduation and shall have had two years' practical electrical experience.

(C) **Recertification.** Electrical inspectors shall be recertified as established by provisions of the applicable certification program.

(D) **Revocation and Suspension of Authority.** The Board shall have the authority to revoke an inspector's authority to conduct inspections within a jurisdiction.

80.29 Liability for Damages. Article 80 shall not be construed to affect the responsibility or liability of any party owning, designing, operating, controlling, or installing any electric equipment for damages to persons or property caused by a defect therein, nor shall the _____ or any of its employees be held as assuming any such liability by reason of the inspection, reinspection, or other examination authorized.

80.31 Validity. If any section, subsection, sentence, clause, or phrase of Article 80 is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of Article 80.

80.33 Repeal of Conflicting Acts. All acts or parts of acts in conflict with the provisions of Article 80 are hereby repealed.

80.35 Effective Date. Article 80 shall take effect _____ (_____) days after its passage and publication.

ARTICLE 90

Introduction

90.1 Purpose.

(A) **Practical Safeguarding.** The purpose of this *Code* is the practical safeguarding of persons and property from hazards arising from the use of electricity.

(B) **Adequacy.** This *Code* contains provisions that are considered necessary for safety. Compliance therewith and proper maintenance will result in an installation that is essentially free from hazard but not necessarily efficient, convenient, or adequate for good service or future expansion of electrical use.

FPN: Hazards often occur because of overloading of wiring systems by methods or usage not in conformity with this *Code*. This occurs because initial wiring did not provide for increases in the use of electricity. An initial adequate installation and reasonable provisions for system changes will provide for future increases in the use of electricity.

(C) **Intention.** This *Code* is not intended as a design specification or an instruction manual for untrained persons.

(D) **Relation to International Standards.** The requirements in this *Code* address the fundamental principles of protection for safety contained in Section 131 of International Electrotechnical Commission Standard 60364-1, *Electrical Installations of Buildings*.

FPN: IEC 60364-1, Section 131, contains fundamental principles of protection for safety that encompasses protection against electric shock, protection against thermal effects, protection against overcurrent, protection against fault currents, and protection against overvoltage. All of these potential hazards are addressed by the requirements in this *Code*.

90.2 Scope.

(A) **Covered.** This *Code* covers the installation of electric conductors, electric equipment, signaling and communica-

House Finance

465-~~357~~
6813

Written
Testimony HB 9



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the HOUSE ^{Finance} ~~JUDICIARY~~
(committee name)
committee on HB 9, dated 2/7/03
(bill/subject)

My name is DONALD A. SUTHERLAND. I RESIDE IN SEWARD, ALASKA. I OWN AND OPERATE MARATHON CONSTRUCTORS, SINCE 1984 AS A GENERAL CONTRACTOR AND SINCE 1992 WITH A RESIDENTIAL ENDORSEMENT. I'M CURRENTLY NOT PRACTICING AS A CONTRACTOR, BUT AS AN ICBQ CERTIFIED BUILDING INSPECTOR, MY SERVICES ARE CURRENTLY RECOGNIZED BY AHFC & FAA/ALID, WOULD LIKE TO CONCUR WITH TESTIMONY PROVIDED BY DAVID R. OWENS OF OWENS INSPECTION SERVICE IN PALMER, ALASKA, ON 2-11-03

Signed:

(Testifier)

MARATHON CONSTRUCTORS

(Representing / Optional)

BOX 1852 / 225 SIXTH AVENUE SEWARD AK 99664

(Address)

907 274 5230 / 907 362 1729

(Phone No.)

FAX COVER SHEET

OWENS INSPECTION SERVICES
 DAVID R OWENS C.I., ICBO #0821553-55, VA #1007
 BOX 3589
 PALMER, AK 99643
 MOBILE 232-8539
 Phone (907)-746-5471
 FAX (907)-746-5476

SEND TO Company	Rep. Bill Stoltze	OWENS INSPECTION SERVICES
Attention		DATE 2/20/03
Office location		Office location PALMER, AK
Fax number		Phone number (907)-746-5471

Urgent Reply ASAP Please comment Please review For your information

Total pages, including cover: 3

COMMENTS

Re HB #9

① LETTER From MAT-SU Home Builders

② LETTER From KETCHIKAN II II

PLEASE READ INTO THE RECORD.

I WILL BE AVAILABLE AT THE

MAT-SU LEGISLATIVE OFFICE IF

ANY QUESTIONS COME ^{UP} THAT I CAN ANSWER.

ONE LAST QUESTION?

WHAT IS THE EXACT COST INCREASE BY
 ADDING THE INSPECTORS TO THE SPECIALTY
 CONTRACTORS ROSTER?

DAVE OWENS

Resolution NO. 02

A resolution of the Mat-Su Home Builders Association Board of Directors not to endorse HB9 as written

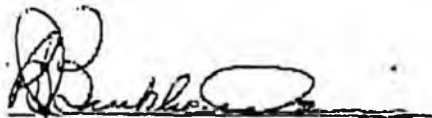
The Mat Su Board of Directors does **not** endorse HB9 as written due to some very strong written testimony and concerns of our Inspectors and Builder members.

We do support the concept of a basic license and proof of qualification for all Inspectors, Commercial and Residential in the State of Alaska.

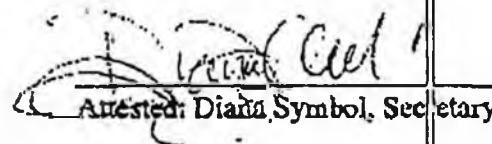
We do support the concept of code consolidation in the state of Alaska and adoption of a basic minimum Building Code Standard for Residential Construction such as the International Residential Code or an equally nationally recognized standard.

We do support the concept of all Inspectors in the State of Alaska having the same level of liability including State and Municipal Inspectors. We feel that the liability sections outlined in the National Code Standards are reasonable and fair.

Hereby, adopted by the Board of Directors of Mat-Su Home Builders Association on this 19th day of February, 2007



Ron Burkhardtsmeier, President


Attested: Diana Symbol, Secretary

**KETCHIKAN HOME
BUILDERS ASSN.**

P.O. Box 6291
Ketchikan, AK 99901
Phone (907) 247-4903
FAX (907) 247-6903
KetchikanHBA@hotmail.com

**KHBA Resolution 03-01****"A Resolution Against Alaska HB9 Home Inspector Licensing"**

Whereas, there was limited public comment invited on HB9;

Whereas, we **Do** support the basic concept of licensing home inspectors based upon standards of practice and life safety code issues established by the State of Alaska;

Whereas, we **DO** support the concept of **All** inspectors having the same liability that state and municipal inspectors are now held to;

Whereas this bill seems to be discriminatory towards home inspectors by not requiring that other inspectors be licensed;

Whereas, there are no guidelines or codes for standards of practice for home inspections adopted by the State of Alaska;

Whereas the State of Alaska could adopt the International Residential Code for New Residential Construction and establish additional life safety issues for existing construction;

Whereas the State of Alaska could include the Alaska Module for Cold Climate Building Techniques;

Be It Therefore Resolved : The Ketchikan Home Builders Association Board of Directors does not endorse HB9 as written and request that this issue be opened to further input and study.

Adopted on the 19th day of February, 2003

FROM : KOBUK CONSTRUCTION INC
02/17/2003 10:48 FAX 907 748 5376

FAX NO. : 907 376 0318
OWENS INSPECTION SERVICE

Feb. 17 2003 02:32PM P1
002/002

NAME OR COMPANY: *Kobuk Construction Inc*
ADDRESS: *PO Box 874428*
ADDRESS: *Wasilla AK 99687*
PHONE NUMBER: *907 376 0318*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *13198*.

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

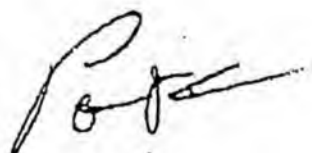
I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association: *Anchorage*

Other interested party.

Comments:

Signature: 
Date: *2/17/03*

NAME OR COMPANY: *Antonovich Contracting, Inc.*

ADDRESS: *3060 E. Lakeview Rd.*

ADDRESS: *Wasilla, AK 99654*

PHONE NUMBER: *376-1686*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *29 2246*

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: *[Handwritten Signature]*

Date: *2-19-03*

NAME OR COMPANY: *NORTH COUNTRY BUILDERS OF AK*

ADDRESS: *P.O. Box 871902*

ADDRESS: *WASILLA, AK 99654*

PHONE NUMBER: *(907) 746-7034*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *25485*

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association. *MAT-SU*

Other interested party.

Comments:

Signature: 

Date: *2/19/03*

NAME OR COMPANY: GOLD COAST BONDERS

ADDRESS: PO BOX 8945

ADDRESS: KETCHIKAN, AK 99901

PHONE NUMBER: (907) 225-6822 EVE. (907) 228-6673 DAY
EMAIL CHARLES.D@CITY-KETCHIKAN, AK -US

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

CONTRACTOR RESIDENTIAL ENDORSEMENT # 868 (STATE)
 I am an Alaska Licensed General Contractor: License# 193142 (STATE)

I am an ICBO New Home Inspector: License# 0865470-55 (ICBO)

I am an Existing Home Inspector: License# 193142 (STATE)

I am a Commercial Building Inspector. License# 193142 STATE ICBO
0865470-06 (ICBO)

I am a Specialty Licensed Contractor: License#
 PLANS EXAMINER # 0865470-01 (ICBO)

I am a member of the following Home Builders Association.

KETCHIKAN (TREASURER)

Other interested party. ASHBA BOARD OF DIRECTORS

Comments: BILL IS! DISCRIMINATORY, ESTABLISHES NO STATE REGULATORY CODES OR STANDARDS, NO TESTING OR STATE PRE-REQUISITES, PUSHED FORWARD WITHOUT PUBLIC COMMENT OR DEBATE, PROPOSED BY SPECIAL INTEREST, INCREASES LIABILITY WITHOUT REDRESS, I.E. BOARD OF APPEALS/STATE BOARD.

Signature:

Charles R. Deunha

Date:

2/19/03

NAME OR COMPANY: *ROBERT MILBY - MILBY CONST.*

ADDRESS: *2951 McPhee Dr.*

ADDRESS: *WASILLA AK, 99654*

PHONE NUMBER: *745-4335*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *AA 20805*

I am an ICBO New Home Inspector: License # *5071531-55*

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: *Robert Milby*

Date: *2-18-03*

NAME OR COMPANY: *LYNNE LAKE HOME INSPECTIONS*

ADDRESS: *BOX 201, WILLOW, AK*

ADDRESS:

PHONE NUMBER: *495-6413*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors. *of course!*
But!

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License # *5029818-554,0*

I am an Existing Home Inspector: License # *Not yet!*

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Don't Forget we ~~are~~ work for Real Estate Company when we do older homes! Protect Billie put together to favor real estate agents!

Signature: *where protection is needed for inspectors*

Date: *JL / fill*

2/17/03

NAME OR COMPANY:

Hi-Tech Home

(mail)

ADDRESS:

PMB 410, 1830 E. Parks Hwy, Ste 4113 Wasilla AK 99654

(physical address)

ADDRESS:

3431 No. Seward Court, Ste 1, Wasilla, AK 99654

PHONE NUMBER:

*376-9045 (Home)
232-3379 (Cell)*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *26872*

- I am an ICBO New Home Inspector: License #
- I am an Existing Home Inspector: License #
- I am a Commercial Building Inspector: License #
- I am a Specialty Licensed Contractor: License #
- I am a member of the following Home Builders Association.
- Other interested party.
- Comments:

Signature:

[Handwritten Signature]

Date:

2/17/03

FROM : WESTMARK HOMES 0
02/18/2003 18:30 FAX 907 746 5476

FAX NO. : 9073518591
OWENS INSPECTION SERVICE

Feb. 18 2003 05:11PM P1
002

NAME OR COMPANY: *Westmark Homes LLC*
ADDRESS: *P.O Box 607 E. 1830 Parks Hwy.*
ADDRESS: *Wasilla, AK 99654*
PHONE NUMBER: *907-351-0935-357-8589*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor. License # *28710*.

I am an ICBO New Home Inspector. License #

I am an Existing Home Inspector. License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor. License #

I am a member of the following Home Builders Association.

Other interested party.

Comments: *good for one good for all.*

Signature: *Dwight Sheehan*

Date: *2/18/03*

NAME OR COMPANY: *Kappen Homes, LLC*

ADDRESS: *17034 Eagle River Loop Rd. #201*

ADDRESS: *Eagle River, AK 99577*

PHONE NUMBER: *(907) 622-5585*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # *27807*

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: *Carl Kappen*

Date: *2/17/03*

NAME OR COMPANY: *SK Construction*
 ADDRESS: *17034 Eagle River Loop Rd #201*
 ADDRESS: *Eagle River, AK 99577*
 PHONE NUMBER: *(907) 622-5585*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor. License # *27862*

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: *Key Key*
 Date: *2/17/03*

NAME OR COMPANY: *Tony's Interiors*
 ADDRESS: *6741 E 10TH*
 ADDRESS: *ANCH AK. 99504*
 PHONE NUMBER: *907-333-7333 EXT 6*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

- I am an Alaska Licensed General Contractor: License # *23349*
- I am an ICBO New Home Inspector: License #
- I am an Existing Home Inspector: License #
- I am a Commercial Building Inspector. License #
- I am a Specialty Licensed Contractor: License #
- I am a member of the following Home Builders Association.
- Other interested party.

Comments:

Tony
 Signature:

Date:

2/18/03

NAME OR COMPANY: *CMM General Contractor*

ADDRESS: *P.O. Box 774042*

ADDRESS: *Eagle River AK 99577*

PHONE NUMBER: *694-8758*

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party. *AHBA*

Comments:

Signature:



Date:

2-17-03

NAME OR COMPANY: TROY DAVIS

ADDRESS: PO BOX 871650

ADDRESS:

PHONE NUMBER: 357 9394
357 9395F

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # 28019

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association. Mat-Si

Other interested party.

Comments:

Signature: Troy Davis

Date: 2/17/03

NAME OF COMPANY: Bradford Services Inc.

ADDRESS: 12401 E. Soapstone Road, Palmer, Alaska 99645

PHONE NUMBER: (907) 746-2612

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor:

I am an ICBO New Home Inspector:

I am an Existing Home Inspector

I am a Commercial Building Inspector

I am a Specialty Licensed Contractor:

I am a member of the following Home Builders Association

Other interested party.

Comments

Signature:

Date:

John E. Braudery
2/16/03

Arctic Sky Enterprises
P.O. Box 771074
Eagle River, AK 99577
Phone: (907) 694-5834
Fax: (907) 694-5837

- I do **not** support House Bill #9 as written. I do **not** want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.
- I am an Alaska Licensed General Contractor: License #
- I am an ICBO New Home Inspector: License # 5098545-10 ICBO
- I am an Existing Home Inspector: License # ITA Inspector Graduate
- I am a Commercial Building Inspector. License # 5098545-55 ICBO
- I am a Specialty Licensed Contractor: License #
- I am a member of the following Home Builders Association.
- Other interested party.
- Comments: This bill in it's current form is not good for the Inspection Industry, Building Industry and for the State of Alaska's prospective homeowners..

Signature:



Date: 2/14/2003

NAME OR COMPANY: TED VEAL

ADDRESS: 539 ELDERBERRY DR.

ADDRESS: HOMER, AK, 99603

PHONE NUMBER: 907-235-7461

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor. License # 523 .

I am an ICBO New Home Inspector: License # 0571495-55

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature:



Date:

2-15-03

FROM : NCP DESIGN BUILD LTD

FAX NO. : 9075638366

Feb. 18 2003 03:23PM P2

NAME OR COMPANY: *Cheriborne Tutor*
NCP Architects
 ADDRESS: *118 E Teteh Airport Rd.*
 ADDRESS: *Juneau AK*
 PHONE NUMBER:

I do ~~not~~ support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors. *new clauses*

- I am an Alaska Licensed General Contractor: License # *26969/1.90*
- I am an ICBO New Home Inspector: License # *A3441* *AK*
- I am an Existing Home Inspector: License # *0294* *ASTI*
- I am a Commercial Building Inspector: License # *0294* *ASTI*
- I am a Specialty Licensed Contractor: License #
- I am a member of the following Home Builders Association.
- Other interested party.
- Comments.

Signature: *[Signature]*
 Date: *2-18-03*

NAME OR COMPANY: Lin Milby dba: Sundance Real Estate
ADDRESS: 2951 McRae Dr.
ADDRESS: Wasilla, AK 99654
PHONE NUMBER: 745-4335

I do **not** support House Bill #9 as written. I do **not** want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: Lin Milby

Date: 2-18-03

NAME OR COMPANY: DANIEL DEBOER
MOOSEHEAD INSPECTION CO.

ADDRESS:

ADDRESS:

PHONE NUMBER:

* I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector. License # ICBO # 1100377-10
11-01

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party.

Signature: Daniel DeBoer

Date: 2-13-03



NAME OR COMPANY:

ADDRESS:

ADDRESS:

PHONE NUMBER:

FAIRVIEW PROPERTY CONSULTANTS

(Home Inspections)

Michael J. Davis

ICBO Building Inspector/ITA Graduate

Union & Mold Training

HC31 Box 5246B
Wasilla, AK

Phone/Fax (907) 373-7599
Cell: 353-5246

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License # 1074661-55 + 10

I am an Existing Home Inspector: License # ITA Graduate '96

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association. Mat-Su Home Builders.

Other interested party. Member of V.B.R.

Comments:

Signature:

Mike Davis

Date:

2/17/03

NAME OR COMPANY: T&D VEAL

ADDRESS: 539 ELDERBERRY DR.

ADDRESS: HOMER, AK, 99603

PHONE NUMBER: 907-235-7461

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor. License # 523

I am an ICBO New Home Inspector. License # 0571495-55

I am an Existing Home Inspector. License #

I am a Commercial Building Inspector. License #

I am a Specialty Licensed Contractor. License #

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: 

Date: 2-15-03

NAME OR COMPANY: STUART D. BROOKS
 PRESIDENT
 ENERGY DESIGN ASSOC. INC.
 ADDRESS: 17524 RACHEL CIRCLE
 FAIRBANKS AK 99717
 ADDRESS:
 PHONE NUMBER: 696-5573

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License #

I am an ICBO New Home Inspector: License # 158625

I am an Existing Home Inspector: License # 158625

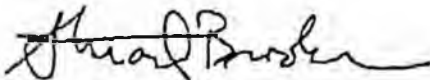
I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License #

I am a member of the following Home Builders Association.

Other interested party. ENERGY RATER.

Comments:

Signature: 

Date: 2-14-03

NAME OR COMPANY: Harman Exc Inc.

ADDRESS: 550 W. Fallen Leaf Circle.

ADDRESS: Wasilla Ak. 99654

PHONE NUMBER: 376-2034

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

I am an Alaska Licensed General Contractor: License # 5857 .

I am an ICBO New Home Inspector: License #

I am an Existing Home Inspector: License #

I am a Commercial Building Inspector: License #

I am a Specialty Licensed Contractor: License # 1441

I am a member of the following Home Builders Association.

Other interested party.

Comments:

Signature: Randy L. Harman

Date: 2-19-03

NAME OR COMPANY: RICHARD OWENS
ADDRESS: P.O. Box 2274
ADDRESS: WRANGELL, AK 99929
PHONE NUMBER: 907-232-5644

I do not support House Bill #9 as written. I do not want our contractor fees to increase. I do not want to increase private inspector's liability to a level higher than state or municipal inspectors.

- I am an Alaska Licensed General Contractor: License #
- I am an ICBO New Home Inspector: License #
- I am an Existing Home Inspector: License #
- I am a Commercial Building Inspector: License #
- I am a Specialty Licensed Contractor: License #
- I am a member of the following Home Builders Association.

Other interested party. ENERGY RATER

Comments:

HB#9 is biased and poorly written.

Signature:

Richard Owens

Date:

2-16-03