

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 80/2

10907 HOUSE LABOR & COMMERCE



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William J. Carter

Signature of Camera Operator

7/29/2005

Date

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HB

9

SECTIONAL ANALYSIS
23-LS0029/A, Lauterbach, 8/6/02

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.

Prepared by Representative Norman Rokeberg

- 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 subsections 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 as six months.
- 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. Indicates that regulations must provide that a continuing competency activity approved by one of the following entities satisfies the continuing competency requirements if the activity meets the Department's requirements: Alaska Housing Finance Corporation, University of Alaska, American Society of Home Inspectors Alaska Chapter, a chapter of the International Conference of Building Officials Alaska, Alaska State Homebuilders Association, or a state agency whose activity meets the Department requirements.
- Section 10:** Amends 08.18.041 [Construction Contractors, Fees] to permit the Department to establish fees for registration of home inspectors, associate home inspectors, renewal of registration, and examinations.
- Section 11:** Amends 08.18.051(a) [Construction Contractors, Identification requirements] to clarify that this subsection applies to contractors.
- Section 12:** Adds new section to AS 08.18 [Construction Contractors] to provide identification requirements for home inspectors. Includes that a home inspector or associate home inspector registered under one name may not act under another name; sets forth advertising requirements; establishes that "registered home inspector" may only be used by individuals registered with the Department as a home inspector.
- Section 13:** Amends AS 08.18.061 [Construction Contractors, Requirements of political subdivision] to add reference to home inspectors.
- Section 14:** Amends AS 08.18.071 [Construction Contractors, Bond required]. Adds home inspection activity to this section.
- Section 15:** Amends AS 08.18.071(b) [Construction Contractors, Bond required]. Adds home inspectors to the \$5,000 bond requirement. Cash deposit or other negotiable security acceptable to the commissioner may be used in lieu of bond.
- Section 16:** Amends AS 08.18.081(a) [Construction Contractors, Claims against contractor]. Adds home inspector to this section.
- Section 17:** Adds new section to AS 08.18 [Construction Contractors]. Legal actions against home inspector. Sets out provisions concerning legal actions against a home inspector. Actions must be commenced within two years from the date of the inspection report on new homes and one year on existing homes. Limitations of this

section may not be waived by contract. Home inspector or associate home inspector not liable to person if person is not a party to the transaction or is unlawfully in receipt of home inspection report. Contractual provisions that purport to limit liability of home inspector to cost of home inspection report are contrary to public policy and void.

- Section 18:** Amends AS 08.18.111 [Construction Contractors, Advertising bond and insurance]. Adds home inspectors to this section.
- Section 19:** Amends AS 08.18.115 [Construction Contractors, Return of cash deposit]. Adds provisions for home inspector who ceases doing business to have any cash deposit in lieu of bond returned.
- Section 20:** Amends AS 08.18.116 [Construction Contractors, Investigations] to provide that the Department of Community and Economic Development is the agency to investigate alleged or apparent violations against home inspectors.
- Section 21:** Amends AS 08.18.117 [Construction Contractors, Issuance of citations] to provide that the Department of Community and Economic Development may issue citations for violations with regard to home inspectors.
- Section 22:** Amends AS 08.18.121(a) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if insurance under AS 08.18.101 (worker's compensation, property and liability) is not in effect, the registration is suspended until such time the insurance is reinstated.
- Section 23:** Amends AS 08.18.121(b) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if any final judgment impairs the liability of the surety bond or depletes any cash deposit that registration is suspended until bond liability in required amount, unimpaired by unsatisfied judgment claims, has been furnished.
- Section 24:** Amends AS 08.18.121 (c) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicated that if a bonding company cancels the bond, the registration shall be revoked. Registration may be regained by again complying with bonding requirements.
- Section 25:** Amends AS 08.18.121(d) [Construction Contractors, Suspension and revocation of registration] to add home inspectors to the provisions concerning suspension for failure to follow 08.18.071. Further provides that if a bond is suspended three times, the commissioner may permanent revoke registration.
- Section 26:** Amends AS 08.18.121(f) [Construction Contractors, Suspension and revocation of registration] to provisions concerning violations and the authority of the Department of Commerce and Economic Development with regard to home inspectors.
- Section 27:** Amends AS 08.18.131 [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 28:** 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 29: Amends AS 08.18.151 [Construction Contractors, Legal actions by contractor] to add reference to home inspectors.

Section 30: 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 association 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 or signs reports 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. Established 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 31: Amends 08.18.161 [Construction Contractors, Exemptions] to add qualifying reference to contractors.

Section 32: 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 33: 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 3 4: 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 35:** Amends AS 36.30.050(b) [State procurement code, Lists of contractors] to add qualifying language concerning contractors.
- Section 36:** Amends 36.30.115(a) [State procurement code, subcontractors for construction contracts] to add clarifying references to contractors.
- Section 37:** Amends 36.30.210 [State procurement code, Request for proposals] to add clarifying reference to contractors.
- Section 38:** Amends AS 36.90.290(1) [State procurement code, definition] adds qualifying language to definition of "prime contractor".
- Section 39:** 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 40:** 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 41:** **Applicability:** Change made in Section 40 applies to causes of action that accrue on or after July 1, 2005
- Section 42:** **Regulations:** Permits Department to proceed to adopt regulations regarding home inspectors.
- Section 43:** Provides for transitional licensing.
- Section 44:** Effective date for certain provisions of the legislation.
- Section 45:** Section 34 effective date is January 1, 2006.
- Section 46:** Sections 40 and 41 take effect July 1, 2005.
- Section 47:** Immediate effective date for remainder of legislation except as provided for in sections 44-46.

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR HB 9 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.

ED01:01/29/03

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January 31, 2003

Representative Tom Anderson
 Vice Chair, House Judiciary Committee
 House of Representatives
 State Capital, Juneau, Alaska 99801-1182

Dear Representative Anderson,

Please allow me to introduce myself. I am a certified International Conference of Building Officials - Combination Dwelling Inspector (ICBO # 865284-55) who works on the Kenai Peninsula. I am also a FHA / HUD Compliance Inspector (FHA # 3516), and I serve as the Veterans Administration Compliance Inspector on the Kenai Peninsula (VA # 1004). I hold these positions as a result of examination and appointment, as well as continuing education, which involves becoming re-certified by examination every three years. I also am a certified (by examination) HUD 203K Renovation Loan Consultant (HUD #S0127). Further, I bring to these positions more than thirty years of experience in the building construction industry. I have served as an inspector for the past eleven years. I have inspected thousands of new and existing properties worth many millions of dollars. I love my job and feel that I am very good at what I do. You are welcome to contact the following references from within the homebuilding, banking and real estate industries:

Connie Alderfer	Alderfer Group Realtors, 235-5232
Angie Newby	Homer Real Estate Associates, 235-5294
Terry Yaeger	Remax of Homer, 235-7733
Annie Whitney	Coastal Realty, 235-7700
Sam Beachy	Beachy Construction, Inc., 235-8876
Clint Hall	Hall Quality Builders, 283-7007
Bruce Petska	Big Mountain Builders, 299-0421
Mike Dye	First National Bank Of Alaska, Homer branch manager, 235-5800
Julie Woodward	Wells Fargo Bank, Homer branch manager, 235-8151

A hearing will be held regarding House Bill 9 in the House Judiciary Committee on Wednesday, February 5 2003 at 1:00 PM. I would like to provide the following testimony on that proposed Bill. As I read the proposed bill (which is version 23-LS0029A), I would like to raise the following issues:

On Section 7. AS 08.18.022. page #4, Lines 23 thru 24

Contrary to a statement made by the sponsor of this bill at a public hearing (House Labor & Commerce) on January 29, 2003, the inclusion of courses & examination offered by the American Society of Home Inspectors would require that the inspector actually join that society. I would like to add that ASHI is a for-profit organization, not some noble fraternal order. This would add an additional \$ 350. to the cost of doing business, which would be beyond the cost of the license, bond, and insurance. Most experienced inspectors within in the business consider ASHI membership as something that can easily be purchased from the back of a book of matches and do not hold membership within that organization in very high regard. Reference to ASHI examinations or courses should be removed from this bill.

Also in the same Sec.7 page 5 line 6-8 where any individual who is the subject of an unresolved complaint is restricted from doing business as an inspector.

My question is: What if the complaint is unfounded?

On section 7, page #5, Lines 21 thru 31 and page #6 Lines 1 thru 10.

re: pre-inspection reports This procedure is specific to existing home inspections only.

Often on new construction, I never meet the homeowner(s). My contract is with the builder.

There is no need for a written report. This procedure is outlined in the Construction Inspection Guidelines which published on the AHFC website (www.ahfc.state.ak.us click on the construction link).

The only paperwork involved is the signed-off Summary of Inspections (AHFC form PUR 102).

The assembly or component either meets or fails to meet the code and is either signed off or not.

The signed PUR 102 then stays with the property until the property no longer exists, so the six-month validity of a report as outlined in this bill is not valid. My point is that existing & new inspections are not the same process and the writers of this bill apparently do not understand that fact.

Further, it has been my experience that 90% of all inspections on existing homes are performed at the request of the buyer, not the seller as suggested by the sponsor of this bill on January 29th.

On section 9, AS 08.18.031, page #6, Lines 17 thru 31

re: continuing competency. The determination as to what constitutes continuing competency should be clearly spelled out within the bill and not left to the whims of an individual or entity that may not clearly understand the Alaskan new & existing home inspection process. As it currently stands, any inspector who holds any form of ICBO (International Conference of Building Officials) certification must be re-certified every three years; that is because the codes also change every three years.

If the intent of this bill is (as stated on page #1) to regulate inspectors on projects relating to Alaska Housing Finance Corporation, then AHFC should dictate what constitutes continuing competency, not ASHI, or the University of Alaska.

Also, why is this bill limited to AHFC insured mortgages?

AHFC mortgages are not the only type of mortgage financing available in Alaska.

On section 30, AS 08.18.156, (8) page #15 Lines 31

re: exemptions for energy raters. This effectively eliminates Energy Raters from the provisions of this bill. Energy Ratings are an essential part of the inspection process for AHFC loan packages. Just as the signed-off AHFC Summary of Inspections (PUR 102) becomes part of the legal documentation of a property at closing, so does the energy rating (PUR 101).

This proposed bill should also regulate energy raters.

re: exemptions for engineers

In that same section, on line 13-18 which allows engineers to perform inspections, the presumption seems to be that engineers are somehow infallible.

I can assure you that based upon my experience in the field; there are good engineers, as well as bad engineers, just as there are good and bad inspectors.

Any entity that inspects a property should be held to the same standard of responsibility and exposed to the same liability as the rest of us. I might add that engineers are not required to have insurance.

This section of the Bill sets up two classes of inspectors and is not fair to the consumer.

On section 30, lines 26-28 of page 15

This section which permits general contractors to inspect and perform work on the same project is in conflict with Sec. 30 page 14 lines 5-7 which prohibits working on a job that you have inspected.

On section 43, page #22, Lines 16 & 17

re: proposed required examinations. Most existing inspectors who perform inspections on AHFC properties hold the ICBO Combination Dwelling Inspector certification. This certification requires a higher degree of knowledge than the Building Inspector or Property Maintenance and Housing Inspector examinations listed in this requirement. The Combination Dwelling Inspector certification should be an adequate certification for issuing a joint registration certificate. The cost of taking these redundant and lesser examinations adds an additional unnecessary cost to the process and will dilute the quality of the inspector pool.

Within this bill, why is there no discussion about a requirement for experience ?

I know of three individuals who work in this field who have never built a thing and I cringe when I see those magazine advertisements that state, "Make Big money as a Home Inspector !"

Before being issued a license, inspectors should be made to prove some documented experience within the building industry.

What ever happened to the Residential Property Disclosure statement ?

That statute (AS 34.70.010) was intended to provide honest information about a property to a buyer. There are provisions in that statute for failing to comply. Does anyone know if this rule is has ever become enforceable ? Often, when I read one of these statements and compare it to the actual property that I am inspecting, I feel as if I am at the wrong address. In essence, that statute has really failed to provide any measure of protection for homebuyers and I wonder if this current bill will be of any additional value.

AK Statute AS 18.56.300 (c) limits the liability of inspectors unless the action is for damages caused by gross negligence or intentional misconduct. The International Residential Code is the present code in effect within Alaska for dwellings. Section R104.8 of this code also limits the liability of inspectors. Both of these regulations recognize that the inspector is placed in a perilous position and provide a measure of protection so that the inspector can make independent decisions and not be harassed by frivolous lawsuits. As the law stands now, if the inspector is grossly negligent or participates in misconduct, the inspector can be held liable. **This is as it should be.**

If as stated by the sponsor of this bill, one of the driving issues behind this bill is that gross negligence or intentional misconduct by inspectors is hard to prove, I would like to suggest that if this bill passes, those very same standards would still need to be met in any court of law before an inspector is held liable and in spite of this bill, will be just as difficult to prove. **From that viewpoint, this bill is a futile exercise.**

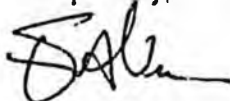
As an experienced professional working within the industry, it is my opinion that this proposed bill is seriously flawed. Many of us working within the industry feel that if it passes, it will quickly become open season on inspectors. It is unfortunate that impetus for this bill is not coming from the Inspection industry. It comes from the Real Estate industry and appears to be an attempt to shift liability to inspectors.

I have been tracking the progress of this bill in its many forms for the past three years. In all of the committee teleconferenced hearings on this proposed bill that I have monitored over the past two years, I have never heard one inspector testify in favor of this bill and the added costs involved which would inevitably find its way to the consumer.

I respectfully request that this bill not be passed.

Thank you for taking the time to read this testimony, and thank you for serving our great state.

Respectfully,



F. Venuti
Homer, Alaska

Alaska State Legislature

House of Representatives




Official Business

State Capitol
Juneau, AK 99801-1182

MEMORANDUM

TO: Representative Tom Anderson, Chairman
House Labor & Commerce Committee

House Labor & Commerce Committee Members

FROM: Representative Norman Rokeberg 

DATE: February 3, 2003

RE: HB 9: Home Inspectors, Section 13

During the hearing on HB 9, some questions were raised concerning the language in Section 13 of the bill. I told the committee that I would verify this language with the drafter.

Section 13 states:

AS 08.18.061. Requirements of political subdivision. A contractor or home inspector 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 for a similar occupation.

My office spoke with the drafter, Terri Lauterbach. The words "for a similar occupation" were added at the end of this statute to reflect the type of license to which the statute is referring. There could be other types of licenses unrelated to home inspection or construction that require a bond. By adding the language "for a similar occupation" we clarify that this section only refers to bonding requirements for licenses similar to home inspectors or contractors.

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 21, 2003

FURTHER REFERRALS: Judiciary
Finance

Date of Committee Action: January 29, 2003

The LABOR AND COMMERCE Committee considered:

HB 9

HOUSE BILL NO. 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; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 9 (LBC)
For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

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

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LAA
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
CED	4	✓		
LWF	3			✓
LAW	2			✓
REV	1			✓

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

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	LYNN	✓			
	G. ATTI	✓			
	CRAWFORD	✓			
	GATTENBERG	✓			
	ANDERSON	✓			
	ROSEBERG	✓			
Chair:	TOM CHUL	✓			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 9
 () Publish Date: _____

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						
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CHANGE IN REVENUES (1156)	126.2	0.0	120.2	0.0	120.2	0.0
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FUND SOURCE (Thousands of Dollars)

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

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

BILL NO. HB 9

ANALYSIS CONTINUATION

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

Page 2 of 2

Total PERSONAL SERVICES: \$53.1

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

Total TRAVEL: \$0.0

Total CONTRACTUAL SERVICES: \$6.0

- 30 hours of AG legal time for regulations and license appeals, \$3.0
 - Printing, postage, communication, and advertising costs, \$3.0
- The contractual services total does not include any expenditures for purchase of a license examination. This fiscal note assumes applicants will pay the testing service directly for the examination.

Total SUPPLIES: \$1.0

To fund daily operating supplies of the program.

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

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

TOTAL FISCAL NOTE: \$66.1

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

FISCAL NOTE

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 9
 () Publish Date: _____

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

Estimate of any current year (FY2003) cost: None

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 9
 () Publish Date: _____

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

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

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

POSITIONS

Full-time						
Part-time						
Temporary						

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

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

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 9
 () Publish Date: _____

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

Expenditures/Revenues (Thousands of Dollars)

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

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2003) cost: 0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

Prepared by: Bryan Butcher
 Division: Alaska Housing Finance Corporation
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Department of Revenue

Phone 330-8445
 Date/Time 1/28/03 12:23 PM
 Date 1/28/2003

AMENDMENT

1

OFFERED IN THE HOUSE

BY ROKEBERG

TO: HB 9

Page 4, Line 23:

After "examination"

DELETE: "or set of applicable courses"

Page 4, Line 24:

After "American Society of Home Inspectors"

INSERT: ", American Home Inspectors Training Institute, or National Association of Home Inspectors"

Page 4, line 25:

After "examination"

DELETE: "or set of applicable courses"

Page 6, line 11:

After "valid for"

DELETE: "six months"

INSERT: "180 days after the date the home inspector signs and dates the report"

Page 6, line 21:

After "competency requirements."

INSERT: "The department shall require at least 8 hours continuing competency per licensing period."

Page 22, line 25:

After "American Society of Home Inspectors"

INSERT: ", American Home Inspectors Training Institute, or National Association of Home Inspectors"

Amendment # 2

Offered by Rep. Rokeberg

Page 15 Line 16 – change “or” to “and”

Page 15 Line 22 – after “report” change “or” or “and”

Page 15 Line 17 and 22 – after “signs” Insert “and dates”

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

MEMORANDUM

TO: Representative Tom Anderson, Chairman
House Labor & Commerce Committee

FROM: Rep. Norman Rokeberg

DATE: January 21, 2003

RE: HB 9

Attached are:

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

1. HB 9
2. Proposed amendment
3. Sponsor Statement
4. Sectional Analysis
5. Fiscal Notes from last year's legislation
6. AS 18.56.300
7. "Existing State Home Inspection Regulatory Legislation," obtained from the American Society of Home Inspectors web site, <http://www.ashi.com>, December 5, 2002
8. Residential Real Property Disclosure Statement [note the appearance of home inspection language]
9. "This home is no home sweet home", Anchorage Daily News, June 17, 2002
10. Letter to Editor, June 21, 2002, from Warren Weldon
11. Letter from Richard F. Gaver, dated July 22, 2002
12. "Should We Care Who the Buyer Chooses to Do a Home Inspection" by Rick Jarvis, from Realtor® News, September 1998.
13. "Home-inspection bill would help buyers" by Clair Ramsey, from the Anchorage Daily News, June 27, 1999
14. "Expert home inspections useful for buyer and seller" by Clair Ramsey, from the Anchorage Daily News, July 25, 1999

15. "Inspect the Inspector: Choosing the Right One Can Help Avoid Costly Mistakes" by Karen Crawford of HouseMaster, from Realtor® News, November 1999
16. Memo from Senate Labor & Commerce Committee, 22nd Legislature, to Senate Judiciary Committee, 22nd Legislature.
17. Response to Attachment to Memo from 22nd Legislature's Senate Labor & Commerce Committee from Rep. Rokeberg
18. Letters of Support (2002 session)
 - a. Alaska Association of REALTORS®, INC.
 - b. Anchorage Board of REALTORS®, Inc.
 - c. Lessmeir & Winters
 - d. Ward Development & Construction Management Incorporated
 - e. Municipality of Anchorage AR No. 2002-93
 - f. E-mail from Jerry Migdal, Homer, Alaska
 - g. E-mail from Kevin D. Jones, Quality Home Inspection Service
 - h. E-mail from Don Sheppard

Given the gravity of lack of laws in this arena, I would encourage you and your committee to swiftly move this legislation on to the next committee of referral.

I am providing a copy of this memorandum and the documents listed above to the members of your committee.

AMENDMENT

OFFERED IN THE HOUSE

BY _____

TO: 23-LS0029/A, Lauterbach, 8/6/02

Page 4, line 24:

After "American Society of Home Inspectors"
Insert: "American Home Inspectors Training Institute, or National
Association of Home Inspectors"

Page 22, line 25:

After "American Society of Home Inspectors"
Insert: "American Home Inspectors Training Institute, or National
Association of Home Inspectors"

NOTE: This will conform these provisions to what the Senate Judiciary
Committee adopted during the 22nd Legislature

SPONSOR STATEMENT FOR HB 9, 23-LS0029/A, Lauterbach, 8/6/02

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

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

Currently, anyone can call himself or herself a home inspector and there is no state agency overseeing the industry. Consumers desire assurance that the home inspector they hire is competent, and that they have recourse against inspectors that are not. HB 9 accomplishes this by establishing registration requirements qualifications insurance, and proof of competency via examination and continuing education. Home inspectors will also be required to provide consumers with an inspection report.

A faulty inspection could have serious consequences for consumers, practically when they are buying or selling a home. Common sense dictates that home inspectors must be held accountable for their work. This limits legal actions against a 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.

ED01:12/19/02

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: CSHB 27(FIN)
 (H) Publish Date: 4/1/02

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

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	51.5	51.5	51.5	51.5	51.5	51.5
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	64.5	58.5	58.5	58.5	58.5	58.5

CAPITAL EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
CHANGE IN REVENUES (1156)	123.0	0.0	117.0	0.0	117.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other-1156 Receipt Supported Services	64.5	58.5	58.5	58.5	58.5	58.5
TOTAL	64.5	58.5	58.5	58.5	58.5	58.5

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The revenue collection shown every other year is the result of the biennial licensing cycle. An explanation of the costs shown above is on page 2.

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

Phone (907) 465-2144
 Date/Time 3/27/02 3:30 PM
 Date 3/27/2002

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

BILL NO. CSHB 27(FIN) - FN#6

ANALYSIS CONTINUATION

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

Page 2 of 2

Total PERSONAL SERVICES: \$51.5

- Occupational Licensing Examiner I position, PPT, Range 12, \$20.7
- 1/2 Investigator III position, Range 18A, \$30.8

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 position.

TOTAL FISCAL NOTE: \$64.5

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

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: CSHB 27(FIN)
 (H) Publish Date: 4/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title License Home Inspectors BRU AHFC
 Component AHFC
 Sponsor Representative Rokeberg
 Requester House Finance Committee Component No. 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

AS 18.56.300 is amended to establish 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).

Costs would relate to education 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 with annual budget authorizations.

AHFC is given a non-voting, ex-officio board seat until July 1, 2005, and is directed to pay its own expenses for this privilege. Participation was requested by AHFC in order to assist in the transition from ICBO inspections to state-licensed inspections, as well as advocate for the establishment of construction standards consistent with financing and bonding requirements. Assuming there will be less than three meetings per year, AHFC can adequately cover these costs with regular annual budget authorizations.

Prepared by: John Bitney, Legislative Liaison
 Division: Alaska Housing Finance Corp.
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Alaska Department of Revenue

Phone 330-8445
 Date/Time 3/26/02 6:31 PM
 Date 3/26/2002

shall prepare and transmit a report of the corporation to the governor, the legislature, and the public in understandable language, independent outside audits, and other information required by this chapter, including a comparison of the corporation's performance with that of other housing finance corporations of this section, and any other information requested by the governor, the legislature, or the public. The board may also publish the report.

Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation; (8) invest funds of the corporation in the removal and disposal of substandard publicly owned residential housing if the board of directors determines that the investment is prudent, properly secured, and in the long-term best interests of the corporation; (9) create subsidiary entities to implement a power conferred by this section and to provide insurance under AS 18.56.093 and 18.56.095; (10) purchase loans from the former housing assistance loan fund (former AS 44.47.380) if and only if the payments of principal and interest on the loans, or amounts equal to the payments of principal and interest on the loans, are deposited in a separate fund of the corporation to be used for the purposes, and subject to the standards and criteria, of former AS 44.47.360 — 44.47.560 as those statutes provided on June 10, 1988; and (11) take other actions necessary, convenient, or desirable to carry out the powers granted in this subsection.

Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation;

Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation;

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Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation;

Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation;

Under (b) of this section, the corporation shall make mortgage loans under procedures and terms established by the board to promote the sale of residential housing owned by the corporation;

(2) repurchase a mortgage loan sold or pledged by the corporation for the purpose of exercising a power conferred by this section;

(3) for the purpose of qualifying residential housing situated in a condominium project, make and execute agreements and contracts necessary to encourage all owners who occupy units in a condominium project that is not eligible for financing under this chapter to exchange their ownership interest in a condominium unit owned by the corporation in another project;

(4) make and execute appropriate agreements with insurers, investors, and guarantors concerning the temporary removal of residential housing owned by the corporation from the resale market;

(5) convert residential housing owned by the corporation that is designed and constructed for owner occupancy to another beneficial use;

(6) make bulk sales of property owned by the corporation under procedures and terms the corporation determines are in the best interests of the corporation;

(7) after giving due consideration to the interests of competing individual sellers of residential housing, provide financing under terms established by the board to promote the sale of residential housing owned by the corporation;

(8) invest funds of the corporation in the removal and disposal of substandard publicly owned residential housing if the board of directors determines that the investment is prudent, properly secured, and in the long-term best interests of the corporation;

(9) create subsidiary entities to implement a power conferred by this section and to provide insurance under AS 18.56.093 and 18.56.095;

(10) purchase loans from the former housing assistance loan fund (former AS 44.47.380) if and only if the payments of principal and interest on the loans, or amounts equal to the payments of principal and interest on the loans, are deposited in a separate fund of the corporation to be used for the purposes, and subject to the standards and criteria, of former AS 44.47.360 — 44.47.560 as those statutes provided on June 10, 1988; and

(11) take other actions necessary, convenient, or desirable to carry out the powers granted in this subsection.

(b) The corporation shall implement the powers conferred by (a) of this section by adopting regulations under AS 18.56.088. (§ 2 ch 147 SLA 1988; am §§ 96, 97 ch 4 FSSLA 1992)

Revisor's notes. — Paragraph (a)(10) of this section gives effect to the amendment made by § 97, ch. 4, FSSLA 1992, effective July 1, 1992. From June 26, 1992 to July 1, 1992, under § 96, ch. 4, FSSLA 1992, paragraph (a)(10) read as set out above, except that the word "former" appeared. Due to a manifest error, § 150, ch. 4, FSSLA 1992 did not give paragraph (a)(10) an immediate effective date. The error was corrected under AS 01.05.031. Former AS 18.56.210 was renumbered as AS 18.56.900 in 1986.

Cross references. — For transitional provisions 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.

Effect of amendments. — The 1992 amendment, effective July 1, 1992, rewrote paragraph (a)(10).

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

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

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

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

(e) In this section,

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

ing fewer than four dwell-

the Department of Public

(B) for mechanical and

Mechanical Code adopted

including the provisions

containing fewer than

buildings from the Depa

(C) for plumbing stan

AS 18.60.705; and

(D) for electrical sta

18.60.580. (§ 2 ch 85 SL

1999 ch 4 FSSLA 1992;

Revisor's notes. — Parag

(e)(3). Renumbered as (e)(

(2) was renumbered as (e)(

Effect of amendments. —

amendment, effective June 12, 1991,

(e)(2)(C) (now (e)(3)(C)), subst

identified as the minimum p

minimum plumbing code ado

of Labor."

The second 1991 amendm

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substituted "June 30, 1992" f

The 1992 amendment, eff

subsection (d), inserted "nonc

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Sec. 18.56.390. Defi

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ing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

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

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

(D) for electrical standards, the minimum electrical standards prescribed by AS 18.60.580. (§ 2 ch 85 SLA 1990; am § 1 ch 29 SLA 1991; am §§ 1, 2 ch 52 SLA 1991; am § 99 ch 4 FSSLA 1992; am §§ 1, 2 ch 81 SLA 1994; am § 1 ch 2 SLA 1996)

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

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

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

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

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

The 1996 amendment, effective May 30, 1996, in

subparagraph (e)(3)(C), deleted "publications identified as the" following "plumbing standards, the" and inserted "adopted for the state."

Editor's notes. — Section 3, ch. 85, SLA 1990, as amended by § 4, ch. 52, SLA 1991, provides that former AS 18.56.300(e)(2)(A) and (B) (now (e)(3)(A) and (B)) "are intended to assure that, for purposes of determining whether housing the construction of which begins after June 30, 1992, meets the building and mechanical standards under AS 18.56.300(a) and (b), enacted by § 2 of this Act, the standards set out in each of the following fully apply to residences containing fewer than four dwelling units, even though those residences are excepted from regulation by AS 18.70.080(a)(2):

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

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

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

(A) payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of the properties;

(B) legal and organizational expenses, including payments of attorney fees, project manager, clerical, and other staff salaries, office rent, and other incidental expenses;

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About Us	Contact Us	Site map/Search	

STATE REGULATIONS

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



Contact Congress

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[Download ASHI's official position on the requiation of the home inspection profession.](#)

Existing State Home Inspector Regulatory Legislation

Alabama Licensure (Act 517 of 2002) Requires individuals performing home inspectio 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. Th bill also outlines educational and experiential requirements to become licensed, sets lice 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://alisd.b.legislature.state.al.us/acas/ACASLogin.asp>, clic on Bills, click on Status, type in HB216 and click on Get Status, click on the HB216 buti click View for PDF.

Arizona Certification (Chapter 1, Sec. 5, Title 32) enacted in 2000. Under the Arizon 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. 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 aggreg and \$100,000 per occurrence; b. \$25,000 bond; or c. Financial assurance mechanism w 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 p: an exam through December 31, 2002. Exempts individuals from course study requirem 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, (6 255-4051 fax.

To download the law go to: <http://www.btr.state.az.us/> and click "Legislative Updates," cl "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 Hom Inspector Registration Act," all home inspectors in the state must register with the Secre 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 Es Inspectors, or an equivalent professional home inspection association. The law also prohibits inspectors from performing repairs on a structure that he has inspected within

last 12 months. In order to register under the law, an applicant must procure general liability insurance of at least \$100,000 and, if applicable, workers compensation insurance coverage. Home inspectors must also demonstrate a positive net worth, or provide a \$10,000 bond payable to the Secretary of State.

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

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

California Trade practice act (Chapter 338) enacted in 1996. The law in California prohibits unethical home inspection practices, including 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 the structural elements and systems to be inspected, that the inspection is a visual inspection and that the home inspector will notify, in writing, the person on whose behalf such inspection is being made of any defects noted during the inspection.

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

To download the law go to:

www.state.ga.us/cgi-bin/pub/ocode/ocqsearch?docname=OCCode/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/hb/920HB1805eng.html>

Louisiana Licensure (Chapter 17-A of Title 37) enacted in 1999. Louisiana law creates the "Louisiana Home Inspectors Licensing Act." It creates the Louisiana State Board of Home Inspectors within the Department of Economic Development and requires the Board to establish minimum qualifications for licensing and allows the Board to charge and collect fees. Applicants must be at least 18 years old and must have successfully completed high school or its equivalent, and passed the required examination. Applicants must show evidence of successful completion of at least 120 hours of instruction, at least 30 hours no more than 40 of which must be in course work containing actual practical home inspections. Home inspectors are required to provide a written report of the home inspection, and are prohibited from, at the time of inspection and for a reasonable time thereafter, advertising or soliciting to perform repair services on the home upon which the inspection was performed. As a condition of renewal of a license, a home inspector must show evidence of completion of 20 hours of continuing education. Active licensees are required to carry errors and omission insurance, and the Board must establish a group insurance program.

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

To download the law go to:

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

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

Maryland Trade practice act enacted in 1992. Maryland law requires home inspectors disclose professional qualifications and the scope of the inspection within the home inspection contract. The law also requires home inspectors to conduct home inspections in accordance with the standards of practice set forth by a professional home inspection trade association such as ASHI or the National Association of Home Inspectors.

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

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

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

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

Massachusetts Licensure (Chapter 146) enacted in 1999. Massachusetts law requires home inspectors and associate home inspectors to be licensed under the Board of Registration of Home Inspectors. The Board is required to: 1) establish the requirements for licensure and for the standards of professional and ethical conduct; 2) establish standards for continuing education; 3) authorize and conduct examinations; 4) grant licenses to qualified applicants; and 5) establish penalties. The law also requires that the Director of 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. License holders for home inspectors and associate home inspectors must carry errors and omissions insurance in an amount not less than \$250,000. Also, a home inspector or associate home inspector may not attempt to limit liability for negligent or wrongful errors or omissions by use of a clause within a performance contract that limits the cost of damages from negligent or wrongful errors or omissions.

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

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

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

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

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

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

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

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

Nevada Certification (Chapter 475) enacted in 1997. Nevada law provides for the certification of home inspectors of structures by the Real Estate Division of the Department of Business and Industry. Applicants must submit proof that they have errors and omissions insurance of at least \$100,000 and general liability insurance of at least \$100,000. The law also provides that a purchaser may not recover damages from a seller on the basis of an error or omission in the disclosure form that was caused by the seller's reliance upon information provided to the seller by a certified inspector of real estate.

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

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

New Jersey Licensure (Chapter 8, Title 45) enacted in 1998. New Jersey's "Home

Inspection Professional Licensing Act," sets specific educational and experience requirements in order to become a licensed home inspector. All home inspectors are required to: 1) complete high school or its equivalent; 2) serve as a licensed associate inspector for at least one year; 3) perform at least 250 inspections; 4) carry \$500,000 in insurance; and 5) pass the ASHI exam. Inspectors do not have to be a member or candidate of ASHI in order to take the exam. In order to become a licensed associate home inspector under the law, an inspector must: 1) perform at least 50 inspections in the presence of a licensed inspector; and 2) pass the ASHI exam. Also, the law provides that home inspectors fail to disclose problems or accept payment from another party in the transaction, they can lose their license. Home inspectors are regulated by a five-member Home Inspection Advisory Committee, housed under the State Board of Professional Engineers and Land Surveyors.

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

To download the law go to: <http://www.state.nj.us/lps/ca/pels/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 and 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/hi-s-sop.pdf>

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

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

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

To download the law go to:

<http://www.legis.state.pa.us/WU01/LI/BI/BT/1999/0/SB1032P2140.HTM>

Rhode Island Trade practice act enacted in 1996. The law in Rhode Island forbids home inspectors, pest control inspectors, and contractors from doing work on property that is inspected prior to real estate sales. The law was passed to help eliminate activities that could present a conflict of interest.

Licensure (Chapter 65.1) enacted in 2000. Rhode Island law creates a home inspector licensing law and requires that all home inspectors be licensed. Home inspectors would be required to maintain \$250,000 of liability insurance and would be required to pass written examinations. This law will take effect on January 1, 2001.

For more information, contact the RI Contractors' Registration Board
(401) 222-1268
(401) 222-2599f
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://198.187.128.12/tennessee/lpext.dll?f=templates&fn=fs-main.htm&2.0>

Texas Licensure (Title 113A, Article 6573a, Section 23) enacted in 1991. The Texas licensure law, the Real Estate License Act, provides for the examination of home inspectors and established continuing education requirements. The law also requires home inspector applicants to work as apprentice inspectors under the supervision of a professional licensed home inspector. If an applicant is unable to obtain an apprenticeship, educational course work and an examination can be substituted. Home inspectors are regulated by the Texas Real Estate Licensing Board.

For more information, contact the Texas Real Estate Commission
(512) 465-3900
(512) 465-3910 f
www.trec.state.tx.us/

To download the law go to: <http://www.capitol.state.tx.us/statutes/vn/vn00113A.html>

To download the Rules go to:
[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+TOC540100000050000000000000>

In PDF: http://www.state.va.us/dpor/asb_finalreq.pdf

Wisconsin Certification (Chapter 440.97) enacted in 1998. Under Wisconsin's law, home inspectors must register with the State and pass an examination approved by the Department of Regulation and Licensing. The law instructs the Department to consider 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

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Alaska

Division of
Occupational Licensing

Department of Community and Economic Development

Real Estate
Commission

550 West 7th Avenue, Suite 1500, Anchorage, AK 99501-3567
Telephone: (907) 269-8162 + Fax: (907) 269-8156 + Text Telephone: (907) 465-5437
Website: www.dced.state.ak.us/occ/prec.htm

November 18, 2002



To: All licensees and interested parties:

Re: Change to the Residential Real Property Disclosure Statement

Recent changes to the property statute require emendation of the Residential Real Property Disclosure Statement.

Sec. 34.70.050. Form of disclosure statement.

The Real Estate Commission established under AS 08.88.011 shall establish the form of the disclosure statement required by AS 34.70.010. The disclosure statement must include a provision that notifies transferees

(1) that they are 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 potential real estate transaction;

(2) where information about the location of convicted sex offenders can be obtained; and

(3) that they are responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

The disclosure form will receive changes to pages 6, 8, and 9. Changes will appear in a statement similar to the one shown below:

Transferee (Buyer) Awareness Notice: Under AS 34.70.050 (1) (2) 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." **Under AS 34.70.050 (3) Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.**

Sincerely,

Alaska Real Estate Commission

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE REAL ESTATE COMMISSION

The Real Estate Commission proposes to amend and adopt regulation changes in Title 12 of the Alaska Administrative Code, dealing with the property disclosure form including the following:

12 AAC 64.930, PROPERTY DISCLOSURE FORM, will be amended to alter the information on the property disclosure form so that it complies with the requirements of Senate Bill No. 60 and amend the revision date on the form.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to

Kurt West, Regulations Specialist
Division of Occupational Licensing
Department of Community and Economic Development
P.O. Box 110806
Juneau, AK 99811-0806
Fax: (907) 465-2974
E-mail: kurt_west@dced.state.ak.us

The comments must be received no later than 5:00 p.m. on December 20, 2002.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Kurt West at (907) 465-2537 no later than December 13, 2002 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Kurt West at the address or phone number above, or go to <http://www.dced.state.ak.us/occ/proposedregulations.htm>.

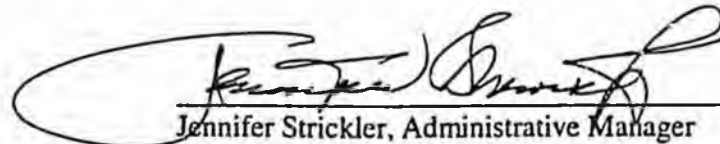
After the public comment period ends, the Real Estate Commission will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

Statutory Authority: AS 08.88.071; AS 08.88.081; AS 34.70.050.

Statutes Being Implemented, Interpreted, or Made Specific: : AS 08.88.071; AS 08.88.081; AS 34.70.050.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 11/14/02


Jennifer Strickler, Administrative Manager
Division of Occupational Licensing

For each occupation regulated under the Division of Occupational Licensing, the division keeps a list of individuals or organizations who are interested in the regulations of that occupation. The division automatically sends a Notice of Proposed Regulations to the parties on the appropriate

list each time there is a proposed change in an occupation's regulations in Title 12 of the Alaska Administrative Code. If you would like your address added to or removed from such a list, please send your request to the Division of Occupational Licensing at the address above and include your name, address, and the occupational area in which you are interested.

CHAPTER 64. Real Estate Commission.

(Words underlined indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted. Complete new sections are not underlined.)

12 AAC 64.930 is amended to read:

12 AAC 64.930. Property disclosure form. (a) The form titled Residential Real Property Transfer Disclosure Statement, dated November 2002 [JULY 2001], is adopted by reference. This form, prepared by the Real Estate Commission, presents the information required by AS 34.70 that a transferor of an interest in residential real property must disclose to a prospective transferee of the property before the transferee makes a written offer. Use of this form also complies with AS 34.70.050 regarding notice to the transferee to conduct investigations regarding convicted sex offenders residing in the neighborhood and whether there is an agricultural facility or operation in the vicinity.

(b) For the purposes of this section, "residential real property" has the meaning given to the term in AS 34.70.200. (Eff. 9/12/93, Register 127; am 2/12/99, Register 149; am 8/23/2001, Register 159; am ____/____/____, Register _____)

Authority: AS 08.88.071 AS 08.88.081 AS 34.70.050

Editor's note: Copies of the Residential Real Property Transfer Disclosure Statement are available at the Department of Community and Economic Development, division of occupational licensing offices in Anchorage, Fairbanks, and Juneau.

State of Alaska

Residential Real Property Transfer Disclosure Statement

Prepared in compliance with Alaska Statute (AS) 34.70.010 - 34.70.200

General Information

AS 34.70.010 requires that before the Transferee/Buyer (hereafter referred to as Buyer) of an interest in residential real property makes a written offer, the Transferor/Seller (hereafter referred to as Seller) must deliver a completed written disclosure form. This disclosure statement is in compliance with AS 34.70.010. It concerns the residential real property* located in the _____ Recording District, _____ Judicial District, State of Alaska.

Legal Description: _____

Property Address/City/Other: _____

* Residential real property means any single family dwelling, or two single family dwelling units under one roof, or any individual unit in a multi-unit structure or common interest ownership community whose primary purpose is to provide housing. AS 34.70.200(2) and (3).

AS 34.70.040(b) provides that if an item that must be completed in the disclosure statement is unknown or is unavailable to the Seller, and if the Seller or Seller's agent has made a reasonable effort to ascertain the information, the Seller may make an approximation based on the best information available to the Seller or Seller's agent. It must be reasonable, clearly labeled as an approximation, and not used to avoid the disclosure requirements of AS 34.70.010 - AS 34.70.200.

All disclosures made in this statement are required to be made in good faith (AS 34.70.060). The Seller is required to disclose defects or other conditions in the real property or the real property interest being transferred. To comply, disclosure need not include a search of the public records, nor does it require a professional inspection of the property.

If the information supplied in this disclosure statement becomes inaccurate as a result of an act or agreement after the disclosure statement is delivered to the Buyer, the Seller is required to deliver an amendment to the disclosure statement to the Buyer. An addendum/amendment form for that purpose may be attached to this disclosure statement.

Exemption for First Sale: Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Waiver by Agreement: Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing. Signing this waiver does not affect other obligations for disclosure.

Violation or Failure to Comply: A person who negligently violates or fails to perform a duty required by AS 34.70.010 - AS 34.70.200 is liable to the Buyer for actual damages suffered by the Buyer as a result of the violation or failure. If the person willfully violates or fails to perform a duty required by AS 34.70.010 - AS 34.70.200, the Seller is liable to the Buyer for up to three times the actual damages. In addition to the damages, a court may also award the Buyer costs and attorney fees to the extent allowed under the rules of court.

Seller's Initials

Date

Property Address

Buyer's Initials

Date

Seller's Information Regarding Property

Property Type (check one):

- Single Family Zero Lot Line/Town House Condominium Townhome/PUD
 Duplex* (Including Single Family with an Apartment) *Please complete one form for each unit.
 Other (please specify) _____

Do you currently occupy the property? Yes No. If Yes, how long? _____

If not a current occupant, have you ever occupied the property? Yes No. If so, when? _____

Year Property Built: _____. If property was built prior to 1978, or if Seller has any knowledge of lead-based paint, Seller must complete Disclosure of Information and Acknowledgment of Lead-based Paint and/or Lead-based Paint Hazards in accordance with Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (also known as Title X) and provide Buyer with the "Protect Your Family From Lead in Your Home" pamphlet. The pamphlet can be found on the Internet at <http://www.epa.gov/lead/leadprot.htm>.

Construction Overview: Wood Frame Manufactured or Modular Construction Other: _____

Foundation: Masonry Block Poured Concrete Piling Treated Wood Other: _____

Name of original builder (if known): _____

Property Features:

Check all items that are built-in and will remain with the property. **Also ...**

Circle those checked items that have known defects or malfunctions. **Also ...**

Describe the defect or malfunction on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | |
|---|---|---|
| <input type="checkbox"/> Cooktop | <input type="checkbox"/> Jetted Tub | <input type="checkbox"/> Satellite Dish |
| <input type="checkbox"/> Oven(s) # of _____ | <input type="checkbox"/> Hot Tub <input type="checkbox"/> Cover | <input type="checkbox"/> Built-in Rods & Blinds |
| <input type="checkbox"/> Range/Oven | <input type="checkbox"/> Sauna | <input type="checkbox"/> Window Screens |
| <input type="checkbox"/> Built-in Microwave(s) # of _____ | <input type="checkbox"/> Steam Shower Room | <input type="checkbox"/> Security System |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Water Softener | <input type="checkbox"/> Smoke Detector(s) # of _____ |
| <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Water Filtering System | <input type="checkbox"/> Fire Alarms |
| <input type="checkbox"/> Garbage Disposal | <input type="checkbox"/> Greenhouse <input type="checkbox"/> Attached <input type="checkbox"/> Detached | <input type="checkbox"/> Auto Garage Door Opener(s)
of Opener(s) _____ |
| <input type="checkbox"/> Instant Hot Water Dispenser | <input type="checkbox"/> Ventilating System | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Central Vacuum Installed | <input type="checkbox"/> Heating System | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Intercom | <input type="checkbox"/> Storage Shed | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Paddle Fan(s) # of _____ | <input type="checkbox"/> Barbecue | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Wood Stove(s) # of _____ | <input type="checkbox"/> T.V. Antenna | <input type="checkbox"/> Other _____ |

Comments: _____

Structural Components:

Circle only those items that have known defects, malfunctions, or have had major repairs performed within the last five years.

Also ... Describe the defect, malfunction, or repair on the Addendum/Amendment(s) To The Disclosure Statement.

- | | | | | |
|--------------------|--|------------------------------|-------------------------|---|
| • Fences/Gates | • Rain Gutters | • Insulation | • Electrical Systems | • Electronic Air Cleaner |
| • Driveways | • Exterior Walls | • Woodstove(s)
of _____ | • Sewage Systems | • Heat Recovery
• Ventilator System |
| • Private Walkways | • Interior Walls | • Fireplace(s)
of _____ | • Water Supply | • Swimming Pool
• Mechanical
• Filtration
• Pool Cover |
| • Retaining Walls | • Floors | • Gas Starter | • Garage | • Hot Water Heater |
| • Foundation | • Ceilings | • Chimneys | • Garage Floor Drain | |
| • Crawl Space | • Doors | • Plumbing Systems | • Carport | |
| • Roof | • Windows | • Heating Systems | • Washer/Dryer Hook-ups | |
| • Patio/Decking | • Skylights | | • Humidifier | |
| • Slabs | • Venting | | • Air Conditioner | |
| | • Other items not covered above? _____ | | | |

Comments: _____

Seller's Initials _____

Date _____

Property Address _____

Buyer's Initials _____

Date _____

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

- Current Engineer/Property Inspection Report(s) completed within the last 24 months
- Preliminary Title Report
- As-Built Survey
- Written Agreements with Adjacent Property Owners
- Energy Rating Certificate
- Resale Certificate
- Water Rights Certificate
- Deed Restrictions
- Subdivision Covenants/Restrictions
- Party Wall Agreement
- Lease/Rental Agreement
- Soils Test
- Well Log and Water Tests
- Hazardous Materials Test(s)
- Other _____
- Other _____

Additional Information:

Supply information for the following items:

Yes No

Drainage:

- Are you aware of ever having any water in the crawl space, basement, or lower level? Yes No
If Yes, how has the problem been resolved?
 Sump Pump(s) Curtain Drain Rain Gutter Extension 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? Yes No
If Yes, where is it located and where does it drain to? _____

Roof or Other Leakage:

- Type: Asphalt/Composition Shingle Cedar Shake Built-up Metal Other _____
Age: _____ years.
- Are you aware of any ice damming on the roof? Yes No
If Yes, provide location. _____
 - Are you aware of any water leaking into the home? i.e., windows, lights, fireplace, etc. Yes No
If Yes, provide location. _____

Fireplace and/or Woodstove: Date chimneys last cleaned? _____ Who cleaned? _____

Heating System(s):

- Mark all types that apply: Hot Water Baseboard Forced Air Radiant Heat Electrical Heat
 Wood Stove Other _____
- Age: _____ years. Last Cleaned: _____ Last Inspected: _____
- Source: Natural Gas Electric Propane Tank Wood Coal
 Oil with _____ gallon storage which is Buried Above General Other _____
- Age of Tank? _____ years

Hot Water Heater:

Age: _____ years. Capacity: _____ gallons. Type: Gas Electric Other _____

Water Supply:

Type: Public Private Community Cistern Other _____

- Have you had any problems with your water supply? Yes No
If Private: Well Depth: _____ feet. Flow Rate: _____ gallons per minute.
- Has the water supply been tested in the past 12 months? Yes No
If Yes, attach all documentation from all tests.
- Has the well failed while you have owned the property? Yes No
- Have you ever had a well pump problem or failure? Yes No
- Do you supply water to, or receive water from others? Yes No
If Yes, is there a recorded agreement? Yes No
- Do you have a water rights certificate for this property? Yes No

Seller's Initials

Date

Property Address

Buyer's Initials

Date

Draft
Time
Current En
Propert
CO

Additional Information (Continued):

➤ **Sewerage System:**

Yes

Type: Public Private Community Other _____

- Does your sewerage system have a lift station?
- If Private: Septic Tank Holding Tank Other: _____
- Drainfield System: Bed Trench Mound Pit Crib Other _____
- Innovative Sewerage System: Intermittent Sand Filter Biocycle Recirculating Upflow Filter
 Secondary sewage treatment plant Other _____

Location of sewerage system: _____

- Has the sewerage system failed while you owned the property?
- If Yes, explain: _____
- Have you had any work maintenance or inspections done on the sewerage system during your ownership?
- If Yes, explain: _____
- Approval Source (and date if known): _____
- Are you aware of any abandoned sewage systems, leachfields, cribs, etc. on the property?

➤ **Freeze-ups:**

- Have you had any frozen water lines, sewer lines, drains, or heating systems?

➤ **Average Annual Utility Costs:**

Gas	\$ _____	Company/Source: _____
Electric	\$ _____	Company/Source: _____
Oil	\$ _____ /Gallons: _____	Company/Source: _____
Propane	\$ _____	Company/Source: _____
Wood	\$ _____	Company/Source: _____
Coal	\$ _____	Company/Source: _____
Water	\$ _____	Company/Source: _____
Sewer	\$ _____	Company/Source: _____
Refuse	\$ _____	Company/Source: _____
Other	\$ _____ \$ _____	Company/Source: _____

To the best of your knowledge, are you aware of any of the following conditions with respect to the subject property? If answer is "Yes," indicate the relevant item number and explain the condition on the Addendum/Amendment(s) To The Disclosure Statement.

➤ **Title:**

Yes

No

1. Do you know of any existing, pending, or potential legal action(s) concerning the property?
2. Do you know of any street or utility improvements planned that will affect the property?
3. Road maintenance provided by? _____
4. Is the property currently rented or leased?
- If Yes, expiration date: _____ / _____ / _____
5. Is there a homeowner's association (HOA) for the property?
- If Yes, HOA name: _____ HOA Telephone: _____
- Mandatory Voluntary Inactive Dues Amount: \$ _____

➤ **Setbacks/Restrictions:**

6. Have you been notified of any proposed zoning changes for the property?
7. Are you aware of features of the property shared in common with adjoining property owners, such as walls, fences, and driveways, whose use or responsibility for maintenance may affect the property?
8. Are there subdivision conditions, covenants, or restrictions?
9. Are you aware of any violations of building codes, zoning, setback requirements, or subdivision covenants on this property?
10. Are you aware of any nonconforming uses of this property?
11. Are you aware of any borough, city, deed, or private restrictions on the use of the property?
12. Are you aware of any variances being applied for, or granted, on this property?
13. Are you aware of any easements on the property?

Seller's Initials _____ / Date _____ Property Address _____ Buyer's Initials _____ / Date _____

not to any
signed
me, B

Additional Information (Continued):

Encroachments:

- | | Yes | No |
|--|--------------------------|--------------------------|
| 14. Does anything on your property encroach (extend) onto your neighbor's property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does anything on your neighbor's property encroach onto your property?..... | <input type="checkbox"/> | <input type="checkbox"/> |

Environmental Concerns:

- | | | |
|--|--------------------------|--------------------------|
| 16. Are you aware of any substances, materials, or products that may be an environmental hazard such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the subject property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Are you aware of any underground storage tanks on this property? Number of tanks: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Are you aware if the property is in an avalanche zone and/or flood plain? | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Are you aware of any damage to the property or any of the structures from flood, landslide, avalanche, high winds, fire, earthquake, or other natural causes?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Have you ever filed an insurance claim for any environmental damage to the property?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Are you aware of a waste disposal site or a gravel pit within a one-mile radius of the property? | <input type="checkbox"/> | <input type="checkbox"/> |

Soil Stability:

- | | | |
|---|--------------------------|--------------------------|
| 22. Are you aware of any grading, excavation or filling on the property or any portion of the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Are you aware of any permafrost or other soil problems which have caused settling, slippage, sliding, or heaving? | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Are you aware of any flooding, drainage, or grading problems that affect this property? | <input type="checkbox"/> | <input type="checkbox"/> |

Construction, Improvements/Remodel:

- | | | |
|---|--------------------------|--------------------------|
| 25. Have you remodeled, made any room additions, structural modifications or improvements?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, please describe. Was the work performed with necessary permits in compliance with building codes? | | |
| Was a final inspection performed?..... | | |
| 26. Has a fire ever occurred in the structure? | <input type="checkbox"/> | <input type="checkbox"/> |

Pest Control or Wood Destroying Organisms:

- | | | |
|--|--------------------------|--------------------------|
| 27. Are you aware of any termites, ants, insects, squirrels, vermin, rodents, etc. in the structure? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, what type? _____ | | |
| b. If Yes, where? _____ | | |
| 28. Has there been damage in the past resulting from termites, ants, insects, squirrels, rodents, etc. in the structure? | <input type="checkbox"/> | <input type="checkbox"/> |
| a. If Yes, when? _____ | | |
| b. If Yes, what type? _____ | | |
| c. If Yes, where? _____ | | |
| d. If Yes, describe what was done to resolve the problem: _____ | | |

Other:

29. Pets

- | | | |
|--|--------------------------|--------------------------|
| a. Have there been any pets/animals in the house?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If Yes, what kind? _____ | | |

30. Noise

- | | | |
|--|--------------------------|--------------------------|
| a. Are you aware of any noise or sound disturbances that affect the property, including but not limited to, airplanes, trains, dogs, traffic, race tracks, neighbors, etc.?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If Yes, explain: _____ | | |
| _____ | | |
| _____ | | |

Seller's Initials _____ Date _____

Property Address _____

Buyer's Initials _____ Date _____

2/11/02
Enc
14

We have completed this disclosure statement according to AS 34.70.010 - AS 34.70.200 and these instructions; the statements are made in good faith and are true and correct to the best of my/our knowledge as of the date signed.
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."

Transferee (Buyer) Awareness Notice: Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

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 _____
08-4229 (Rev. 11/02)

Property Address _____
(6)

Buyer's Initials _____
Date _____

Exemption For First Sale

2121
Use 11

Legal Description: _____

Property Address/City: _____

Under AS 34.70.120, the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the Disclosure Statement.

Buyer may wish to obtain inspections of the property and seek other professional advice.

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."

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I certify that this is the first transfer of an interest in the property identified above and that the property has not been occupied before this transfer of interest.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

Seller's Initials _____ Date _____

Property Address _____

Buyer's Initials _____ Date _____

Draft

Waiver By Agreement

AS 34.70.110

Legal Description: _____

Property Address/City: _____

Under AS 34.70.110, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Seller and Buyer agree in writing.

Parties may wish to obtain professional advice and/or inspection of the property.

★ ★ ★ ★ ★ ★ ★ ★

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."

★ ★ ★ ★ ★ ★ ★ ★

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★ ★ ★ ★ ★ ★ ★ ★

By law, completion of this disclosure statement may be waived when transferring an interest in residential real property if the Transferor (Seller) and the Transferee (Buyer) agree in writing. If both parties agree to waive the requirement to complete this disclosure statement, please sign below.

Seller: _____

Date: _____

Seller: _____

Date: _____

Buyer: _____

Date: _____

Buyer: _____

Date: _____

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 rolling 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.

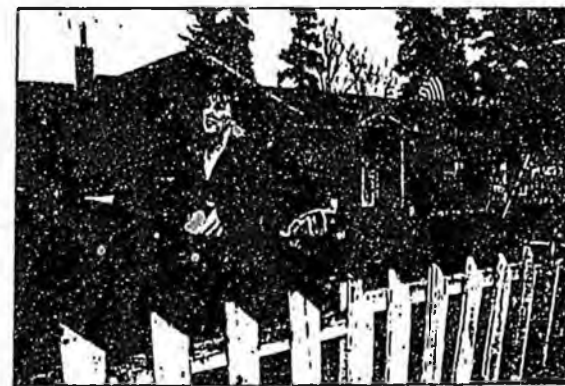
However, former owner Hick Anderson has agreed to participate with Prehn in a voluntary mediation session before an official of the Anchorage Board of Realtors. Anderson said he is not aware of the specific problems. "I'm in the dark and know that she's not happy. That's

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.

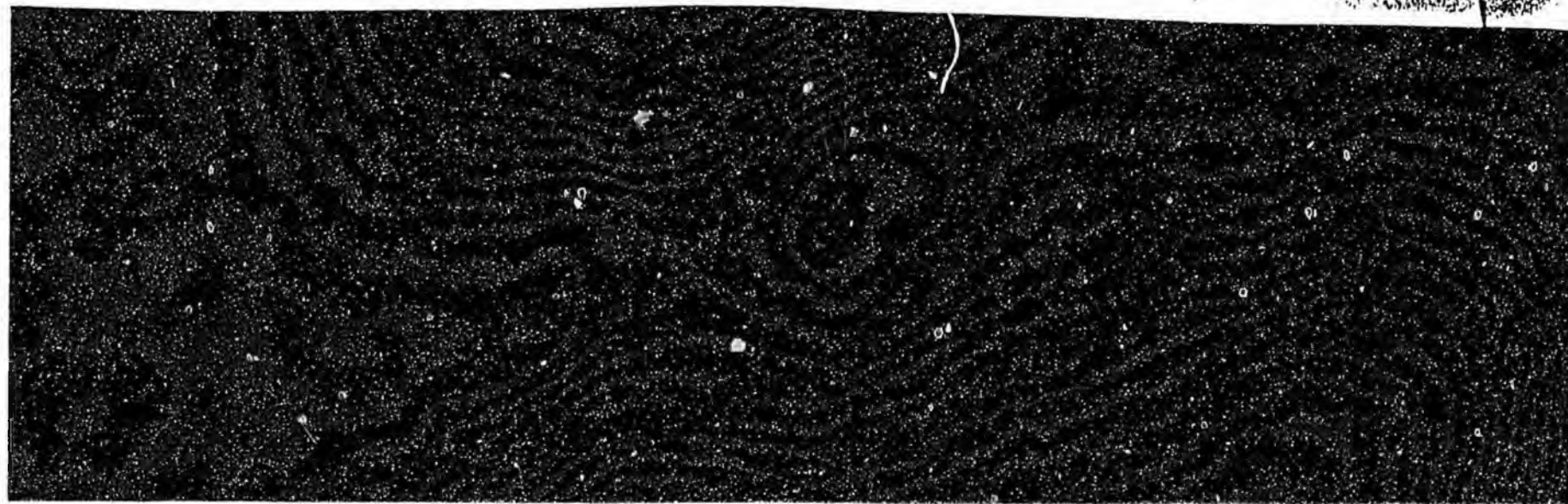
When she began looking for a house last year, Prehn thought she'd done everything right. She went to a first-time home buyers class and took to heart the importance of getting a home inspection by an

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 Spenard house needed work, but the location was right, not too far from her job as a state social services associate. And she planned to remodel.

The house, blue-green with a peeling white picket fence, was built about 1950. With a swing set in the yard and a black-and-white cat roaming around, it looks cozy.

But in reality it's about as cozy as an electric shock — which someone could get from nailing a picture to one of its walls, with wires strung around instead of through the studs, an inspector said.

Prehn moved in Jan. 12. She pulled off some dark wall panels about two months later and began discovering that both the wooden supports and the foundation are falling apart.

Since she first peered behind the panels, two experts have told her the house is a wreck, and a project manager for Anchorage Neighborhood Housing has confirmed that the wood frame is rotting and the foundation is falling.

General contractor Eric Hawley of Hawleycraft, whom Prehn asked to look at the house and give her some advice, said in an interview that the defects are obvious.

"The foundation is crumbling. The structural members are rotting. It needs to be bulldozed," said Hawley, who specializes in structural work.

"I was there for five minutes, and I could tell right away I would have torn the place down, no questions asked," he said.

A home inspector Prehn hired in April, Christopher Effgen of Alaska Inspection Center, examined both the house and the documents Prehn accumulated before buying it.



BILL ROTH / Anchorage Daily News

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 door where Hope Prehn had removed wood paneling and of wood framing around the foundation.

"I am at a loss to suggest anything," Effgen wrote in his post-purchase report. "The foundation is subpar. It did not meet the standards of the Building Code where the code was enforced at the time of construction."

It's easy to see that the south wall leans outward at the base, Effgen said. "The wood supporting the wall on the south addition, and therefore the roof, is rotten. The walls are in the process of rolling off that rotten wood." The south section of the house, added on at least 20 years ago, is unsafe and should be dismantled, he said.

First National Bank of Anchorage, which gave Prehn the home loan, would have sent its own inspector to Prehn's house if the bank were going to keep the loan in its own portfolio, said David Lawer, senior vice president of the bank.

But if it's going to pass the loan along to another investor — which it did in this case — the bank does not make its own inspection, Lawer said.

The bank is concerned primarily with whether the borrower has means to repay the mortgage and not whether the house is worth the money being paid for it, he said.

"The rule traditionally is buyer, beware," he said.

Anchorage Neighborhood Housing provided about \$20,000 for Prehn's down payment. The housing agency requires the buyer to get a home inspection but doesn't inspect houses itself either.

Agency director Mary Jane Michael said in an interview that "for a down payment loan, we tend to rely on the primary mortgage lender," the bank.

Prehn's situation is unfortunate, Michael said. "It makes me think we

should be doing our own inspections, but we're a nonprofit."

The agency did send one of its construction project managers over to examine Prehn's house this spring, at Prehn's request.

The project manager, Roger 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 Rokeberg, R-Anchorage, has been trying for four years to get a state law enacted requiring home inspectors to be licensed. Over the years, home inspectors have become an ever more important part of real estate transactions, Rokeberg said. His bill died in the Senate when the Legislature adjourned in May.

Christopher Effgen of Alaska Inspection Center, the inspection firm Prehn hired to examine the house after she bought it, does think the pre-purchase inspection of her house was flawed.

The first inspector missed major

clues to the structural defects, even accounting for the fact that the original inspection was what is called "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 Shinohara can be reached at rshinohara@adn.com and 257-4340.

Inspectors should be bonded; Hope Prehn should get windfall

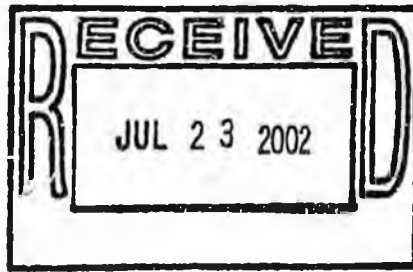
In response to the Hope Prehn home inspection story, the fault lies squarely on the backs of the home inspection company ("This house is no home sweet home," June 17). This industry as a whole is run by people who have, for the most part, never swung a hammer in their lives. They live off of the referrals generated by the lenders and make sure the value comes in at the requested amount. The truth is most never look at the things they claim.

In a town where you cannot even have a sign too tall or smoke in a restaurant, you would think it would not be too much to ask that these companies be required to purchase a bond. The real pros will not have a problem taking a test and getting bonded if they have nothing to hide. As for the rest, they are just taking advantage of a loophole in the system that allows them to make a fast buck off something they know little or nothing about.

Hope Prehn should get a judgment for the proceeds of an auction of everything this company and all their principals own.

— Warren Weldon
Chugiak

June 21, 2002 ADN



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

Representative Norman Rokeberg
716 West 4th Avenue, Suite 640
Anchorage, AK 99501-2133

Re: Home inspector licensing

Dear Sir:

From an Anchorage Daily News article by Rosemary Shinohara (This house is no home sweet home) published last month, I learned of your efforts to enact a state law requiring home inspectors to be licensed. I am rather surprised this is not already required of inspectors, and firmly believe anybody involved in the home buying process ought to be licensed and regulated.

As evidenced by Ms. Shinohara's story about Hope Prehn, I think it irrefutable there is plenty of fault and blame in this pitiful and woeful situation, in which all these "experts" failed, collectively and selfishly, to provide this poor woman even a modicum of fairness and decency. How could so many participants be involved in this abomination without even one putting a stop to it? I would object to anyone involved being referred to as a professional.

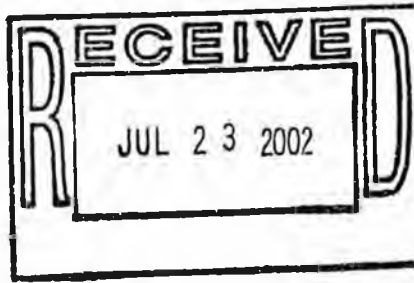
As Ms. Prehn did, I also attended a first-time home buyers class. It did not prepare me for what was to come. I came through the process much better than she did, but it all left me disgusted and quite angry at all I endured to get through it. Deceit, lies, misinformation, obfuscation and condescension were my experience. I've used this opportunity to convey my thoughts on the subject to AHFC, sponsor of Home Choice, the first-time home buyers class I went to (and still endorse). The class ought to begin with "caveat emptor" (let the buyer beware).

Sincerely,

A handwritten signature in cursive script that reads "Richard F. Gaver". The signature is written in dark ink and is positioned above the printed name.

Richard F. Gaver

Enclosure: letter to AHFC



Richard F. Gaver
3050 Lore Road, C2
Anchorage, AK 99507
July 20, 2002

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, AK 99504

Re: Home Choice classes

Dear Sir/Madam:

Though it has been 4 years since I attended the Home Choice class sponsored by AHFC, and three since I purchased the condominium where I now live, an article in the Anchorage Daily News, This House Is No Home Sweet Home (June 17, 2002), has provided the impetus for me to write about my home buying odyssey, which turned into the most beguiling experience of my life.

I write you to advise those starting out in the process to be cautious of unscrupulous, underhanded, and careless practices by realtors, lenders, builders, and others, who have only their own interests at heart, not that of the homebuyer. It's a sad situation, but when buying a home in Alaska, the caveat, "let the buyer beware", is the first thing one should learn at Home Choice.

Here are a few of the most noteworthy problems or violations I encountered:

- 1) A realtor who used my initials to approve contract changes previously explained to him as unacceptable. Essentially, negotiations were being done without my approval, on items he was aware I would not accept.
- 2) A Loan Officer who deliberately over-qualified me by \$11,000 for new construction housing in Wasilla/Palmer versus preexisting homes in Anchorage. To me it was unmistakable she and my realtor, for whatever reason(s), were steering me toward previously owned homes in Anchorage, against my wishes to search for new construction.
- 3) Another realtor who, immediately after being told I probably couldn't qualify for the Palmer home shown me (because of #2 above), asked if I wanted to make an offer, as I might lose the house because someone else had submitted a bid. (Just like a used car sales tactic.)

- 4) The same realtor, and her partner, who considered it unreasonable to show me a house twice.
- 5) A Loan Originator who, after doing necessary calculations, adjusted my qualifying amount upward just enough to match the price on a home described in a realtor's flyer she had handed me.
- 6) Loan Originators, Officers, Managers, etc. who did math and calculations incorrectly.
- 7) Loan Originators, Officers, Managers, etc. who ignored/disregarded/did not listen (in their haste) to pertinent information provided them.
- 8) A Loan Originator that didn't know about AHFC and prequalified me without those considerations, even though I told her I was using AHFC programs.
- 9) Required disclosure forms presented by one (some) realtor(s) and not others.
- 10) Disclosure and other papers presented late in the transaction process.
- 11) Two or more realtors that told prospective buyers, perhaps all of us, that our (future) homes were adjacent to greenbelt and the section of Lore Road we are near would remain dead-ended because of it. Not true.

A list of all wrongs I experienced in the home buying process would be innumerable. These examples only begin to convey my disgust and loathing for the way real estate transactions are handled here. Reform, regulation, and oversight are much needed in Alaska real estate, lending, and related professions.

Sincerely,

Richard F. Gaver

Cc: Rosemary Shinohara, Anchorage Daily News
Representative Norman Rokeberg, Anchorage



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

Should We Care Who the Buyer Chooses to Do a Home Inspection?

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

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

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

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

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

1. *Every home inspector interviewed agreed that some*

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

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

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

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

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

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

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

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

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

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 28 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 on Page 8)

(Continued from Page 7)

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

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

Proper Insurance Coverage Key Factor in the Litigious '90s

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

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

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

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

Independent Vs. Large Inspection Firm

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

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

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

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

(Continued on Page 14)

Finally

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(Continued from Page 8)

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

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

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

1. Is home inspection your only business?

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

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

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

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

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

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

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

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

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

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

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

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Senate District J

Memorandum

May 1, 2002

To: Senator Robin Taylor, Chair
Senate Judiciary Committee

From: Senator Ben Stevens, Chair 
Labor and Commerce Committee

Subject: HB 27 – Registration of Home Inspectors

HB 27, registration of Home Inspectors, moved from the Senate Labor & Commerce Committee on April 30, 2002. During public testimony concern with the bill was expressed by a number of testifiers. The sponsor of this legislation, Rep. Rokeberg, indicated that he has worked with these people over the past four years while developing this legislation and it is his view that they will never be satisfied.

Senate L&C committee requested concerns be faxed to our office for the next committee of referral's consideration. Please find attached the letters of concern for your committees' consideration.

Thank you.

Attachments

Cc: Representative Norm Rokeberg



AKPIRG

Alaska Public Interest Research Group

P.O. Box 101093
Anchorage, AK 99510

507 E Street, Suite 213
Anchorage, AK 99501

p: 907.278.3661
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Testimony on CSHB27 by Steve Conn, Alaska Public Interest Research Group

Prepared for Senate Labor and Commerce, April 30, 2002

While AkPIRG supports regulation of home inspectors, we have the following concerns with the bill as presented:

1. Bonds established both for contractors and inspectors pursuant to Sec. 08.18.071b are woefully low to protect consumers and financial institutions. Each should be raised to \$150,000 plus from \$10,000 and \$5, 000, respectively, to protect consumers and lenders. Even the bill's author would exempt construction of \$10,000 or less from provisions of the act Sec.08.18.161, indicative of just how meaningless the bonding levels are in today's real estate market.
2. Limits on liability (one year statute of limitations) Sec.08.18.085 and six month's shelf life for inspection report are overly protective of house inspectors, given the importance of their work.
3. If state regulations are weak, political subdivisions may wish to publish their own regulations and ask for larger bonds. Sec. 08.18.061 prohibits this and should be amended.

Each of these matters would have been addressed by AkPIRG at an earlier date had we been drawn into discussions with realtors and inspectors.

Thank you.

AkPIRG, 507 E.St.Suite 213, Anch.99501 2783661

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

April 30, 2002

Senator Ben Stevens
Twenty-Second Alaska State Legislature
Senate Labor & Commerce Committee
State Capitol, Juneau, Alaska 99801-1182

Dear Senator Stevens,

In order to introduce myself, a statement of my qualifications is included with this testimony. Please enter the following testimony into the record regarding House Bill 27. This bill pertains to the licensing of Home Inspectors.

On Section 7, AS 08.18.022, page #4, Lines 23 thru 24

These examination requirements are extremely vague as the bill discusses "applicable courses". The inclusion of courses offered by the American Society of Home Inspectors would require that the inspector actually join that society. This would add an additional \$350. to the cost of doing business, which would be beyond the cost of the license, bond, and insurance. Most experienced inspectors within in the business consider ASHI membership as something that can easily be purchased from the back of a book of matches and do not hold membership within that organization in very high regard. Reference to ASHI examinations should be removed from this bill.

On section 9, AS 08.18.031, page #6, Lines 17 thru 31

The continuing competency requirements as described in this section are also vague. The determination as to what constitutes continuing competency should be clearly spelled out within the bill and not left to the whims of an individual or entity that may not clearly understand the Alaskan new & existing home inspection process. As it currently stands, an inspector who holds any form of ICBO (International Conference of Building Officials) certification must be re-certified every three years. Please understand that is because the codes also change every three years. If the intent of this bill is (as stated on page #1) to regulate inspectors on projects relating to Alaska Housing Finance Corporation, then AHFC should dictate what constitutes continuing competency, not ASHI, or the ICBO or the University of Alaska.

On section 22, AS 08.18.121a, page #12, Lines 8 thru 11

The amount of insurance required should be clearly spelled out within this bill.

On section 30, AS 08.18.156, (8) page #16, Lines 4 & 5

This effectively eliminates Energy Raters from the provisions of this bill. Energy Ratings are an essential part of the inspection process for AHFC loan packages. Just as the signed-off AHFC Summary of Inspections (PUR 102) becomes part of the legal documentation of a property at closing, so does the energy rating (PUR 101). This bill should also regulate energy raters.

On section 43, page #22, Lines 20 & 21

Most existing inspectors who perform inspections on AHFC properties hold the ICBO Combination Dwelling Inspector certification. This certification requires a higher degree of knowledge than the Building Inspector or Property Maintenance and Housing Inspector examinations listed in this requirement. The Combination Dwelling Inspector certification should be an adequate certification for issuing a joint registration certificate. The cost of taking these redundant examinations adds an additional unnecessary cost to the process.

On section 7, page #25, Lines 21 thru 31 and page #6 Lines 1 thru 10.

This procedure is specific to existing home inspection only.
Often on new construction, I never meet the homeowner (s). My contract is with the builder. There is no need for a written report. The only paperwork involved is the signed-off Summary of Inspections (AHFC form PUR 102). My point is that existing & new inspections are not the same process and the writer of this bill apparently does not understand that fact.

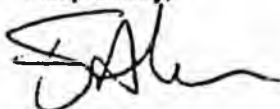
On section 33, AS 18.56.300 (b) page #19, Lines 12 thru 14 and sec. 34, page #20 Lines 7 thru 10.

Allowing other entities to perform inspections contradicts the intent of this bill.
Architects and engineers are not required to carry insurance.

It is interesting to note that the impetus for this bill appears to come from the Real Estate Industry. In fact, I have yet to find anybody within the inspection industry in favor of the additional costs and regulations that would be involved if it passes. The sponsor of this bill has stated on a number of occasions that this bill is in response to numerous complaints from consumers. I would like to ask the members of this committee if he is unique in that position or if other members of the committee have fielded similar complaints from consumers. The reality of the market place is that inspectors are not especially popular with realtors. This situation has developed because inspectors often tell realtors things that they do not want to hear. This often effects the anticipated commission that can be made on a deal. I have included a print-out from the construction inspection guidelines as required for new construction on AHFC properties. Please note the section regarding Liability of Inspectors. In addition, a print out of the International Residential Code administrative provisions is included. The IRC is the present code in effect within Alaska for dwellings. Please note Section R104.8. Both of these regulations recognize that the inspector is placed in a perilous position and provide a measure of protection so that the inspector can make independent decisions and not be harassed by frivolous lawsuits. As the law stands now, if the inspector is grossly negligent or participates in misconduct, the inspector can be held liable. If this bill passes and effectively repeals AS 18.56.300, many of us feel that it will be open season on inspectors. I respectfully request that this bill not be passed.

Thank you for taking the time to read this and for serving our great state.

Respectfully,



F. Venuti

fcvenuti@xyz.net

3 off

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION R105 PERMITS

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

certification, they will be permitted to inspect the stage of construction for which they are certified. In cases where the inspector is not on AHFC's "ICBO Certified Inspectors" list, the inspector must submit a copy of their certification in order for AHFC to verify their credentials.

In lieu of the Combination Dwelling certificate and the ICBO Electrical certificate, a person holding an International Association of Electrical Inspectors certification may perform the electrical inspection. (All other inspections must be performed by ICBO certified inspectors, except in the rural areas of the state where an architect or engineer that is licensed in the State of Alaska may do the inspections.)

TOP or HOME

APPROVED MUNICIPALITIES

Annually, Alaska Housing Finance Corporation will review all municipalities who submit documentation for inspection approval and issue a list of those municipalities who comply with the inspection procedures mandated by AS 18.58.300. This list will consist of those municipalities determined by AHFC to have building codes and enforcement procedures that meet or exceed the standards established for residential housing by the state building code as described above in Codes and Appendixes. In order for the municipality to be approved it must ADOPT AND ENFORCE the codes that meet or exceed those codes identified above in Codes and Appendixes.

TOP or HOME

LIABILITY OF INSPECTORS

In accordance with AS 18.58.300 (c), a person may not bring an action for damages against an ICBO inspector who inspected a residential unit unless the action is for damages caused by gross negligence or intentional misconduct of the inspector.

TOP or HOME

REQUIREMENTS OF CONSTRUCTION INSPECTIONS

The following is a list of some of the common construction projects that must meet the minimum required inspections.

1. Any dwelling where construction started after June 30, 1992. Start of construction is generally defined as the time at which the footing forms and all reinforcement steel are in place.
2. Any improvement on any dwelling unit where the original construction was started after June 30, 1992. If the original construction required the inspections, the improvements to the living space, whether it is a total renovation or a small addition, will also require the inspections.
3. Newly constructed mobile/manufactured home and modular housing.

TOP or HOME

EXAMPLES OF PROJECTS NOT REQUIRING INSPECTIONS

The following is a list of some of the common projects that do not require construction inspections:

1. Additions or renovation to properties where the original construction started prior to July 1, 1992. However, AHFC may require inspections of additions or renovations to properties constructed prior to July 1, 1992 by an architect, engineer, appraiser, or other qualified building inspector for purposes of determining quality of construction and compliance with building codes, fire and safety codes, etc. The

http://www.ahfc.state.ak.us/Department_Files/Research_&_Rural_Departme... 5/1/02

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

Qualification Statement

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

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

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

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

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

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

Experience

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

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

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

I am a certified member of the International Conference of Building Officials (ICBO #865284-55), and am Handicap Access Literate with an understanding of the Americans with Disabilities Act of 1991. I hold journeyman carpenter status with Carpenters Local 1281 and own a complete set of current codes.

7
(6) of 6Education

Boston Technical High School, Boston Mass. Graduate 1961
 Northeastern University, Boston Mass. BBA Degree Program 1965-1969
 Jordan Marsh Company, Boston Mass. Executive Training Program 1965
 Cape Cod Community College, Barnstable Mass. 1971-1972.
 Banff School of Fine Arts, Banff, Alberta, Canada 1973.
 State of Alaska, Emergency Trauma Technician Training, Homer, AK. 1986.
 Alaska Craftsman Building Energy Efficiency Standards Workshop. 1987.
 Kenai Peninsula College, 1987-present
 AHFC / ICBO Inspector Training Workshop, Anchorage, AK. 1992.
 Barrier Free Alaska Training Workshop (ADA Access) Homer, Ak. 1992.
 FHA/HUD 203K Program Workshop, Anchorage, Ak. 1994.
 AHFC- Residential Mechanical Ventilation Inspection Workshop, Anchorage, AK. 1999.
 ICBO- 1997 Uniform Building Code Inspectors Workshop, Anchorage, AK. 1998.
 ICBO-Wood Inspection" Wood Framing" Inspectors Workshop, Anchorage, Ak. 1999.
 ICBO- Load Path & Continuity in Engineered Wood Frame Inspectors Workshop, Anchorage AK. 2001.
 ICBO- 2000 International Residential Code Inspectors Workshop, Anchorage, AK. 2001.
 Building Energy Efficiency Standard Ventilation Compliance Workshop, Homer, AK. 2002
 Cold Climate Home Building Workshop, Anchorage, AK. 2002
 Alaska Housing Finance Corporation Mold Hazards Workshop, Homer, AK. 2002
 Continuing self education and improvement through extensive hands-on training as well as trade journals, periodicals & associated product literature.

References

Drew Scalzi , Alaska House of Representatives, Juneau AK. (907) 465-2689
 Karen Berg-Forrester, Coastal Realty Company, Homer (907) 235-7700
 Jon Faulkner, Lands End Acquisition Corp., Homer (907) 235-0400
 Angie Newby, Homer Real Estate Associates, Homer, Alaska (907) 235-5294
 Dr. William Marley, DDS, Bayview Avenue, Homer AK. (907) 235-8909
 Sam Beachy, Beachy Construction Inc. , Homer, Alaska (907) 235-8876
 Robert Clutts, Anchor River Inn, Anchor Point, AK. (907) 235-8390
 Richard Rodriguez, VA Chief, Construction & Valuation, Anchorage, AK. (90) 257-4700

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

ALASKA STATE LEGISLATURE
House of Representatives

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Representative Norman Rokeberg

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

MEMORANDUM

TO: The Honorable Ben Stevens, Chairman
Senate Labor & Commerce Committee

FROM: Representative Norman Rokeberg

DATE: May 3, 2002

RE: House Bill 27 (home inspectors)

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

Thank you for hearing and moving out HB 27. Additionally, thank you for providing me with a copy of your memorandum to Senator Taylor. Answers to the concerns raised in the various attachments to your memorandum are below.

EXAMINATIONS: One of the questions, posed by Mr. F. Venuti, concerned the transitional licensing and the examinations.

Page 22, Section 43, of CSHB 27 (FIN) contains the transitional licensing provisions. It states that in order to obtain a joint registration, permitting the person to accomplish inspections on new and existing homes, a person must: (1) have been in the business of home inspection on October 1, 2001; and (2) "passed the building inspector examination or property maintenance and housing inspectors examination given by the International Code of Building Officials." (ICBO) Please note that the reference to the exact exams is not capitalized and thus refers generically to the building inspector or property maintenance or housing inspector examinations given by ICBO.

Page 4, lines 25-27, of CSHB 27 (FIN) contains language on examinations and references for "new homes or for a joint registration is the examination or set of applicable courses offered by the International Conference of Building Officials;". Again, the language is generic.

The language in this bill is generic for a specific purpose and was done intentionally. For example, ICBO offers approximately 30 different examinations. Just from looking at their titles, there are at least five examinations (Building Inspector, Combination

Inspector, Combination Dwelling Inspector, Property Maintenance and Housing Inspector, Residential Building Inspector) that might fit the purpose of the language in HB 27. Rather than list all of these and miss one or two examinations that might be appropriate, I decided to use plain language.

I wanted to let the Department review and decide which ICBO exams meet the intent of this legislation. In checking out ICBO's web site, there are over 65 pages of information on the ICBO Code Enforcement Category examinations, ICBO Special Inspector Categories, and ICBO-Sponsored Certification Categories. Rather than go through the list in statute, I prefer to use the generic terms and leave the decision to the Department.

I hope this adequately explains my intent in not referring to the specific ICBO exams in the bill; the language could have been more artfully drafted but I think my intent is clear.

INSPECTIONS: It was stated by Mr. Bruu that I do not understand that there are two types of examinations, new and existing. Let me be clear: *I fully understand this*. What Mr. Bruu and others fail to realize is that I want to standardize the process so that the home inspector, the consumer, the banker, the real estate professional, the developer, the builder, and others involved in the process will know what to expect. Mr. Venuti states that in new homes he sometimes never writes a report. I believe this is a dangerous practice. I want to create a paper trail for the protection of the consumer and the protection of the home inspector.

REPEAL OF AS 18.56.300(c): Mr. David Owens and Mr. Venuti expressed concern about the repeal of this language, which states:

- (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.

AS 18.56.300(b) establishes that AHFC will require an inspection, describes who will accomplish the inspection, and sets forth the inspection criteria.

The statute that HB 27 repeals basically grants immunity to the inspector from lawsuits and basically is an indemnity clause (the state will protect you, Mr. Or Ms. Home Inspector). There is no other occupation in the state that the state does this for and I do not think we should do it for the home inspection industry. The home inspector should stand proudly behind his or her report. Repeal of this subsection will accomplish this goal.

EXEMPTIONS: Mr. Venuti again expressed concern about the exemptions of architects, engineers, and energy raters from the registration requirements contained in