

HB

9

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/31/03

REPORTED OUT
MAY 5 2003
SENATE FINANCE

FURTHER:

DATE TURNED IN TO OFFICE: 5/5/03

Finance Committee considered CS FOR HOUSE BILL NO. 9(FIN) am

HB 9 HOME INSPECTORS/CONTRACTORS

"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; repealing a law that limits liability for damages based on a duty to inspect a residential unit to damages caused by gross negligence or intentional misconduct; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 9 (FIN)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Rev	1/28/03		✓	1
LAW	1/29/03		✓	2
Labor	1/28/03		✓	3
DCED	1/29/03	✓		4

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Adrian L Taylor</i>		✓		
<i>[Signature]</i>			✓	
<i>Ronald [Signature]</i>			✓	
<i>[Signature]</i>			✓	
COCHAIR: <i>Lynne Green</i>			✓	
COCHAIR: <i>Wang [Signature]</i>	✓			

FISCAL NOTE

REPORT DATE

MAY 5 2003

SENATE FINANCE
3 COMMITTEE

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 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						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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

REPORTED DATE

MAY 5 2003

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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1156)	126.2	0.0	120.2	0.0	120.2	0.0
----------------------------------	--------------	------------	--------------	------------	--------------	------------

FUND SOURCE (Thousands of Dollars)

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

REPORTED OUT

MAY 5 2003

SENATE FINANCE
COMMITTEE

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
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

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

MAY 5 2003

SENATE FINANCE
COMMITTEE

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						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

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

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
2 Legislature, concerning House Bill No. 9, relating to home inspections.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
6 changes to the title of a bill, are suspended in consideration of House Bill No. 9, relating to
7 home inspections.

SENATE FINANCE COMMITTEE
5/5/2003 COMMITTEE ACTION

Bill Number	HB 9		
Amendment			
Motion	to report from Committee		
Motion by	Green		
Objection by	Taylor		
Removed			
Second Objection by			
<u>Committee Member</u>	Y	Vote	N
Senator Olson	✓		
Senator Stevens	~	~	
Senator Austerman Taylor			✓
Senator Bunde	✓		
Senator Hoffman			✓
Co-Chair Green	✓		
Co-Chair Wilken	✓		
<u>Tally</u>			
Yea	4		
Nay	2		
Absent	1		
<u>MOTION</u>	PASSES		

SENATE FINANCE
COMMITTEE #1
Amendment Number: #1
Bill Number: HB 9 23-LS0029\U.2
Sponsor: Olson Date: 4/8/03 Lauterbach
Logged In By: Mindy 4/7/03

ADOPTED

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR OLSON

TO: SCS CSHB 9(L&C)

Holtzman

- 1 Page 16, line 4, following "state,":
- 2 Insert "a regional housing authority created under AS 18.55.996(b),"

SENATE FINANCE COMMITTEE
4/8/2003 COMMITTEE ACTION

Bill Number	HB 9		
Amendment	#1		
Motion	adpt		
<u>Motion by</u>	Olson		
<u>Objection by</u>	Wilken		
<u>Re.moved</u>	✓		
<u>Second Objection by</u>	✓		
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE
COMMITTEE

ADOPTED

Amendment Number: #2
Bill Number: HB 9
Sponsor: Stevens Date: 4/8/03
Logged In By: Mindy

23-LS0029\U.1
Lauterbach
4/7/03

AMENDMENT

OFFERED IN THE SENATE
TO: SCS CSHB 9(L&C)

Sponsored by:
Senator B. Stevens

- 1 Page 4, line 29:
- 2 Delete "Conference of Building Officials"
- 3 Insert "Code Council"
- 4
- 5 Page 7, line 5:
- 6 Delete "Conference of Building Officials"
- 7 Insert "Code Council"
- 8
- 9 Page 19, line 30:
- 10 Delete "Conference of Building Officials"
- 11 Insert "Code Council [CONFERENCE OF BUILDING OFFICIALS]"
- 12
- 13 Page 20, lines 25 - 26:
- 14 Delete "CONFERENCE OF BUILDING OFFICIALS"
- 15 Insert "CODE COUNCIL"
- 16
- 17 Page 23, line 11:
- 18 Delete "Conference of Building Officials"
- 19 Insert "Code Council"
- 20
- 21 Page 23, line 29:
- 22 Delete "Conference of Building Officials"
- 23 Insert "Code Council"

SENATE FINANCE COMMITTEE
4/8/2003 COMMITTEE ACTION

Bill Number	HB 9		
Amendment	#2		
Motion	adpt		
<u>Motion by</u>	Stearns		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE
COMMITTEE #3
Amendment Number: #3
Bill Number: HB 9
Sponsor: Green Date: 4/2/03
Logged In By: Robin

FAILED
23-LS0029\U.3
Lauterbach
4/22/03

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: SCS CSHB 9(L&C)

1 Page 1, lines 6 - 8:

2 Delete "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;"

4
5 Page 22, lines 21 - 25:

6 Delete all material.

7
8 Renumber the following bill sections accordingly.

9
10 Page 24, line 17:

11 Delete all material.

12
13 Renumber the following bill section accordingly.

14
15 Page 24, line 18:

16 Delete "secs. 45 - 47"

17 Insert "secs. 43 and 44"

SENATE FINANCE COMMITTEE
4 / 27 2003 COMMITTEE ACTION

Bill Number	HB 9		
Amendment	#3		
Motion	Adopt		
Motion by	Green	<u>Changes Title</u>	
Objection by	Bunde		
Removed			
Second Objection by			
Committee Member	Y	Vote	N
Senator Olson	✓		
Senator Stevens			✓
Senator Taylor			✓
Senator Bunde			✓
Senator Hoffman			✓
Co-Chair Green	✓		
Co-Chair Wilken			✓
Tally			
Yea	2		
Nay	4		
Absent			
MOTION	FAILED		

SENATE FINANCE
COMMITTEE
Amendment Number: # 4
Bill Number: HB 9
Sponsor: Green Date: 4/22/03
Logged In By: Robin

ADOPTED

23-LS0029\U.4
Lauterbach
4/22/03

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: SCS CSHB 9(L&C)

- 1 Page 10, line 5, following "within":
- 2 Insert "one year."
- 3
- 4 Page 10, lines 6 - 9:
- 5 Delete all material.
- 6
- 7 Page 10, line 10:
- 8 Delete "limitations"
- 9 Insert "limitation"
- 10 Delete "apply"
- 11 Insert "applies"
- 12
- 13 Page 10, line 14:
- 14 Delete "limitations"
- 15 Insert "limitation"

SENATE FINANCE COMMITTEE
4 / 22 / 2003 COMMITTEE ACTION

Bill Number	HB 9		
Amendment	#4		
Motion	Adopt		
Motion by	Green		
Objection by			
Removed			
Second Objection by			
Committee Member	Y	Vote	N
Senator Stevens	✓		
Senator Taylor			✓
Senator Bunde	✓		
Senator Hoffman	—		—
Senator Olson	✓		
Co-Chair Green	✓		
Co-Chair Wilken			✓
Tally			
Yea	4		
Nay	2		
Absent	1		
MOTION	PASSES		

Attention: Dave

Of Senator (Horn)'s office

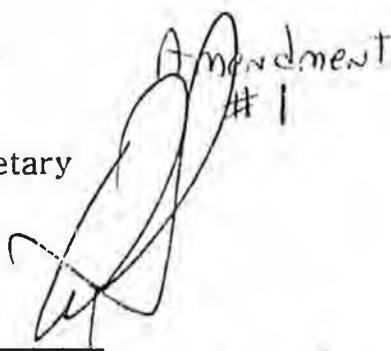
RE: 7/13 9

Date: 5/5/03 Time: 4:45 PM

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

Thanks,
Senate Finance Secretary
Mindy #4935
Robin #2618

Amendment #1


Approved: _____
(please initial)

Return ASAP

Thanks!
Robin

Verbal OK
from Fowler's 5/10/03 9:10 AM

Attention: Traci
Of Senator Green's office
RE: HB 9
Date: 5/5/03 Time: _____

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

Thanks,
Senate Finance Secretary
Mindy #4935
Robin #2618

*Amendment
4*

Approved: *TR*

(please initial)

Return ASAP

*Thanks!
Robin
5/5/03*

Attention: Sheila

Of Senator _____'s office

RE: Fiscal of HB 9 with

Date: 5/5/03 Time: 4:30pm 3 Amend
ments

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

Thanks,

Senate Finance Secretary

Mindy #4935

Robin #2618

Approved: SP 5/6/03

(please initial)

Return ASAP



From the
SENATE FINANCE COMMITTEE

- Senator Lyda Green, Co-Chair
 Senator Gary Wilken, Co-Chair

Date:

Sheila

Do you want
me to Hold
Reported out bills
until Final CS
is delivered or
Rush it down to
Sec. with CS Forthcoming

Oh, I guess "CS forthcoming"
just in case there is
something I don't know
about + folks want to
calendar bills tomorrow

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

BY THE SENATE FINANCE COMMITTEE

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;

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 any 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 Code Council;

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

2
2

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 (L) 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

under this subsection:

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

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

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

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

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

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

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

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

(6) examinations for applicants for home inspector registration;

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

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

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

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

(a) Except as provided otherwise by law, a person who has registered as a contractor under one name as required by this chapter may not act in the capacity of a



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

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

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

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

7 (b) All advertising and business cards prepared by a registered home inspector
8 or associate home inspector for the home inspection business 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" or "house
19 inspector" unless they 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 one year. #4

5 (b) The limitation in (a) of this section applies to all actions based on a home #4
 6 inspection report, regardless of whether the action is based on breach of contract,
 7 personal injury or death, property damage, or another source of liability except that (a)
 8 of this section is not applicable to an action based on gross negligence or intentional
 9 misconduct by the home inspector. The limitation may not be waived by contract. #4

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

13 (1) was a party to the real estate transaction for which the home
 14 inspection was conducted;

15 (2) received the home inspection report with the written consent of the
 16 party for whom the home inspection was originally performed; or

17 (3) acquired the property for which the home inspection report was
 18 conducted by inheritance or bequest from a person who could have brought an action
 19 under (1) or (2) of this subsection.

20 (d) Contractual provisions that purport to limit the liability of a home
 21 inspector to the cost of the home inspection report are contrary to public policy and
 22 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, a regional housing authority created under AS 18.55.996(b),
 31 or a municipality or unincorporated community and the employee is performing only

#1

#1

1 duties that are within the employee's official duties;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 in AS 08.18.101;

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

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

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

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

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

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

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

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

25 (A) heating and air-conditioning systems;

26 (B) plumbing and electrical systems;

27 (C) built-in appliances;

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

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

30 (F) foundation and basement;

31 (G) visible interior and exterior structures;

1 (H) drainage to and from the residence;

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

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

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

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

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

11 (17) "residence" means

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

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

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

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

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

21 (b) As a condition of a commitment to purchase or approve a loan under this
22 section for residential housing the construction of which begins after June 30, 1992,
23 the corporation shall require inspection of the unit of residential housing that is the
24 subject of the loan. The inspection must be performed by a municipal building
25 inspector, by a person who is approved or certified to perform residential inspections
26 by the International Code Council [CONFERENCE OF BUILDING OFFICIALS] or #2
27 the International Association of Electrical Inspectors, by an individual who is
28 registered under AS 08.18 to perform home inspections for new construction
29 [OR, WHEN THE UNIT OF RESIDENTIAL HOUSING IS LOCATED IN A
30 RURAL AREA], by an architect registered under AS 08.48, by an engineer registered
31 under AS 08.48, or by another person approved by the corporation. When the unit of

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

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.

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

(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 CODE COUNCIL OR THE INTERNATIONAL ASSOCIATION OF ELECTRICAL INSPECTORS,] by an individual who is registered under AS 08.18 to perform home inspections for new construction, 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

#2

#2

L

1 person who makes the inspection shall determine whether the construction conforms
 2 to relevant provisions of the construction codes of the municipality or of the state
 3 building code, as applicable, at 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, 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 Code Council. #2

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 Code Council. #2

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

COMMITTEE ASSIGNMENTS:

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

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



INTERIM:
716 WEST 4TH AVENUE, SUITE 300
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

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

Representative Norman Rokeberg

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

SPONSOR STATEMENT FOR SCS CSHB 9 (L&C)

BY: Representative Norman Rokeberg

TITLE: An Act relating to the registration of individuals who perform home inspectors; 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.

ED06: 03/27/03

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

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

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



INTERIM:
716 WEST 4TH AVENUE, SUITE 300
ANCHORAGE, AK 99501
PHONE: (907) 269-0117
FAX: (907) 269-0119

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

Representative Norman Rokeberg

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

SECTIONAL ANALYSIS SCS CSHB 9 (L&C)

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” and “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 adds 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, unless gross negligence or intentional misconduct. Limitations of this section may not be waived by contract. An action against a home inspector or associate home inspector can only be brought by a party to the real estate transaction or one who received written permission to use the home inspection report. An action can also be brought by a person who inherited the property, if the person they inherited it from had standing to do so. 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.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 7, 2003

SUBJECT: Regional Housing Authorities (SCS CSHB 9(L&C))

TO: Senator Donny Olson
Attn: Dave Gray

FROM: Terri Lauterbach
Legislative Counsel *Terri Lauterbach*

Enclosed is an amendment that would ensure that the exemption language in Sec. 08.18.156(a)(1) of the "U" version of HB 9 would cover employees of a regional housing authority who are inspecting houses as part of official duties for the authority.

While AS 18.18.995 calls these authorities "public corporations," the option to create the authorities is given to the Native associations listed in AS 18.55.996. So, it is not clear to me that the regional housing authorities would be considered to be either a political subdivision of the state or an unincorporated community. The enclosed amendment would clarify the situation vis a vis the exemption granted in Sec. 08.18.156(a)(1) of this version of HB 9.

If I may be of further assistance, please advise.

TML:lmb
03-144.lmb

Enclosure

Provided by Rep. Rokeberg

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 Colorcable, 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. Seaco Alaska, Inc., 567 P.2d 295 (Alaska 1977).

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

Cited in Allison v. Stato, 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

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 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



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



Contact Congress

Enter your ZIP code and contact your representative

American Society of Home Inspectors

Homebuyers / Sellers Home Inspectors Members Only

Find an Inspector InspectionWorld About Us Contact Us Site map/Search

Online Store Media & Publicity Source Directory

HOMEBUYERS/SELLERS

STATE REGULATIONS

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

Provided by Rep. Rokeberg

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 repairing 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.cqa.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 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/construct/>

To download the law go to:

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

Illinois Licensure (Public Act 92-039). Illinois law creates the "Home Inspector Licensure 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/hbgroups/92/920HB1805enq.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 the 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. Licensees 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/req/boards/hi/

To download the law go to: www.state.ma.us/legis/laws/seslaw99/sl990146.htm

For Rules/Regulations of the Board go to: <http://www.state.ma.us/req/boards/hi/cnfr.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 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 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 employees, 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/histats.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 that 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/OSFM/Documents/Engineering/HILB/NCHILBStatutes.PDF>

To download the Administrative Code go to:
www.ncdoi.com/OSFM/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, 8) reciprocity agreements, and 9) 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 are 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/ri-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) 222-2599f
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.lptr.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 Board
(615) 741-3449
www.state.tn.us/commerce

To download the law go to:
<http://198.137.128.12/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 licensed home inspector. If an applicant is unable to obtain an apprenticeship, educational coursework 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
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:
[http://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, 2002 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+TOC5401000000500000000000>

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

For more information, contact the Department of Regulation and Licensing

(608) 266-2112

(608) 267-0644 f

<http://www.state.wi.us/agencies/drl/>

or go to: www.drl.state.wi.us/Regulation/applicant_Information/dod1200.html

To download the law go to: <http://www.legis.state.wi.us/statutes/99Stat0440.pdf> (see section 440.97)

To download all WS Statutes and Rules pertaining to HI's go to:

http://www.drl.state.wi.us/Regulation/publications/admincode_statutes_h-m.htm#Home

HOME

[Homebuyers/Sellers](#) | [Inspectors](#) | [Find an Inspector](#) | [Members Only](#) | [InspectionWorld](#)
[Media & Publicity](#) | [Resources](#) | [About Us](#) | [Contact Us](#) | [Search/Site Map](#) | [Privacy](#)

U.S. OPEN

Tiger a runaway winner

SPORTS



VIOLENCE

Employers recognizing abuse as workplace issue

MONEY



WORLD CUP

U.S. shocks Mexico with 2-0 win

SPORTS



WEATHER



Wear your sunscreen
High near 70; low near 50

50 cents

Final Edition

Anchorage Daily News

Monday, June 17, 2002

ALASKA'S NEWSPAPER

www.adn.com

This house is no home sweet home

■ **UNFIXABLE?** House that passed inspections before purchase has major faults.

By ROSEMARY SHINOHARA
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, 36, 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.

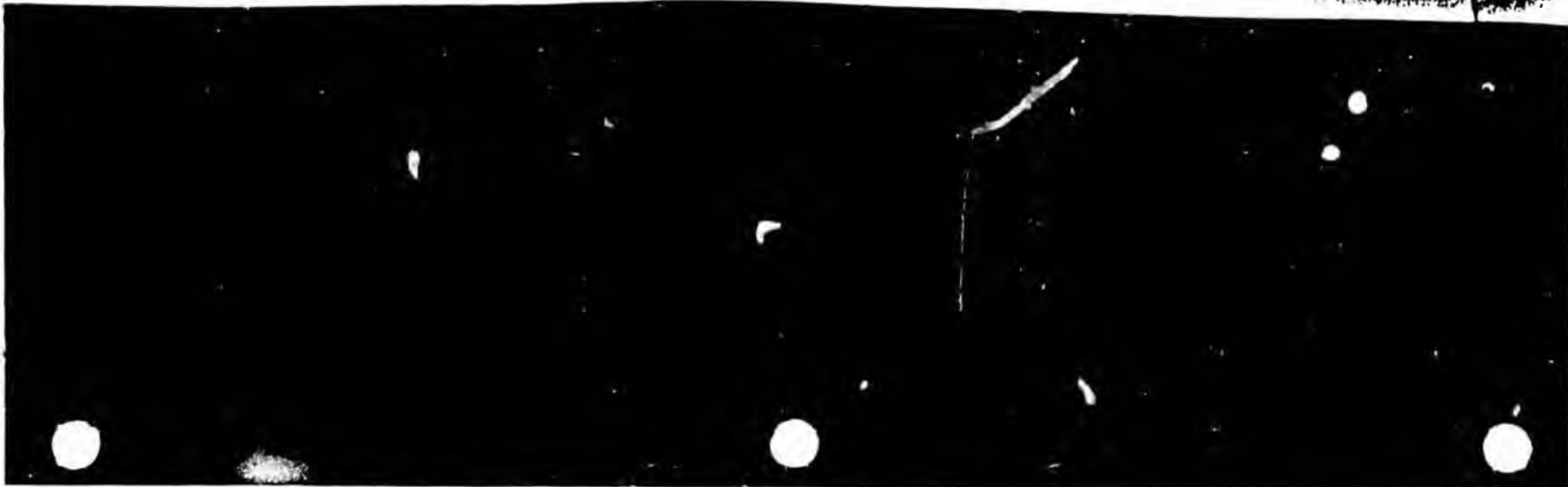
When she began looking for a house last year, Prehn thought she'd done everything right. She went to a first-time home buyers class and took to heart the importance of getting a home inspection by an

See Back Page, DEFECTS



BILL ROTH / ANCHORAGE DAILY NEWS

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 experts have since told her the house is a wreck.



EFFECTS: 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 Spensard 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.



Roger Sieber, a construction project manager for Anchorage Neighborhood Housing, said in a written report that he saw "extensive deterioration" of the wood frame around a floor 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 Sieber, 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 Rukeberg, 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, Rukeberg 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 I call a "nondestructive" — based on what the inspector could see and feel, without 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 Shinhara can be reached at rshinhara@adn.com and 257-4340.

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 not 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 millions of dollars worth of properties each year. But they are NOT strictly tested for knowledge, or licensed or regulated in any manner. Their reports and their opinions can and often do influence the decision making of buyers, lenders, appraisers, real estate agents, underwriters, contractors, and specialists of all kinds. Yet they are Not regulated in any manner.

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

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

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

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

1. Every home inspector interviewed agreed that some

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

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

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

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

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

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

The demand for home inspections is ever increasing. Relocation companies are now requiring home inspections on the home purchase by transferee as a requirement for a "buyout" 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

ADN
27 June 1999 C-1

RAMSEY: Bill would help buyers

Continued from Page C-1

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

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

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

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

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

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

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

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

1998 180819.987 130.553.667 569.3
1995 218.001.719 170.029.398 590.3
1994 181.218.649 174.547.820 593.5
1993 218.071.180 145.328.506 577.5

But it wasn't enough. Not nearly. In fact, 1998 was an economic disaster for Bristol Bay fishermen, the second poorest year in a row.

Expert home inspections useful for buyer and seller



CLAIR
RAMSEY

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

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

The home inspection report typically groups items between "minor ongoing

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

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

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

Groundwater problems are a second

Please See Page C-5, RAMSEY

ADN 25 July 1999 p C-1

RAMSEY: Inspections focus on repairs.

Continued from Page C-1

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

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

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

Bathrooms in older homes may also need

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

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

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

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

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

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

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

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

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

Inspection Industry Unregulated

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

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

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

Insurance & Training of Great Importance

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

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

For 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
For
Self-Employed**

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

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

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

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

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

Happy Thanksgiving!

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




PACIFIC NORTHWEST TITLE
OF ALASKA INC.

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 the buyer receive and when will they receive it?

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

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

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

Real help for real estate pros.

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



NBA sets their appointments to fit my clients' schedule. When my clients are happy, I'm happy.

*- Katherine Herfindahl
Fortune Properties*

National Bank of Alaska
Investing In Your Life



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

\$250

Need less than 20 hours? Call for Rates!

Broker Licensing & Training

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

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

**Kathleen Kowalczyk
360-1176**

**Anita Bates
243-8777**

4/8/03

distributed by Sen. Green

HB 9

New Home Inspector Survey

* Participants: 25 certified home inspectors in AK working under AHFC regulations, with business license.

Question	YES	NO	Unknown	
Do you carry liability insurance?	22	3	0	
Has AHFC or any government agency notified you about HB 9?	0	24	1	
Will you be able to stay in business with the changes of HB 9?	11	8	6	
Is Errors and Omissions Insurance available for new construction?	1	13	11	
Is it important to have a State Building Code for residential construction prior to the regulation of new home inspectors?	22	2	1	
Is regulation of only a portion of the inspection industry discriminatory?	25			
Should HB 9 contain language that regulates the relationships between Inspectors and Real Estate Agents and Inspectors and general Contractors?	17	6	2	
Is it important that all the building codes in AK be consolidated into one State Building Department?	23	2		
Is it fair that private inspectors have a higher limit of liability than government inspectors?		25		
Assuming you chose to stay in business, how will HB 9 affect your business?	Increase the cost	Purchase Insurance	Reduction of staff	Delays to builder
	24	18	7	17

Wisdom & Associates, Inc.

PO Box 4184
Homer, Alaska 99603
907-235-6045

Fax 907-283-9188

PO Box 3413
Kenai, Alaska 99611
907-283-0629

April 8, 2003

State of Alaska Senate
Finance Committee

Re: House Bill 9

Wisdom & Associates, Inc. is a private corporation which provides inspections, energy ratings, indoor air quality investigations, continuing education for contractors, real estate professionals, residential endorsement contractors, and mechanical administrators, since 1991. Today, the company consists of four full time employees, three of which are fully certified ICBO combination dwelling inspectors and energy raters. One of our inspectors is also certified as a commercial building inspector.

For years we have prided ourselves on the fact that we are one of the only inspection firms in the state of Alaska that has carried Errors and Omission Insurance, as well as general liability insurance. Until this year we had Errors and Omission Insurance for both existing home inspections and new home/code compliance inspections. Our insurance carrier told us this year that there is no longer insurance available to private firms for new home/code compliance inspections insurance, and that our own company's policy would no longer cover new home/code compliance inspections.

While we agree the inspectors in the state of Alaska need to be held more liable for their actions, the removal of the 'gross negligence' clause in the statute will make it impossible for inspection companies to obtain errors & omission insurance for new construction inspections. Frivolous law suits happen, and it is not fair to place private new home/code compliance firms under this law without the option of an insurance for their business. Without the 'gross negligence' clause this bill places an unreasonable amount liability on new home/code compliance inspectors.

Municipalities and the state government are able to insure against frivolous lawsuits for new home/code compliance inspections through insurance companies due to the protection provided for such entities under Alaskan law or through their larger financial resources.

If this bill is passed in its current form it will increase the cost of privately obtained new home/code compliance inspections beyond the reach of almost all consumers and builders if they are building outside of the jurisdiction of city inspectors. The majority of new housing in Alaska today is constructed outside of city limits or within cities that do not employ city inspectors. If this bill were to pass in its current form, inspectors willing to operate without a safety net of

insurance would most likely be too expensive for an owner builder or contractor to obtain. In turn this would mean that a majority of the new homes would go without the new home/code compliance inspections. New homes built without new home/code compliance inspections would hurt the building industry more than it would be providing a service to the citizens of Alaska by holding its private code inspectors liable for the services they performed.

The policing of new home/code compliance inspectors must be achieved through alternate means that will not discourage new homes to be built without new home/code compliance inspections. The business of existing home inspections and the inspection of new homes for code compliance are two every different fields and expertise's..

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 25) 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 28 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.*"

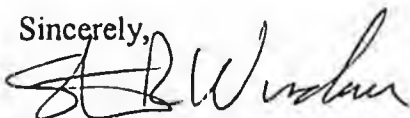
Line 28 of Section 7 of AS 08.18.22 would allow joint inspectors (those who may inspect existing and new homes) to take one test, a code competency test and then be certified as an existing home inspector which is an area they did not show competency in. The International Conference of Building Officials 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. For joint registration we suggest requiring inspectors meet both requirements (ASHI and ICBO).

Therefore if an inspector were to do both new construction/code compliance and existing home inspections they would be certified and have demonstrated competency in performing both types of inspections by passing an examination offered by existing home inspector groups, and another separate examination for code compliance inspectors

We would also like to point out that there is some incorrect language in this bill. Several times, the reference is made to ICBO as a code council, however, there is no longer an ICBO they are now calling themselves, the ICC or International Code Council.

We thank you for you time, and urge all of you to re-examine this bill and make the necessary changes to allow for a more airtight law.

Sincerely,



Steven R. Wisdom

State of Alaska

**Residential Real Property Transfer
Disclosure Statement**

Attached two pages, where indicated,
note the use of a home inspection.

Provided by Rep. Rokeberg

* Note

Documentation:

Check the documents for the subject property that the seller has available for review:

- | | | |
|---|---|--|
| <input type="checkbox"/> Current Engineer/Property Inspection Report(s) completed within the last 24 months | <input type="checkbox"/> Written Agreements With Adjacent Property Owners | <input type="checkbox"/> Party Wall Agreement |
| <input type="checkbox"/> Preliminary Title Report | <input type="checkbox"/> Energy Rating Certificate | <input type="checkbox"/> Lease/Rental Agreement |
| <input type="checkbox"/> As-Built Survey | <input type="checkbox"/> Resale Certificate | <input type="checkbox"/> Soils Test |
| | <input type="checkbox"/> Water Rights Certificate | <input type="checkbox"/> Well Log and Water Tests |
| | <input type="checkbox"/> Deed Restrictions | <input type="checkbox"/> Hazardous Materials Test(s) |
| | <input type="checkbox"/> Subdivision Covenants/Restrictions | <input type="checkbox"/> Other _____ |
| | | <input type="checkbox"/> 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 ice damming 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 General | | |
| <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

Testimony about HB9:

PG1

from Adolphus W. Hensley, P.O. Box 3232 , Soldotna, Alaska 99669

April 3, 2003

When I first heard about proposals to regulate Home Inspections I was in agreement that whomever conducted home inspections should be, competent ,trained, and ethical in this endeavor and follow guide lines of industry organizations such as the International Conference of Building Officials, Building officials and Code Administrators, and Southern Building Code Congress International. These three have now merged to become the ICC or International Code Council, Inc.

I obtained a copy of HB0009F and was totally disappointed that someone would let such a disaster of poorly researched and written material through any review whatsoever. This bill departs from fairness, common sense, and industry guidelines in some areas and may be unable to stand up under legal challenges. It is entwined in language relevant in many paragraphs to contractors and not home inspection activities.

On page 1 line 6 it proposes to repeal limits on liabilities. This opens the door to abuse by greedy , unethical lawyers and moves responsibility from the builder or seller to a home inspector who for a very small fee is only trying to help a seller or buyer evaluate the property. Particularly in the case of existing housing it may or may not have been certified when built and many home here on the south Kenai Peninsula were built with no Borough requirements and no inspections. What an inspector can be responsible for as far as existing housing is concerned is the visible evidence of damage or construction faults.

Page 2 line 1 thru 31 sets up fees for this regulating that state total costs with adjustments for what ever the "board" claims. To me this sounds like a blank check that any bureaucrat or empire builder would love. When government mandates regulations there should be control on how much it can claim legitimately. When state departments can internally determine violation without due process and then charge another fee to get reinstated it becomes self serving to be overzealous in that process.

Page 4 line 6, a requirement that applicants provide their social security number, as far As I'm aware a social security number is for __ Social Security Admin purposes and none other and further it makes this too easily available to identity theft.

Page 4 line 30 & 31. Requirement to meet the educational and experience requirements Adopted by the dept,etc. If standards such as those of The American Society of Home Inspectors or ICC are used this is good, but not something based on political maneuvering.

Page 5 line 3, item (4) prior offences,etc. ethics are all well and good but does this meet standard of law as far as unrelated issues and double jeopardy? Line 8 to 10, Unresolved. What does this mean, guilty before tried or what?

Page 6 line 16. states, (d) A home inspection report is valid for 180 days after the date the home inspector signs and dates the report. I find this particularly in opposition to training institutes, to ASHI standards and common sense. To explain an example is in 180 days can turn from winter into summer and many things like roofs , yards, drainage

cannot be determined when covered or frozen . Unless visible evidence of damage or moisture is present at the time of the inspection how can anyone determine these things.

PG 2

Page 6 line 24. Continuing competency requirements. Again this could be good if industry standard as applicable to Alaska are used and not political maneuvering. What is the definition of continuing competency activities?

Pg 7 line 5. ICBO is now part of ICC. International Code Council, Inc.

Page 8 line 27 thru 31 and Pg 9 line 1 thru 5. Posting a surety Bond. This again I find offensive in regards to existing housing as it attempts to place liability on the wrong party. A home inspector for existing housing should not be held responsible for faults not visible caused by inadequate construction in the past, but only for deliberate incompetence or unethical practices, such as writing off items to help someone ,perhaps a realtor or relative.

Page 9 lines 7 thru 11. The home inspection business for existing housing is not all that big a deal financially. I might make between \$1500 and \$2000 dollars a year which I do as a supplement to retirement to enable me to stay in Alaska as a senior. Am 43 yr resident. To put up \$5000.00 to make available for someone to attempt to take in court will be self fulfilling. As soon as there are any monitors in government control for these type actions some unethical persons or their lawyers will try to find a way to get it and it does not seem to matter who is or is not at fault if court track records on these type of cases is any indication.

Page 10 line 17 thru 21. This states (2) received the home inspection report with the written consent of the party for whom the home inspection was originally performed. -The buyer of that service cannot turn around and provide or sell that service to another for their use for fee or not ,because as an example that would be the same as making copies of someone elses recordings of music and selling or giving them to another or an unethical seller could buy an inspection and then provide copies to all the realtors in his area and all interested parties . If the original party uses it for his own negotiations or his agent does then that is O.K.

Pg 10 line 25 (d) Contractual provisions that purport to limit the liability of a home inspection to the cost of the home inspection report are contrary to public policy and Void.

Just where did this come from? This again is a suspicious attempt to place liability on the wrong party. Most all home inspection businesses across the country use this provision and is common in software for Home Inspection reports. What authority of public policy !! creates such a legal "void" status? This sounds much like the kind of spin speech Bill Clinton would use to lie to the public. Is it automatically "public policy" to set legal standards of responsibility without legal basis?

Page 14 line 9 thru 14. Is the DCED going to be persons trained to the point of being at least as competent as the home inspectors training or will they be political appointees or just someone whos had seniority around the dept for a while that may or may not know Jack about the business.

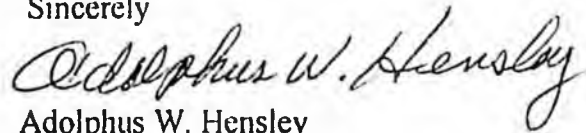
The SEC 44. on Pg 23 TRANSITIONAL LICENSING PROVISIONS, and all Sections 45 thru 48 on Pg 24 also ,need clarification .

The dates and stages of this transition need to be clearly stated in lay terms.

SUMMARY: I'm am in contact with realtors and home inspectors and am not aware of any significant problem with the process of home inspections so am wondering where the ideas of posting a high bond and insinuating responsibilities on the wrong party is generated from and why.

I am in favor of technical competence, training and ethics but with all the questions I have brought out about this bill I would suggest delaying this for about a year until any one who sponsors or votes on this type measure has done research and legal review before passing something half baked that may not stand a legal challenge.

Sincerely



Adolphus W. Hensley

AAA-Alaskan Home Inspector

P.O. BOX 3589
PALMER, ALASKA 99645



TEL: (907) 746-5471
FAX: (907) 746-5476

DAVID R. OWENS

CERTIFIED INSPECTOR

March 7, 2003

Twenty-Third Alaska State Legislatures
Alaska State Senate
Labor and Commerce Committee
Judiciary Committee
Finance Committee

This testimony is my own. However, it represents the consensus of the majority of building inspector groups that I am involved with.

I support House Bill No. 9 (23-LS0029\S.A) with the following amendments;

1. Remove the language from title page 1, line 6 thru 8, that states "repealing a law that limits liability for damages based on a duty to inspect a residential unit to damages caused by gross negligence or intentional misconduct".
2. Remove the word "two" on page 10, line 6 and replace it with the word "one".
3. Remove the language from section 41 page 22 line 21 that states "AS 18.56.300 (C) is repealed".

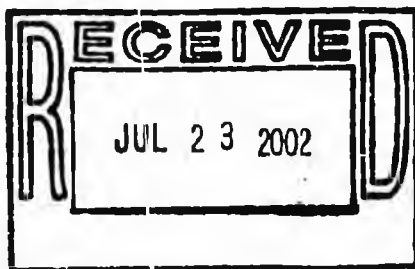
After five years of working on this house bill, we feel the above mentioned amendments are a reasonable compromise to represent all people involved. It is time to move forward with this house bill as quickly as possible.

Code consolidation, Creation of an Alaska State Residential Building Code and Regulation of Commercial Building Inspectors are issues that are important to our group and can be addressed with future legislation.

I want to thank you for your consideration in this matter. If there are any questions or concerns that I may address, please contact me at the following location.

A handwritten signature in black ink, appearing to read "D. R. Owens", written over a horizontal line.

David R. Owens
Owens Inspections Services



Richard F. Gaver
3050 Lore Road, C2
Anchorage, AK 99507
July 22, 2002

Representative Norman Rokeberg
715 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



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

Subject: House Bill No. 9 Home Inspector Bill

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

From: Don Sheppard <dsheppard@alaska.com>

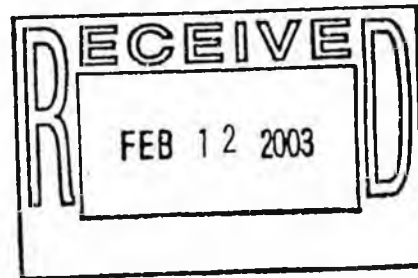
To: Representative_Norman_Rokeberg@legis.state.ak.us

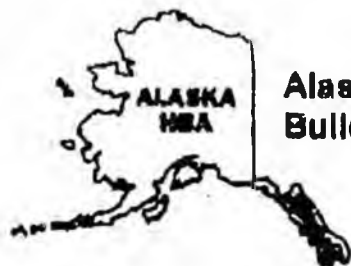
This e mail message is in way of offering support for the passage of HB 9 concerning the requirement for regulation of home inspectors. We have tried unsuccessfully for several years in getting this regulation in place.

Sincerely,

Don Sheppard
Frank Sobottka
Mark Crawford

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





**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.

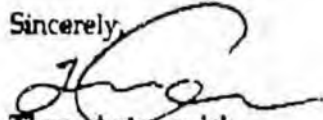
ASHBA is a statewide organization. Our mission is to provide an organization wherein building contractors and persons engaged in a trade, industry or profession related to housing may meet to discuss various problems of common interest, particularly those related to labor, production and finance. To 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



**ANCHORAGE BOARD
OF REALTORS, INC.**

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

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

January 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





ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame 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,

Carole Winton
President



LESSMEIER & WINTERS

LAWYERS - LLC

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

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

TELEPHONE: (907) 586-5912
FACSIMILE: (907) 463-3020
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: *Tom*

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

1 **Approved**

2 Date: 3/19/02

3 Submitted by: Assemblymembers Von Gemmingen,
4 Tesche, Taylor, Van Etten, Traini
5 Prepared by: Department of Assembly
6 For reading: March 19, 2002

7 **ANCHORAGE, ALASKA**
8 **AR NO. 2002-93**

9 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING CS FOR
10 HOUSE BILL NO. 27(JUD), "AN ACT RELATING TO THE LICENSURE AND REGISTRATION
11 OF INDIVIDUALS WHO PERFORM HOME INSPECTIONS; RELATING TO HOME INSPECTION
12 REQUIREMENTS FOR RESIDENTIAL LOANS PURCHASED OR APPROVED BY THE ALASKA
13 HOUSING FINANCE CORPORATION; RELATING TO CIVIL ACTIONS BY AND AGAINST
14 HOME INSPECTORS; AND PROVIDING FOR AN EFFECTIVE DATE."
15

16
17 WHEREAS, currently there is no State agency that oversees the home inspector industry
18 and anyone can determine that he/she is a home inspector; and
19

20 WHEREAS, consumers throughout the State of Alaska desire and should have assurance
21 that the home inspector they hire is competent, and that they have recourse against inspectors who
22 are not; and
23

24 WHEREAS, faulty inspections could have serious consequences for consumers when
25 purchasing or selling a home, and inspectors should and must be held accountable for their work;
26 and
27

28 WHEREAS, representatives within the industry agree licensure for home inspectors is a
29 worthwhile goal to establish a competency level that will protect the name of the profession and
30 protect consumers from faulty inspections; and
31

32 WHEREAS, CSHB 27 (JUD) accomplishes this by establishing licensing qualifications such
33 as registration, insurance, and proof of competency through the administration of a written and
34 practical examination.
35

36 NOW, THEREFORE, the Anchorage Assembly resolves:

37
38 **Section 1:** That the Anchorage Assembly supports and urges passage of CSHB 27 (JUD)
39 which will provide protection to consumers and the home inspection industry.
40

41 **Section 2:** That copies of this resolution be forwarded to the Governor and the Alaska State
42 Legislature immediately upon passage and approval.
43

44 PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____,
45 2002.
46

47 _____
48 Chair

49 ATTEST:

50 _____
51
52 Municipal Clerk
53

54
55 **MAR 21 2002**
56

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_Norrmnan_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 #118913, 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 knowledgeable 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
333-1719
Owner

Subject: [Fwd: hb27 reply]

Date: Tue, 30 Apr 2002 10:12:08 -0800

From: Heather Nobrega <Heather_Nobrega@legis.state.ak.us>

Organization: Representative Norman Rokeberg, Alaska State House

To: Janet Seitz <Janet_Seitz@legis.state.ak.us>

Ryan wrote:

> Dear Mr. Rokeberg,
> I am a former professional builder, former consultant on codes and
> energy codes in Wash, state. I am currently living in Homer, Alaska and
> have become aware of hb27 and would like to give some feedback, as I'm
> disabled and can't go to the phone office. Thank you so much for this
> bill, a real necessity in the "assumed wild west." People are coming
> into the State at record numbers, all thinking they can do anything they
> want to, "they've got money". Inspectors and appraisers have for years
> merely provided the reports that the person paying them requires. There
> has been a total disregard for our energy codes, state building codes,
> or federal law. Inspectors are telling sellers they have a choice
> whether to disclose anything at all. We recently saw an example where
> the seller paid for the inspection, didn't like it, hired another
> inspector, didn't like that one and hired another. Inspectors need to be
> hired by the borough, or state or totally private and independent. If
> reports are truly written to meet the needs of the highest bidder, then
> what's the use of a law. The bill addresses much of this and is really a
> good bill, in my thinking. I do feel though that the criminal side of
> this kind of "bait and switch" is not addressed adequately, penalties
> need to be higher, liability carried should be much higher. The limits
> you proposed would not cover errors that could literally be in the
> hundreds of thousands. The home I mentioned is a good example, the older
> folks buying it were gullible and too believing, but the owner when
> asked why they didn't disclose, simply stated, "they didn't ask". They
> shouldn't have to. They would have purchased the home, then discovered
> how much did not meet code, needed to be repaired or completely rebuilt
> . I know your bill is intended to address this, just thank you so much
> from all in Alaska. I think this will be a very good bill for the people
> of this state.
> If I can be of any further help or provide you any other feedback,
> please write back. Thank you again.
> Jerry Migdal
> Homer, Alaska 99603

Committee Aide Alaska State House Judiciary Committee

Email:

Non Constituent Supports

BILL#: HB 9 HOME INSPECTORS/CONTRACTORS

SUBJECT:

MESSAGE: I feel home inspectors should be licensed and bonded in some form that protects both sellers and buyers.

DISTRIBUTION: 60

□□

Stephanie J Bradford
100 10th Ave #2a7

Fairbanks AK, 99701

SENATE COMMITTEE REPORT

DATE: 3/3/03

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/31/03

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 9(FIN) am

HB 9 HOME INSPECTORS/CONTRACTORS

"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; repealing a law that limits liability for damages based on a duty to inspect a residential unit to damages caused by gross negligence or intentional misconduct; and providing for an effective date."

and recommends:

- be replaced with S CS CSHB 9 (LEC)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS ^{HOUSE} FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
REV	1/28/03		✓	1
LAW	1/29/03		✓	2
LWF	1/29/03		✓	3
CEO	1/29/03	✓		4

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

	DO PASS	DO NOT PASS	NO REC	AMEND
Davis <i>Betty Davis</i>			✓	
French <i>[Signature]</i>			✓	
Seekins <i>Tam Seekins</i>	✓			
G. Stevens <i>[Signature]</i>			✓	
Bunde CHAIR: <i>[Signature]</i>	✓			

SITE: MAT-LIO

SUBJECT OF MEETING:

COMMITTEE: SFIN

HB9

UPDATE#:

DATE: 05/05/03

PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y OR N**

David Owens		Self	HB9 Y
Email address:			
Email address:			
Email address:			

SITE: MAT-LIO

SUBJECT OF MEETING:

COMMITTEE: SFIN

HB9

UPDATE#:

DATE: 04/22/03

PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y or N**

<input checked="" type="checkbox"/> William Bruu		Self	HB9 Y
Email address:			
<input checked="" type="checkbox"/> David Owens		Self	HB9 Y
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

SENATE FINANCE COMMITTEE

SIGN-IN

HB 9-HOME INSPECTORS/CONTRACTORS

NAME: Rick Union Subject/Bill No: HB9

Co./Dept./Title: Director Occupational Licensing Phone: _____

Address: _____ Zip: _____

Do you wish to testify? ___Yes ___No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? ___Yes ___No ___ Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? ___Yes ___No ___ Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? ___Yes ___No ___ Respond To Questions

SITE: MAT-SU LIO

COMMITTEE: SFIN

DATE: 0408 /03

SUBJECT OF MEETING

HB 9

UPDATE: 2

PLEASE SIGN IN

PRINT YOUR NAME **ADDRESS (MAILING & ZIP)** **REPRESENTING** **DO YOU WANT to testify? Y or N**

✓ David Owens		Owens inspection	Y
Email address:			
✓ Bernie Schuyler		Arctic sky ent	Y
Email address:			
✓ Bob Milby		Milby construction	Y
Email address:			
Email address:			
Email address:			
Email address:			

SITE: Kenai LIO

COMMITTEE: Senate Finance

DATE: 4-8-03

SUBJECT OF MEETING:

HB 9 Home Inspectors / Contractors

UPDATE #:

PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**TESTIFYING?
Y or N**

✓ Rocky Smith	335 Main St Lp	Kenai, AK 99611	Preferred	Y
Email address:	rocky@pphak.com		Plumbing & Heating	HB 9
✓ Steve Wisdom	PO Box 3413	Kenai, AK 99611	Wisdom	Y
Email address:	wisdom@alaska.com		& Associates	HB 9
Email address:				
Email address:				
Email address:				
Email address:				
Email address:				