

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11261 SENATE LABOR & COMMERCE

# High school smoking rate drops to lowest level in decade

■ **REPORT:** CDC cites education campaigns and cigarette taxes.

By DANIEL YEE  
The Associated Press

ATLANTA — Smoking among U.S. high school students has fallen to about one in five — the lowest level in at least a generation — in a drop-off the government attributes to anti-smoking campaigns and higher cigarette taxes.

The Centers for Disease Control and Prevention reported Thursday that nearly 22 percent of high school students said they were smokers in 2003. That is down from more than 36 percent in 1997, and the lowest level since the CDC began keeping track in 1975.

The drop was so dramatic that for the first time in more than two decades, the percentage of high school smokers is lower than the percentage of adult smokers. That was seen as an especially encouraging sign by the government.

In fact, the CDC study found

that anti-tobacco efforts have been successful across the board, from curbing the number of first-time smokers to reducing the ranks of the heaviest smokers.

"We are reaching all the youth. If we can stop youth from becoming addicted smokers, eventually we can stop this epidemic," said Terry Tschaneck, associate director of science for the CDC's Office on Smoking and Health. "We're making the progress we've been working to-

ward for the last 40 years."

Dr. John Banzhaf III, who helped mastermind lawsuits against the tobacco industry, said the study illustrates "probably the most dramatic progress which has been made in terms of any public health problem, at least in recent memory."

"The question would be whether we have the political will to continue to do it," said Banzhaf, executive director of Action on Smoking and Health and professor of public interest

law at George Washington University Law School.

The CDC said that anti-tobacco efforts such as TV ads and school campaigns have been highly successful. Some of the programs were funded by the \$206-billion settlement that tobacco companies and states reached in 1998.

Another big reason fewer teenagers are lighting up is the cost of a pack of cigarettes, the CDC said. The agency said cigarette prices went up 90 percent

from 1997 to 2003, mostly because of tax increases.

Students were classified as current smokers if they had lit up in the preceding 30 days.

The study found that the percentage of heavy smokers — those who lit up 20 days or more per month — fell to 9.7 percent from 16.8 percent in 1999.

Also, fewer students are trying cigarettes: A little more than 58 percent of students in 2003 said they had tried smoking, down from more than 70 percent

in 1999. Still, the government noted that other studies recently have warned that the rate of decline in student smoking may be slowing.

The CDC blamed that on several factors, including more depictions of smoking in movies and a near doubling of spending on tobacco advertising from cigarette makers (\$5.7 billion in 1997 to \$11.2 billion in 2001). Also, states are spending less money from the tobacco settlement on smoking prevention.



# Alaska Native Health Board

3700 Woodland Drive, Suite 500  
Anchorage, Alaska 99517

Phone: (907) 562-6006  
FAX: (907) 563-2001

June 17, 2004

Dear Legislators:

On behalf of Alaska Native healthcare agencies from across Alaska, we urge you to seize the opportunity to enact Governor Murkowski's proposed \$1 tobacco tax in the upcoming Special Session. Passing a full \$1 tobacco tax increase is one of the biggest contributions you can make toward public health in our state.

As leaders involved in healthcare, we witness the devastating impact tobacco use has on Alaska Natives on a day-to-day basis. Tobacco addiction has taken a disproportionate number of Alaska Native lives and is an enormous burden to the Native healthcare system; with millions of dollars being spent each year on treating tobacco related illness.

After the last tobacco tax increase in 1997, we saw a 29% drop in Alaska Native high school rates of smoking; but in 2003, levels remained unacceptably high with 44% of them still smoking (YRBS, 2003). Tobacco addiction is a pediatric disease, with most users starting by age 14.

We know of a proven way to thwart the progress of the tobacco epidemic in Alaska. That solution rests in your hands during the Special Session next week. If the Legislature enacts an immediate \$1 increase in the tobacco tax, we will see nearly 3,000 kids' lives saved from a tobacco caused death. Alaska Native children constitute a large portion of these lives.

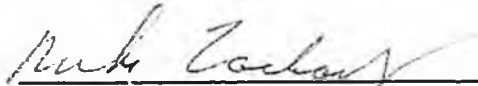
By passing the increased tobacco tax, you will save lives and healthcare costs. We request your support of the \$1 tobacco tax increase and your assurance that this widely supported tax will be brought to a vote during the Special Session. Alaska's kids cannot wait.

Sincerely,

ALASKA NATIVE TRIBAL HEALTH CONSORTIUM  
ALEUTIAN/PRILOF ISLANDS ASSOCIATION  
ARCTIC SLOPE NATIVE ASSOCIATION  
BRISTOL BAY AREA HEALTH CORPORATION  
CHUGACHMIUT  
COPPER RIVER NATIVE ASSOCIATION  
COUNCIL OF ATHABASCAN TRIBAL GOVERNMENTS  
EASTERN ALEUTIAN TRIBES

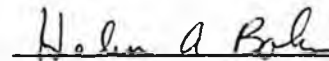
KETCHIKAN INDIAN COMMUNITY  
KODIAK AREA NATIVE ASSOCIATION  
MANILAQ ASSOCIATION  
METLAKATLA INDIAN COMMUNITY  
MT. SANFORD TRIBAL CONSORTIUM  
NATIVE VILLAGE OF EKLUTNA  
NATIVE VILLAGE OF TYONEK  
NINILCHIK TRADITIONAL COUNCIL


NORTON SOUND HEALTH CORPORATION  
SELDOVIA VILLAGE TRIBE  
SOUTH CENTRAL FOUNDATION  
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM  
TANANA CHIEFS CONFERENCE  
YUKON-KUSKOKWIM HEALTH CORPORATION  
VALDEZ NATIVE TRIBE

  
Aleutian/Pribilof Islands Association, Inc.

  
Kodiak Area Native Association

  
Alaska Native Tribal Health Consortium

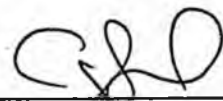
  
Maniilaq Association

  
Arctic Slope Native Association

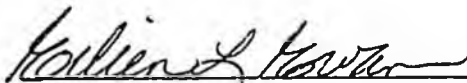
Metlakatla Indian Community

  
Bristol Bay Area Health Corporation

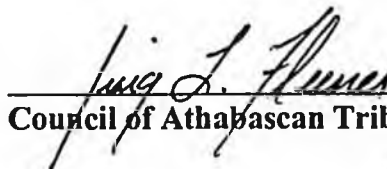
  
Mt. Sanford Tribal Consortium

  
Chugachmiut

Native Village of Eklutna

  
Copper River Native Association

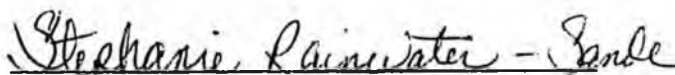
Native Village of Tyonek

  
Council of Athabaskan Tribal Govts.

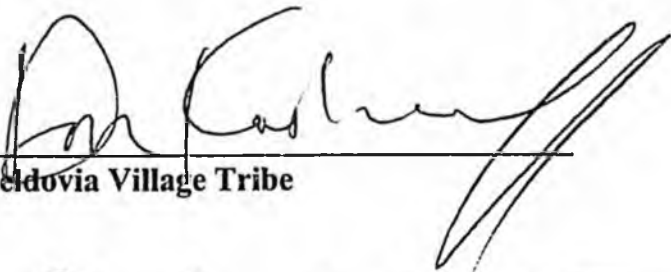
Ninilchik Traditional Council

  
Eastern Aleutian Tribes

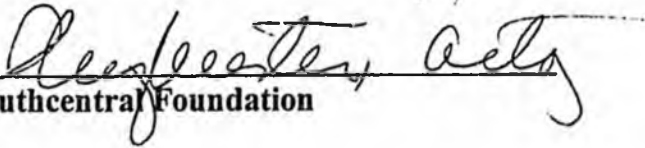
  
Norton Sound Health Corporation

  
Ketchikan Indian Community

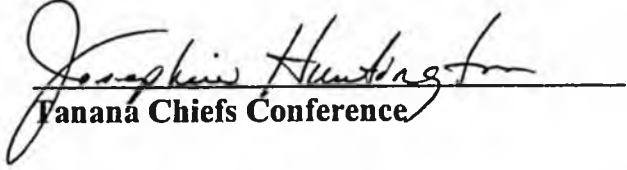
  
SE Alaska Regional Health Consortium

  
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**Seldovia Village Tribe**

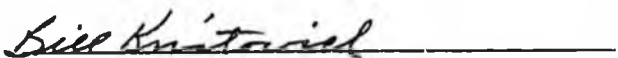
  
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**Southcentral Foundation**

  
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**Tanana Chiefs Conference**

\_\_\_\_\_  
**Valdez Native Tribe**

  
\_\_\_\_\_

**Yukon-Kuskokwim Health Corporation**





June 18, 2004

Dear Legislators,

We the undersigned medical professionals and members of the Alaska Association of Family Practice Physicians support legislation to increase Alaska's tobacco tax by \$1.00 to be implemented fully and immediately.

An increase in the tobacco tax is a critical part of overall tobacco control program. Alaska has had tremendous success in reducing youth smoking; we can continue the trend by raising the cost of cigarettes and maintaining our effective tobacco control programming. An increase in the tobacco tax is a sound public health decision. With an increase in the tax, we will prevent thousands of kids from picking up their first cigarette.

*Protect Alaska's families.  
Pass the tobacco tax.*

Please act expediently during the special legislative session to protect Alaskan families from the devastating effects of tobacco addiction.

Name, Affiliation, and Community.

*[Signature]* Physician NC  
*[Signature]* GA

*M. Dennis Lindenberg, AK*

*Barbara Kozoluewa MONTANA*

*Richard Koraltsov MT.*

*Merbert Lynch Edison, NJ*

*HAYDEE SMYCEK, EDISON, NJ*

*Ruth German Anch, AK*

*[Signature]* New London WIS. "Tar Wars"

*[Signature]* New London WIS.



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Name, Affiliation, and Community.

Richard St. Rube / MD      Chester, WI

William J. Foster      Fort Collins, WI

John M. ...      Tacoma, Wash

Joseph A. Burt      Anchorage, AK 99509

Christina P. ...      Wasilla, AK 996

Karen T. Hansen      Kenai, Alaska 99611

Dwight W. ...      Anchorage AK 9950

Linda Sig      Fort Worth, TX



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Name, Affiliation, and Community.

<i>Steve</i>	<i>Minneapolis MN</i>
<i>Audrey M. Hodges MD</i>	<i>Americus GA.</i>
<i>Janet W. (Scott)</i>	<i>Orlando, FL.</i>
<i>Jeffrey Kim</i>	<i>Anchorage AK</i>
<i>Victoria Haight</i>	<i>Juneau, AK</i>
<i>Asham B Radhe</i>	<i>Newport WA.</i>
<i>Jerry M'Creery</i>	<i>Baltimore Ohio</i>
<i>Carl Orr</i>	<i>Sitka AK</i>
<i>Drew Christian</i>	<i>Bellevue, WA</i>



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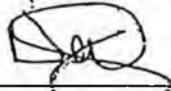
Name, Affiliation, and Community.

HAROLD JOHNSTON MD Anchorage

FRED HEIDRICH MD Seattle

MACIL POORE MD SC

WILL DUFFELL MD SC

 MD SC

John Ererson, PA-C Sitka AK

Green, Thomas F./MD, Anchorage

Tom Vroman MD

Valerie Beugal MD Santa Cruz CA



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Name, Affiliation, and Community.

*[Signature]* MD SEARHC - Sitka, AK

Joseph G. Olivier PA-C Twin Falls, ID

Wendell Williams MD Huntington Beach, CA

Kari Lumborg SEARHC Sitka, AK

Peter O. Hansen Kenai, AK

*[Signature]* Klawock, AK

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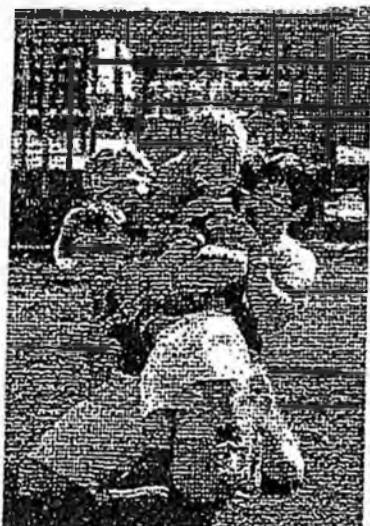
*Anne Saepke* *Stony Falls NJ*

*William Hoyle* *Americus, GA*

*Carson H. Smith* *Sitka AK*

*Rick Entwistle* *Pullman WA*

*J. Birnes* *SEARHC  
Angeon AK*



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Name, Affiliation, and Community.

- Margon Tully 311 Peterson SITKA AK 99835
- Anna Marie B. Smyke, MD 1000 S. MADERA AVE KERRMAN CA 93631
- Mary Lee Kreeger Box 820 Kenai AK 99611
- Kent O'Brien 1503 Audubon, (1) LOD, TX. 5070
- Vicki Black, MD. 324 W. 25th, Yakima WA 98901
- Robert J. King MD Box 1350 Petersburg AK 99833
- Elizabeth Roll - Elizabeth Roll P.O. Box 923 Bethel AK 99509
- Dore Kunsler APOX KUNSLER BOX 4394, HOMER, AK 99603
- DAVE BAINES 11101 SNOWLINE DR ANCHORAGE 99507
- Ada Reed 2701 Murray Ct Anch 99507



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Name, Affiliation, and Community.

*Jay Goodhue* — 2201 Davoyct Anch 99502

*Jack Young* — Le Pleasant View Circle DAYTONA Beach FL 32118

*Steve Gane* — 4099 Henslock Seward AK

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# Alaska Native Health Board

3700 Woodland Drive, Suite 500  
Anchorage, Alaska 99517

Phone: (907) 562-6006  
FAX: (907) 563-2001

*Testimony of Kattaryna Stiles, Tobacco Policy Coordinator, ANHB  
Presented to the Senate Labor and Commerce Committee June 18, 2004*

Thank you Mr. Chairman for hearing this important public health legislation today. For the record, my name is Kattaryna Stiles; I am the tobacco policy coordinator for the Alaska Native Health Board. I am also here today on behalf of Alaskans for Tobacco-Free Kids.

We support this legislation first and foremost because it is guaranteed to save lives. This is not speculation; it is fact. Tobacco taxes save lives. And the best way to save the most lives is to pass the tax at \$1.00 to be implemented fully and immediately.

Alaskans want this tax and overwhelmingly support it across party lines, across geographical lines, gender lines, and any other lines you want to draw.<sup>i</sup> By passing this tax at \$1.00 a pack and implementing it immediately at one dollar, we can save the lives of nearly 3000 kids who are alive today.<sup>ii</sup>

You already know that tobacco is the single largest killer of Alaskans. Tobacco claims nearly 500 lives of smokers<sup>iii</sup> and an additional 120 lives of nonsmokers through secondhand smoke.<sup>iv</sup>

Over 600 families each year needlessly suffer the loss of a family member that could have been prevented. – that's more than the combined total deaths from motor vehicle crashes, suicides, homicides, and air transport accidents.<sup>v</sup>

I recognize there are many other important health care concerns such as obesity or alcohol and I don't belittle the importance of dealing with those issues, as well. But the fact remains that tobacco is the number one leading cause of death in Alaska.<sup>vi</sup>

Raising the cost of cigarettes and tobacco products to a price where kids can't afford them or aren't willing to pay for them is a proven deterrent to youth smoking. Research and history shows that a 10% cigarette price increase reduces youth smoking rates by 6.5%, adult rates by 2%, and total consumption by 4%.<sup>vii</sup>

Tobacco use is a grave concern for Alaska Natives. Disparities between Alaska Native and Non-Native students are significant. **Half of Alaska Native 10<sup>th</sup> graders smoke, compared with just over 12% of their Non-Native counterparts.**<sup>viii</sup> This is unacceptable. And while there are many outreach and education efforts by the public and private health agencies and the State of Alaska to address this issue, we need additional concrete measures to keep tobacco out of the hands of our youth.

ALEUTIAN/PRIIBILOF ISLANDS ASSOCIATION  
ARCTIC SLOPE NATIVE ASSOCIATION  
BRISTOL BAY AREA HEALTH CORPORATION  
CHUGACHMIUT  
COPPER RIVER NATIVE ASSOCIATION  
EASTERN ALEUTIAN TRIBES  
KETCHIKAN INDIAN COMMUNITY  
VALDEZ NATIVE TRIBE

MANIILAQ ASSOCIATION  
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NATIVE VILLAGE OF EKLUTNA  
NATIVE VILLAGE OF TYONEK  
NINILCHIK TRADITIONAL COUNCIL  
KODIAK AREA NATIVE ASSOCIATION

NORTON SOUND HEALTH CORPORATION  
SELDOVIA VILLAGE TRIBE  
SOUTH CENTRAL FOUNDATION  
SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM  
TANANA CHIEFS CONFERENCE  
YUKON-KUSKOKWIM HEALTH CORPORATION  
NORTH SLOPE BOROUGH

Raising the cost of cigarettes also helps adult smokers quit or at reduce the quantity of cigarettes that they smoke. This effect is particularly desirable among pregnant women to reduce prenatal exposure to tobacco's deadly effects and postpartum infant exposure to secondhand smoke. **Alaska Native women are twice as likely as white women to smoke prenatally or postnatally.<sup>ix</sup> In Western Alaska, the rate of tobacco use among pregnant women is as high as 67 percent.<sup>x</sup>** I think that we can all agree that exposing an unborn child to nicotine and other cancer causing chemicals is an appalling situation that we want to change. This tax increase can help.

It's important that we also increase the tax on smokeless tobacco products as well. Chew is NOT, as many people believe, a healthier alternative to smoking cigarettes. Chew, or spit tobacco, is simply an alternative delivery device for nicotine that is equally addictive and nearly as deadly.<sup>xi</sup> **Alaska Native boys use smokeless tobacco at twice the rate of male students nationwide. Alaska Native girls use smokeless tobacco at nine times the rate of girls nationwide.<sup>xii</sup>**

We must take steps to change behaviors immediately so that today's kids do not become tomorrow's addicted adult tobacco users.

You might wonder what the harm is in a kid just being a kid and sneaking a few cigarettes, but it is very important that you realize that smoking is a childhood addiction. Only a very small percentage of today's addicted smokers began smoking as an adult. In 2001, 1.4 million people in the US who became addicted daily smokers – more than half of these new addicted smokers were under the age of eighteen.<sup>xiii</sup>

Since the tobacco industry is not likely to raise their prices to protect kids, it's up to us to use the one tool we have to make tobacco too expensive for kids to take up the habit. We must increase the tax on cigarettes and other tobacco products immediately. This is not about raising money; it's not about solving our state's fiscal problems; it's about saving lives by reducing tobacco use. Please pass this bill during the special session.

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<sup>i</sup> Survey conducted by QEV Analytics, February 2004.

<sup>ii</sup> Chaloupka, F. "Macro-Social Influences: Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine & Tobacco Research*, 1999, and other price studies at <http://ligger.uic.edu/~fjc> and [www.uic.edu/orgs/impacteen](http://www.uic.edu/orgs/impacteen). Orzechowski & Walker, *Tax Burden on Tobacco*, 2002. USDA Economic Research Service. [www.erc.usda.gov/Briefing/tobacco](http://www.erc.usda.gov/Briefing/tobacco). State tax offices. Farrelly, M. et al., "Cigarette Smuggling Revisited," U.S. Centers for Disease Control & Prevention (CDC), *In press*. CDC, *State Highlights 2002: Impact and Opportunity*, April 2002, [www.cdc.gov/tobacco/StateHighlights.htm](http://www.cdc.gov/tobacco/StateHighlights.htm). Miller, P., et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1): 25-35, February 2001. Lightwood, J. & S. Glantz, "Short-Term Economic and Health Benefits of Smoking Cessation - Myocardial Infarction and Stroke," *Circulation* 96(4): 1089-1096, August 19, 1997, <http://circ.ahajournals.org/cgi/content/full/96/4/1089>. Hodgson, T., "Cigarette Smoking and Lifetime Medical Expenditures," *The Millbank Quarterly* 70(1), 1992. U.S. Census. Nat'l Center for Health Statistics.

<sup>iii</sup> Smoking-Attributable Morbidity, Mortality and Economic Costs (SAMMEC), Centers for Disease Control and Prevention; Alaska Bureau of Vital Statistics.

<sup>iv</sup> Estimated by prorating the mid-range of US ETS mortality estimate (63,000 deaths) reported in "Health Effects of Exposure to Environmental Tobacco Smoke", *Final Report, September 1997, California Environmental Protection Agency*, to the Alaska 2001 census population estimate.

<sup>v</sup> Smoking-Attributable Morbidity, Mortality and Economic Costs (SAMMEC), Centers for Disease Control and Prevention; Alaska Bureau of Vital Statistics.

<sup>vi</sup> Deaths estimated to be attributable to alcohol use in 2001 were 274. Alaska Bureau of Vital Statistics.

<sup>vii</sup> Chaloupka, et. al.

<sup>viii</sup> Alaska Youth Risk Behavior Survey, 2003.

<sup>ix</sup> Alaska Pregnancy Risk Assessment Monitoring System (PRAMS), 1991-2000.

<sup>x</sup> *Ibid*

<sup>xi</sup> Centers for Disease Control and Prevention, 2003.

<sup>xii</sup> Alaska Youth Risk Behavior Survey, 2003.

<sup>xiii</sup> Substance Abuse and Mental Health Services Administration. Results from the 2002 National Survey on Drug Use and Health: National Findings. Rockville, MD: US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Office of Applied Statistics; 2003. DUSS Publication No. SMA 03-3836.

SJR

7

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SJR 7  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title "Expressing support for Vancouver, BRU Legislative Council  
British Columbia's, bid for the 2010 Olympic Winter Games... Component Council and Subcommittees  
 Sponsor Senate Spec Comm on World Trade... Session Expenses  
 Requester Senate Labor and Commerce Component No. 783

**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	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

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)

SJR 7 has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director Phone 465-3852  
 Division Administrative Services Date/Time 3/3/03 8:58 AM  
 Approved by: Pamela Varni, Executive Director Date 3/3/2003  
 Agency Legislative Affairs Agency

SENATOR  
JOHN J. COWDERY  
Anchorage

Committees  
Chair: Rules  
Chair: Transportation  
Chair: World Trade &  
State/Federal Relations  
Legislative Council



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Tel: 907-269-0222  
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Senator\_John\_Cowdery@legis.state.ak.us

## **SPONSOR STATEMENT FOR SJR 7**

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*"Expressing support for Vancouver, B.C.'s bid for the 2010 Olympic Winter Games and the Paralympic Winter Games."*

**P**resently, the city of Vancouver, British Columbia, and nearby resort community of Whistler are endeavoring to host the 2010 Winter Olympic Games. Competing cities are Pyeongchang, Korea, and Salzburg, Austria. In July, the International Olympic Committee (IOC) will make its decision and award the bid to one of the three cities.

If Vancouver is successful, Alaska is certain to see economic benefits. In particular, Alaska stands to benefit in the tourism and winter recreation sectors due to overall worldwide exposure of the Pacific Northwest region. As an example, the entire Western region of the mainland U.S. received an estimated \$1 billion economic boost from the 2000 winter games in Salt Lake City.

Alaska and British Columbia share close economic, government, sporting, cultural and family ties along a lengthy common border. The primary goal of this resolution is to strengthen these ties through this formal resolution of support.

Passage of this resolution will mean more than simple neighborly expression of support because, traditionally, the IOC gives weight to such resolutions when making its bid determination.

It is likely Alaskan small business owners – from bed and breakfast establishments to microbreweries to fish processors -- will realize the primary economic benefit of a successful 2010 bid by Vancouver and Whistler B.C.

**For Immediate Release**

February 12, 2003

**For Interviews Contact**

State Rep. Jeff Morris (D-Anacortes)  
(360) 786-7970

**House Offers Support for Vancouver's Olympic Bid**

*State to Benefit from Tourism, Contracts, and Media Attention*

Olympia – Washington should do everything it can to help Vancouver win its bid to host the 2010 Winter Olympics. "It's about tourism dollars, business opportunities and free advertising," said State Rep. Jeff Morris (D-Anacortes), who wants to help our neighbors to the north land the Olympics.

Today, the House of Representatives unanimously passed a resolution signaling their support for Vancouver's Olympic bid. Once the Senate approves the resolution, HJM 4005, it will be sent to the International Olympic Committee, the United States Olympic Committee, and the Premier of British Columbia.

In his remarks to colleagues, Morris cited the money spent in Idaho as a result of the Olympic games in neighboring Utah.

"Idaho cashed in on the Salt Lake games," Morris said. "Many people spent the night in Boise and then commuted to Salt Lake. Athletes trained there. People rented facilities. It was a bonanza."

Tens of thousands of visitors are expected to use Seattle-Tacoma International Airport to get to the Olympics. During Vancouver's Expo '86, surveys showed that a majority of visitors from outside the area also wanted to visit Seattle.

According to some estimates, the Salt Lake City games generated \$6.6 billion dollars in free media attention. Morris is hoping that the close relationship and strong bonds between Washington State and British Columbia will translate into more exposure for the Evergreen State.

"It gives us a chance to highlight our state to the world," Morris added.

John Cooper, President of the Bellingham/Whatcom County Convention & Visitors Bureau agreed, adding, "It's the best opportunity we've had in the last ten years."

Two weeks ago, Barry Penner, a Member of the Legislative Assembly of British Columbia came to Olympia to urge Washington state lawmakers to lend their support.

"I was impressed by the positive response I got. The Olympics will not only be great for British Columbia. They'll be great for Washington as well," Penner said.

The International Olympic Committee will make its decision July 2 at a meeting in Prague. The other cities bidding for the games include Salzburg, Austria and Pyeongchang, Korea.

# # #

**Staff Contact:** Neil Parekh (360) 786-7255; [parekh\\_ne@leg.wa.gov](mailto:parekh_ne@leg.wa.gov)

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SUBSTITUTE HOUSE JOINT MEMORIAL 4005

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State of Washington

58th Legislature

2003 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Morris, Anderson, Linville, Veloria, Skinner, Quall, Hunt, Cox, Miloscia, Ericksen, McDonald, Pearson and Sullivan)

READ FIRST TIME 01/28/03.

1 TO THE INTERNATIONAL OLYMPIC ORGANIZING COMMITTEE, THE UNITED  
2 STATES OLYMPIC COMMITTEE, THE VANCOUVER 2010 BID CORPORATION, THE PRIME  
3 MINISTER OF CANADA, AND THE PREMIER OF BRITISH COLUMBIA:

4 We, your Memorialists, the Senate and House of Representatives of  
5 the State of Washington, in legislative session assembled, respectfully  
6 represent and petition as follows:

7 WHEREAS, The State of Washington has a close cultural, economic,  
8 and intergovernmental relationship with the Canadian province of  
9 British Columbia; and

10 WHEREAS, This close relationship has been developed further by  
11 working together on world class civic events like the 1986 World's Fair  
12 in Vancouver B.C. and sharing the economic benefits of such world class  
13 events; and

14 WHEREAS, The State of Washington and British Columbia both are  
15 members of the Pacific Northwest Economic Region representing the tenth  
16 largest economy in the world; and

17 WHEREAS, The 2002 Winter Olympic and Paralympic Games in Salt Lake  
18 City, Utah, generated over one billion dollars in revenue and spending  
19 in the entire western region; and

1           WHEREAS, The region has legacy facilities from world class civic  
2 events. These facilities include the Space Needle, BC Place, the sky  
3 train, and the monorail to name a few; and

4           WHEREAS, The Pacific Northwest Economic Region as a whole, but  
5 particularly tourism, emerging industries, and small businesses, will  
6 benefit from an estimated six billion dollars worth of worldwide media  
7 attention; and

8           WHEREAS, Benefits accrue in excess of ten years, on a continuing  
9 basis, from increased tourism;

10          NOW, THEREFORE, Your Memorialists respectfully communicate our  
11 support for backing Vancouver, British Columbia's bid for the 2010  
12 Winter Olympic and Paralympic Games.

13          BE IT RESOLVED, That copies of this Memorial be immediately  
14 transmitted to the International Olympic Organizing Committee, the  
15 United States Olympic Committee, the Vancouver 2010 Bid Corporation,  
16 the Prime Minister of Canada, and the Premier of British Columbia.

--- END ---

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**Trade & Economic Development  
Committee**

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**HJM 4005**

**Brief Description:** Supporting the Vancouver 2010 Olympic bid.

**Sponsors:** Representatives Morris, Anderson, Linville, Veloria, Skinner, Quall, Hunt, Cox, Miloscia, Ericksen, McDonald, Pearson and Sullivan.

**Brief Summary of Bill**

- Memorializes Washington's support of Vancouver, British Columbia's bid for the 2010 Olympic Winter games.

**Hearing Date:** 1/24/03

**Staff:** Tracey Taylor (786-7196).

**Background:**

The modern Olympic Movement was born in 1892, when Pierre de Coubertin announced the re-establishment of the Olympic Games. The International Olympic Committee (IOC) was created on June 23, 1894 and the first Olympic Games of the modern era opened in Athens on April 6, 1896. The goal of the Olympic Movement is to contribute to building a peaceful and better world by educating youth through sport practiced without discrimination of any kind, in a spirit of friendship, solidarity and fair play.

There is a two phase host city election procedure. Cities must pass an initial selection phase during which basic technical requirements are examined by a team of experts and then put forward to the IOC Executive Board. Once approved by the Executive Board, the cities become official Candidate Cities and are authorized to go forward into the full bid process. An assessment was made of each Applicant City's ability to stage high-level, international, multi-sport events and their ability to organize the Olympic Winter games in 2010, against a set of 11 technical assessment criteria: government support and public opinion; general infrastructure; sports venues; Olympic village; environmental conditions and impact; accommodations, transport; security; experience from past sporting events; finance and general concept. Currently, there are three Candidate Cities to host the XXI Olympic Winter Games in 2010. The cities are: Vancouver, Canada; Salzburg, Austria; and Pyeongchang,

Korea.

During the 2002 Olympic Winter Games in Utah, there were an estimated 220,000 total visitors. The total economic output from the Olympics was \$4.8 billion dollar, including 35,000 job years, \$1.5 billion in investment, \$435 million in infrastructure investment, \$123 million in visitor spending and a net revenue to local and state government of \$76 million. The Salt Lake City Olympic Committee budget was \$1.9 billion and it finished with a \$100 million profit. The estimated value of print media exposure during the games with a tourism theme was \$22.9 million. Consumer spending with Visa cards between February 1, 2002 and February 24, 2002, was \$172.7 million. Fifty-four percent of the downtown Salt Lake City businesses experienced increased sales and only 28 percent of the businesses experienced a business reduction.

**Summary of Bill:**

The joint memorial communicates to the International Olympic Organizing Committee, the United State Olympic Committee, the Vancouver 2010 Bid Corporation, the Prime Minister of Canada, and the Premier of British Columbia, Washington's support of Vancouver, British Columbia's bid to host the 2010 Olympic Winter Games.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

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## TOURISM

You are here: [Vancouver 2010](#) : [Why Vancouver?](#) : [Benefits](#) : [Tourism](#)

SUPPORT  
THE BID  
/ SUI

Bidding for and ultimately hosting the Winter Games is an excellent platform to showcase Vancouver, Whistler, British Columbia and Canada to a global audience.

Recent numbers indicate that more than two billion people watched a portion of the 2002 Salt Lake Games on television.

Like Expo 86 in Vancouver, the 2010 Games provide a unique opportunity to raise international awareness of British Columbia to a higher plateau, and thereby increase the volume of international tourism to and investment in British Columbia on a long-term basis, for the benefit of all British Columbians.

We'll invite the world to Vancouver in the years leading up to the 2010 Games, and for years after the Games have come to a close.

### Impacts on tourism

International media exposure generated from hosting major events increases awareness and




### Q&A

[What are the key dates leading up to the IOC's decision on the Host City?](#)

### ABOUT VANCOUVER

Whistler is the largest ski North America and home residents. [more](#)



pushes international visitor volume to a permanently higher plateau.

- **Expo 86**

In the 14 years before Expo 86, British Columbia's share of total international visitors to Canada was between 9.5 per cent and 11.6 per cent. During Expo 86, this jumped to more than 17 per cent. Since then it has increased every year from 12 per cent in 1987 to 17.4 per cent in 2000.


- **1988**

**Calgary Winter Games**

Before the Calgary Olympic Winter Games in 1988, Alberta had an average annual growth of annual international visitors of 0.25 per cent (1972-1985).

In pre-Olympic years the number of visitors grew by 5 per cent in 1985 and 8 per cent in 1986.

In the Olympic year, growth



surged to 12 per cent and then retained all of its post-Olympics gains, with an average annual growth of 3.25 per cent for the first 5 post-Olympic years.

- **1994 Lillehammer Winter Games**

International tourism in Norway increased by 43 per cent between 1990 and 1994 leading up to the Winter Olympics in Lillehammer, probably as a result of increased media awareness generated by the upcoming Games.

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## BENEFITS

You are here: [Vancouver 2010](#) : [Why Vancouver?](#) : Benefits

SUPPORT  
THE BID

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The Winter Games celebrate peace and fair play - the best of humanity - through sport competition, artistic expression and cultural exchange.

Hosting the Games in Vancouver will serve as a rallying point for Canada's community pride and national spirit. The Games will ignite our passion for winter sports at all levels, from community ice rinks to the ski slopes.

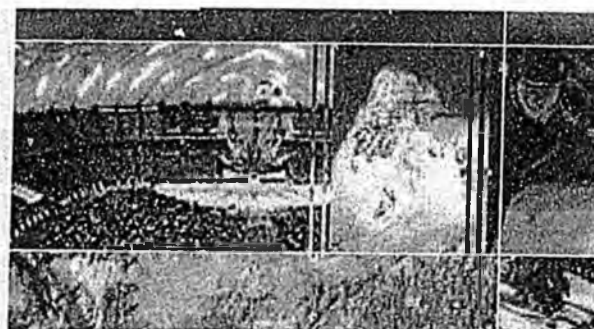
The Games in Vancouver and Whistler will not only leave their legacy in our hearts and minds - they will be a catalyst for positive, sustainable change.

### Economy

A winning 2010 Bid combined with an expanded convention centre in Vancouver could generate up to \$10 billion in direct economic activity, and create about 228,000 direct and indirect job years across the province.

### Housing

The development of athletes' accommodations in Vancouver and Whistler will result in lasting legacies that include more affordable housing.



### Q&A

[Why is it possible for Vancouver to succeed?](#)

[Download a summary of the Vancouver 2010 investment and benefits \(PDF, 209 KB\)](#)



**Transportation**

The Bid Corporation's transportation plan will meet the needs of travelers during and after the Games.

**Tourism**

The Games will increase the volume of tourism to British Columbia on a long-term basis, as demonstrated by previous international events.

**Sport Development**

The LegaciesNow program is our commitment to a lasting legacy of sport development for all British Columbians.

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HB

9

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# SENATE COMMITTEE REPORT

DATE: 3/3/03

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 3/31/03

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

## HB 9 HOME INSPECTORS/CONTRACTORS

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

and recommends:

- be replaced with S CS CSHB9 (LEC)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS <sup>HOUSE</sup> FISCAL NOTE(S):**

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

APPROPRIATION - no fiscal note

**SIGNATURES AND RECOMMENDATIONS:**

	Do PASS	Do NOT PASS	No REC	AMEND
Davis <i>Betty Davis</i>			✓	
French <i>[Signature]</i>			✓	
Seekins <i>[Signature]</i>	✓			
Stevens <i>[Signature]</i>			✓	



AK

faxed 3/11/03 2:40pm  
refused - 3pm  
3:35pm

# Alaska State Legislature

Please enter into the record my testimony to the SENATE Labor Comm  
committee name

committee on Senate Bill 93, dated 3-11-03  
bill/subject

CONCERNING THE ADVERSE POSSESSION BILL.  
I PERSONALLY WOULD LIKE TO SEE TESTIMONY  
FROM PROFESSIONALS THAT DEAL WITH THESE  
MATTERS ON A FREQUENT BASIS, SUCH AS  
MR. DAN BEARDSLEY. HE HAS A TREMENDOUS  
BACKGROUND IN THIS AREA AS I'M SURE  
THERE ARE OTHERS. THE SENATE BILL 93  
MAY HAVE SOME MERIT, HOWEVER, IT  
APPEARS THAT IT WILL NEED CAREFUL  
CONSIDERATION.

Thank You

Signed: DICK SPATHHERST  
Testifier

Representing (Optional)  
58280 CRANEWINGS Dr. Homer, AK 99603  
Address  
907-235-6117  
Phone No.

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

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

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

## Representative Norman Rokeberg

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

### SPONSOR STATEMENT FOR CSHB 9 (FIN) am 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.

ED05: 03/4/03

SPONSOR STATEMENT

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

RULES COMMITTEE, CHAIRMAN  
LABOR & COMMERCE COMMITTEE, MEMBER  
LEGISLATIVE COUNCIL, MEMBER  
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## Representative Norman Rokeberg

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

### SECTIONAL ANALYSIS CSHB 9 (FIN) am BY: Representative Norman Rokeberg

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

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

“employer” social security number in the current statute to the “applicant’s” social security number.

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

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

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

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

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

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

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

Section 12: Adds new section to AS 08.18 [Construction Contractors] to provide identification requirements for home inspectors. Includes that a home inspector or associate home inspector registered under one name may not act under another name; sets forth advertising requirements; establishes that “registered home inspector” may only be used by individuals registered with the Department as a home inspector.

- Section 13: Amends AS 08.18.061 [Construction Contractors, Requirements of political subdivision] to add reference to home inspectors.
- Section 14: Amends AS 08.18.071 [Construction Contractors, Bond required]. Adds home inspection activity to this section.
- Section 15: Amends AS 08.18.071(b) [Construction Contractors, Bond required]. Adds home inspectors to the \$5,000 bond requirement. Cash deposit or other negotiable security acceptable to the commissioner may be used in lieu of bond.
- Section 16: Amends AS 08.18.081(a) [Construction Contractors, Claims against contractor]. Adds home inspector to this section.
- Section 17: Adds new section to AS 08.18 [Construction Contractors]. Legal actions against home inspector. Sets out provisions concerning legal actions against a home inspector. Actions must be commenced within two years from the date of the inspection report on new homes and one year on existing homes, unless gross negligence or intentional misconduct. Limitations of this section may not be waived by contract. An action against a home inspector or associate home inspector can only be brought by a party to the real estate transaction or one who received written permission to use the home inspection report. An action can also be brought by a person who inherited the property, if the person they inherited it from had standing to do so. Contractual provisions that purport to limit liability of home inspector to cost of home inspection report are contrary to public policy and void.
- Section 18: Amends AS 08.18.111 [Construction Contractors, Advertising bond and insurance]. Adds home inspectors to this section.
- Section 19: Amends AS 08.18.115 [Construction Contractors, Return of cash deposit]. Adds provisions for home inspector who ceases doing business to have any cash deposit in lieu of bond returned.
- Section 20: Amends AS 08.18.116 [Construction Contractors, Investigations] to provide that the Department of Community and Economic Development is the agency to investigate alleged or apparent violations against home inspectors.
- Section 21: Amends AS 08.18.117 [Construction Contractors, Issuance of citations] to provide that the Department of Community and Economic Development may issue citations for violations with regard to home inspectors.
- Section 22: Amends AS 08.18.121(a) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if insurance under AS 08.18.101 (worker's compensation, property

and liability) is not in effect, the registration is suspended until such time the insurance is reinstated.

- Section 23: Amends AS 08.18.121(b) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicating that if any final judgment impairs the liability of the surety bond or depletes any cash deposit that registration is suspended until bond liability in required amount, unimpaired by unsatisfied judgment claims, has been furnished.
- Section 24: Amends AS 08.18.121 (c) [Construction Contractors, Suspension and revocation of registration] to add home inspector to provisions indicated that if a bonding company cancels the bond, the registration shall be revoked. Registration may be regained by again complying with bonding requirements.
- Section 25: Amends AS 08.18.121(d) [Construction Contractors, Suspension and revocation of registration] to add home inspectors to the provisions concerning suspension for failure to follow 08.18.071. Further provides that if a bond is suspended three times, the commissioner may permanent revoke registration.
- Section 26: Amends AS 08.18.121(f) [Construction Contractors, Suspension and revocation of registration] to provisions concerning violations and the authority of the Department of Commerce and Economic Development with regard to home inspectors.
- Section 27: Amends AS 08.18.123 [Construction Contractors, Denial, Suspension, and Revocation of Endorsement] to add reference to home inspectors.
- Section 28: Amends AS 08.18.131 [Construction Contractors, Injunction] to add reference to civil penalty. Further adds reference to ability of Department to enjoin person who is violating home inspectors statutes from acting in that capacity.
- Section 29: Amends AS 08.18.141(a) [Violations] to include home inspector. Those violating 08.18.011 [Registration required] or 08.18.025 [Residential contractors] may be guilty of class B misdemeanor; other violations of this chapter are punishable under AS 12.
- Section 30: Amends AS 08.18.151 [Construction Contractors, Legal actions by contractor] to add reference to home inspectors.
- Section 31: Amends AS 08.18 [Construction Contractors] to add new section as follows:
- a. 08.18.152. Prohibited acts for home inspectors. Sets out the acts which home inspectors may not do, such as: repairs to subject property for additional fees;

inspect property for a fee in which home inspector has a financial interest; offer rewards or compensation for business referrals; without written consent of client, disclose information from a home inspection report unless to a subsequent client who requests an inspection on the same premises or in a judicial action; accept compensation from more than one party for the same home inspection; accept commission; accept engagement for home inspection based on outcome of inspection report.

- b. 08.18.154. Limitation on home inspector's activities. Sets for limitation on activities.
- c. 08.18.156. Exemptions related to home inspectors. Exempts following from registering as a home inspector or associate home inspector in order to inspect a home: federal, state or local government employee performing duties within scope of office; inspecting own home or one in which person has a financial interest; registered engineer or architect who affixes seal, signs and dates the report and puts registration number on report; engineer or architect in training supervised by registered engineer or architect; pesticide applicator performing duties in scope of license issued by Department of Environmental Conservation; general contractor with residential contractor endorsement performing activities within scope of that registered; real estate appraiser performing those duties; determining if thermal and lighting energy standards are being met. Establishes that the definition of "home inspection" does not include repairing, maintaining, or installing systems or components listed in new 08.18.171(12) and inspects those systems or components in order to perform or offer repair, maintenance or installation work on those items.

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

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

Section 34: Amends AS 18.56.300(b) [Alaska Housing Finance Corporation, Construction standards for housing eligible for purchase of loans] current AHFC statute requiring a home inspection before certain loan commitments are made by AHFC. Adds registered home inspectors to list of people qualified to accomplish an inspection and eliminates the distinction in current law for rural areas, thus allowing an architect, engineer, or other person approved by AHFC to qualify as a home inspector under the AHFC statute for all homes, not just those in rural areas.

Section 35: Amends same AHFC statute described in Section 33 [Alaska Housing Finance Corporation, Construction standards for housing eligible for purchase of loans], but amendment does not take effect until January 1, 2005, so is set out separately. Would eliminate persons certified by the ICBO and IAEA from being qualified to do the AHFC inspections referred to in AS 18.56.300(b) as these individuals would now be under the home inspector license requirements.

- Section 36: Amends AS 36.30.050(b) [State procurement code, Lists of contractors] to add qualifying language concerning contractors.
- Section 37: Amends 36.30.115(a) [State procurement code, subcontractors for construction contracts] to add clarifying references to contractors.
- Section 38: Amends 36.30.210 [State procurement code, Request for proposals] to add clarifying reference to contractors.
- Section 39: Amends AS 36.90.290(1) [State procurement code, definition] adds qualifying language to definition of "prime contractor".
- Section 40: Amends AS 45.50.471(b) [Competitive Practices and Regulations of Competition, unlawful acts and practices] to bring violations of 08.18.023(b) [inspection reports] and 08.18.152 [prohibited acts for home inspectors] under unfair trade practice statutes.
- Section 41: Repeals AS 18.56.300(c) [Alaska Housing Finance Corporation, construction standards for housing eligible for purchase of loans] effective July 1, 2005 (see Section 46).
- Section 42: Applicability: Change made in Section 40 applies to causes of action that accrue on or after July 1, 2005.
- Section 43: Regulations: Permits Department to proceed to adopt regulations regarding home inspectors.
- Section 44. Provides for transitional licensing.
- Section 45: Effective date for certain provisions of the legislation.
- Section 46: Section 34 effective date is January 1, 2006.
- Section 47: Sections 40 and 41 take effect July 1, 2005.
- Section 48: Immediate effective date for remainder of legislation except as provided for in sections 44-46.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

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

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

**Expenditures/Revenues** (Thousands of Dollars)

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

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

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

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

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

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

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

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

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

AMENDMENT

OFFERED IN THE SENATE

TO: CSHB 9(FIN) am

- 1 Page 8, line 19, before "unless":
- 2       Insert "or "home inspector""

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FAX: (907) 746-5476

DAVID R. OWENS

CERTIFIED INSPECTOR

March 7, 2003

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

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

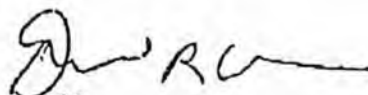
I support House Bill No. 9 (23-LS0029\S.A) with the following amendments;

1. Remove the language from title page 1, line 6 thru 8, that states "repealing a law that limits liability for damages based on a duty to inspect a residential unit to damages caused by gross negligence or intentional misconduct".
2. Remove the word "two" on page 10, line 6 and replace it with the word "one".
3. Remove the language from section 41 page 22 line 16 that states "AS 18.56.300 (C) is repealed".

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

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

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

  
David R. Owens  
Owens Inspections Services

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

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

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

**Expenditures/Revenues (Thousands of Dollars)**

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

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

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

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

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  
 Division: Attorney General's Office  
 Approved by: Kathryn Daughhetee for Gregg D. Renkes, Attorney General  
 Agency: Department of Law

Phone (907) 465-5370  
 Date/Time 1/29/03 1:43 PM  
 Date 1/29/2003

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

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

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

**Expenditures/Revenues** (Thousands of Dollars)

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

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

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

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

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

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

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	53.1	53.1	53.1	53.1	53.1	53.1
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	6.0	6.0	6.0	6.0	6.0	6.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>66.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (1156)</b>	<b>126.2</b>	<b>0.0</b>	<b>120.2</b>	<b>0.0</b>	<b>120.2</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - 1156 Receipt Supported Services	66.1	60.1	60.1	60.1	60.1	60.1
<b>TOTAL</b>	<b>66.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>	<b>60.1</b>

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  
 Division: Occupational Licensing  
 Approved by: Edgar Blatchford, Commissioner  
 Agency: Department of Community & Economic Development

Phone (907) 465-2538  
 Date/Time 1/29/03 8:52 AM  
 Date 1/29/2003

FISCAL NOTE No. 4

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

BILL NO. CSHB 9(L&C)

ANALYSIS CONTINUATION

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

**Total PERSONAL SERVICES: \$53.1**

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

**Total TRAVEL: \$0.0**

**Total CONTRACTUAL SERVICES: \$6.0**

- 30 hours of AG legal time for regulations and license appeals, \$3.0
- Printing, postage, communication, and advertising costs, \$3.0

The contractual services total does not include any expenditures for purchase of a license examination. This fiscal note assumes applicants will pay the testing service directly for the examination.

**Total SUPPLIES: \$1.0**

To fund daily operating supplies of the program.

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

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

**TOTAL FISCAL NOTE: \$66.1**

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



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



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**STATE REGULATIONS**

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

## Existing State Home Inspector Regulatory Legislation

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

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

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

**Arizona Certification (Chapter 1, Sec. 5, Title 32) enacted in 2000.** Under the Arizona Home Inspector Registration Act, registration requirements for home inspectors are administered by the State Board of Technical Registration (SBTR). The law establishes process and requirements for registration and registration renewal as a home inspector. In addition, the law requires that registered home inspectors have one of the following financial assurances: a. Errors and Omissions in the amount of \$200,000 in the aggregate and \$100,000 per occurrence; b. \$25,000 bond; or c. Financial assurance mechanism with a value of at least \$25,000. The law states that a failure to obtain, or loss of, financial assurance is grounds for revocation of registration. The law allows a practicing home inspector to present evidence of sufficient experience to not have to obtain training or pass an exam through December 31, 2002. Exempts individuals from course study requirements for registration who can provide evidence to the SBTR that they have performed 250 or more home inspections for compensation.

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

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

**Arkansas Registration (Act 791 of 1997) enacted in 1997.** Under the "Arkansas Home Inspector Registration Act," all home inspectors in the state must register with the Secretary of State. In addition, home inspectors must conduct all inspections in adherence to the Standards of Practice and Code of Ethics of ASHI, the Arkansas Association of Real Estate Inspectors, or an equivalent professional home inspection association. The law also prohibits inspectors from performing repairs on a structure that he has inspected within

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

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

To download the law go to: [http://www.ark-homeinspectors.com/law\\_formatted.htm](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](mailto:licencse.services@po.state.ct.us)

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

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

**Georgia Trade practice act (Chapter 3, Title 8) enacted in 1994.** Georgia law requires home inspectors to provide written documents containing certain information with regard to inspections. This written document must include the scope of the inspection, including the structural elements and systems to be inspected, that the inspection is a visual inspection and that the home inspector will notify, in writing, the person on whose behalf such inspection is being made of any defects noted during the inspection.

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

To download the law go to:

[www.state.ga.us/cgi-bin/pub/ocode/ocqsearch?docname=OCode/G/8/3/330](http://www.state.ga.us/cgi-bin/pub/ocode/ocqsearch?docname=OCode/G/8/3/330).

**Illinois Licensure (Public Act 92-039).** Illinois law creates the "Home Inspector 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](http://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](http://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.dlfr.state.md.us/license/occprof/reappr.html](http://www.dlfr.state.md.us/license/occprof/reappr.html)

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

**Massachusetts Licensure (Chapter 146) enacted in 1999.** Massachusetts law requires home inspectors and associate home inspectors to be licensed under the Board of Registration of Home Inspectors. The Board is required to: 1) establish the requirements for licensure and for the standards of professional and ethical conduct; 2) establish standards for continuing education; 3) authorize and conduct examinations; 4) grant licenses to qualified applicants; and 5) establish penalties. The law also requires that the Director of Office of Consumer Affairs and Business Regulation publish an informational brochure on home inspections which must be issued to home buyers at the signing of an offer to purchase. Licensed home inspectors must: 1) have successfully completed high school or its equivalent; 2) have been engaged as a licensed associate home inspector for not less than one year and have performed not less than 100 home inspections under the supervision of a licensed home inspector; 3) have passed a written or electronic competency examination; and 4) paid the appropriate fee. A licensed associate home inspector must: 1) have successfully completed high school or its equivalent; 2) have successfully completed a Board-approved training program; 3) have performed not less than 25 home inspections in the presence of a licensed home inspector; 4) have passed a written or electronic competency exam; 5) have an identified supervisor who is a person licensed in good standing as a home inspector; and 6) paid the appropriate fee. License holders must carry errors and omissions insurance in an amount not less than \$250,000. Also, a home inspector or associate home inspector may not attempt to limit liability for negligent or wrongful errors or omissions by use of a clause within a performance contract that limits the cost of damages from negligent or wrongful errors or omissions.

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

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

To download the law go to: [www.state.ma.us/legis/laws/seslaw99/s1990146.htm](http://www.state.ma.us/legis/laws/seslaw99/s1990146.htm)

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

**Mississippi Licensure (Chapter 539) enacted in 2001.** Mississippi law requires home inspectors to be licensed by the Mississippi Real Estate Commission (Commission) and given the following powers: 1) receiving and approving applications for licensure and collecting fees, 2) implementing recommendations made by the Home Inspector Advisory Board, 3) adoption of a code of ethics and standards of practice, 4) developing a licensure exam which meets nationally recognized standards, as well as developing applications and licensing forms, 5) 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](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](http://www.leg.state.nv.us/nrs/nrs-645d.html) and

[www.leg.state.nv.us/nac/nac-645d.html](http://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](http://www.state.nj.us/lps/ca/nonmed.htm)

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

**North Carolina Licensure (Chapter 143) enacted in 1993.** The North Carolina "Home Inspection Licensure Act" provides for the licensing and regulation of home inspectors through the creation of a Home Inspector Licensure Board within the Department of Insurance. In order to become licensed as a home inspector, an individual must pass the licensing examination prescribed by the Board, have minimum net assets or a bond in an amount determined by the Board (not less than \$5,000 nor more than \$10,000) and meet certain educational conditions, including: 1) have a high school diploma or its equivalent have been engaged as a licensed associate home inspector for at least one year, and have completed 100 home inspections for compensation; 2) have education and experience that the Board considers to be equivalent to that in subpart 1. above; or 3) be licensed as a general contractor, architect, or professional engineer. In order to become licensed as an associate home inspector, an individual must pass a licensing examination prescribed by the Board, have a high school diploma or its equivalent, and be affiliated with or intend to be affiliated with a licensed home inspector and submit a sworn statement by the licensed home inspector with whom the applicant is or intends to be affiliated certifying that the licensed home inspector will actively supervise and train the applicant.

For more information, contact the Inspector License Board  
 (910) 715-0991  
[www.ncdoi.com/](http://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](http://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 date 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/](http://www.health.state.ok.us/)

To download the law go to: [http://www2.lsb.state.ok.us/2001-02SB/sb198\\_sflr.rtf](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; further outlines consumer remedies as they relate to a home inspection, and establish 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](http://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](http://www.llr.state.sc.us)

To download the law go to: <http://www.lbitr.state.sc.us/code/t40c059.htm>

**South Dakota Licensure (Chapter 3621C) enacted in 2000.** The South Dakota law provides for the regulation of home inspectors. The South Dakota Real Estate Commission shall issue and renew certificates to licensed and registered home inspectors pursuant to the provisions of this law. No person may provide a home inspection for compensation unless registered or licensed in the State of South Dakota. Applicants for a license as a home inspector shall meet the following requirements; 1) Good moral character; 2) Completion of high school or equivalency; 3) Employment as a registered home inspector for no less than one year and performance of not less than one hundred home inspections for compensation; 4) Successful completion of licensing exam. Applicants for registration as a home inspector shall meet the following requirements; 1) Good moral character; 2) Completion of high school or equivalency; 3) Successful completion of an approved course of study; 4) Successful completion of registration exam.

For more information, contact the Real Estate Commission  
(605) 773-3600  
(605) 773-4356 [www.state.sd.us/sdrec/](http://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 Boe  
(615) 741-3449  
[www.state.tn.us/commerce](http://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 inspect and established continuing education requirements. The law also requires home inspect applicants to work as apprentice inspectors under the supervision of a professional licer home Inspector. If an applicant is unable to obtain an apprenticeship, educational cours work and an examination can be substituted. Home inspectors are regulated by the Tex 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/](http://www.trec.state.tx.us/)

To download the law go to: <http://www.capitol.state.tx.us/statutes/vn/vn0011?A.html>

To download the Rules go to:  
[info.sos.state.tx.us/pub/plsql/readtac\\$ext.ViewTAC?tac\\_view=5&ti=22&pt=23&ch=535&](http://info.sos.state.tx.us/pub/plsql/readtac$ext.ViewTAC?tac_view=5&ti=22&pt=23&ch=535&)

**Virginia Certification (Chapter 723, adding Chap. 5 of Title 54.1) enacted in 2001.** 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 examina offered or approved by the Board. The Board may issue a certificate to practice as a certified home inspector to any applicant who is a member of a national or state professional home inspector association approved by the Board, provided that the requirements for the class of membership in such association are equal to or exceed the requirements established by the Board for all applicants. Because the law was enacted recently, the language does not include specific requirements. The Board is undoubtedly working on creating those rules and requirements, in preparation for the law's July 1, 20 effective date.

For more information, contact Virginia Board for Asbestos, Lead, and Home Inspectors  
(804) 367-8507  
[http://www.state.va.us/dpor/asb\\_main.htm](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](http://www.state.va.us/dpor/asb_finalreq.pdf)

**Wisconsin Certification (Chapter 440.97) enacted in 1998.** Under Wisconsin's law, home inspectors must register with the State and pass an examination approved by the Department of Regulation and Licensing. The law instructs the Department to consider use of an examination modeled after ASHI's examination. The law also requires that a home inspector perform a "reasonably competent and diligent" inspection; however, the inspection is not required to be technically exhaustive. Home inspectors are prohibited from limiting their liability from damages resulting in a failure to conduct a "reasonably compe 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](http://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](http://www.drl.state.wi.us/Regulation/publications/admincode_statutes_h-m.htm#Home)

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Final Edition

# Anchorage Daily News

Monday, June 17, 2002

ALASKA'S NEWSPAPER

www.adn.com

## This house is no home sweet home

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

By ROSEMARY SHINOHARA  
Anchorage Daily News

Spenard resident Hope Prehn got a government-subsidized loan to buy a house that was supposed to have been fully inspected and in good condition. She has learned, too late, that the house is rotting and is probably unfixable.

"The place is not safe, and I don't know what to do," said Prehn, 38, a single mother with two children, and a first-time homebuyer.

"I'm stuck with a home that's con-

demnable."

None of the companies and agencies involved in the purchase think it's their fault.

The bank and a housing agency that signed off on the loan, and the home inspector who indicated major problems had been taken care of, suggest Prehn look elsewhere for help. They say there's nothing they can do about the fact that they helped her purchase a house that cost \$117,000 and could prove to be worthless.

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

where we stand."

Ironically, Prehn bought the house near Tudor Road and Minnesota Drive through a program aimed at giving low- and moderate-income families a chance to raise their standards of living. AnchorHomes, sponsored by the city and run by the nonprofit Anchorage Neighborhood Housing Services, contributes to the down payment and closing costs, with government money.

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

See Back Page, DEFECTS



Hope Prehn bought a house in Spenard in January with the help of AnchorHomes, a program sponsored by the city and run by the nonprofit Anchorage Neighborhood Housing Services. Two experts have since told her the house is a wreck.

# DEFECTS: Owner of rotting home can't find anyone to take responsibility

Continued from A-1

expert.

Houses in her price range were scarce. She knew the Spenard house needed work, but the location was right, not too far from her job as a state social services associate. And she planned to remodel.

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

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

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

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

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

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

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

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



BILL ROTH / Anchorage Daily News

Roger Sleber, a construction project manager for Anchorage Neighborhood Housing, said in a written report that he saw "extensive deterioration" of the wood 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 Sleber, said in his written report that he saw "extensive deterioration" of the wood frame around the door, where Prehn had removed the wood paneling, and of wood framing around the foundation.

"We kind of agree with her" that the house has serious problems, Michael said. "We've tried every way we can to figure out what to do about it. My suggestion to her would be to hire an attorney and see if there are flaws in the original home inspection."

A growing concern in Alaska is that there are no standards for home inspectors. Anyone can claim to be one. Home inspectors in Alaska may get certified by the American Society of Home Inspectors if they choose to, says Kevin Jones of Quality Home Inspectors, president of the society's local chapter. Certified inspectors have passed an exam that proves they have a certain level of knowledge and they have committed to continuing education, Jones said.

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

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

The first inspector missed major

clues to the structural defects, 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 267-4340.

**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  
Chugink

JUNE 21, 2002 ADN



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

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

Who are those guys who have so much influence on the residential real estate market? Their written reports and recommendations affect the buying and selling of millions of dollars worth of properties each year. But they are NOT 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.*

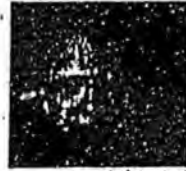
6. *On average the home inspectors interviewed conducted between 125-175 home inspections a year.*

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.

## Home-inspection bill would help buyers



**CLAIR  
RAMSEY**

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

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

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

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

Please see Page C-2, RAMSEY

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27 June 1999 C-1

## RAMSEY: Bill would help buyers

Continued from Page C-1

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

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

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

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

1998 1997 1996 1995 1994 1993 1992 1991 1990 1989 1988 1987 1986 1985 1984 1983 1982 1981 1980 1979 1978 1977 1976 1975

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

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

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

In an era of specialization, every aspect of buying a house needs to be dealt with by the proper professional. The lender provides the best financing to fit your needs, the appraiser determines value and the home inspector examines the property for soundness and safety. Doubling up on services is like asking the surgeon or anesthesiologist to do the other person's job. Not for the faint of heart, the 1998 was an economic disaster for Bristol. But it wasn't enough. Not nearly. In fact, the salmon catch...

# Expert home inspections useful for buyer and seller



CLAIR  
RAMSEY

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

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

The home inspection report typically groups items between minor ongoing

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

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

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

Groundwater problems are a second

Please See Page C-5, RAMSEY

ADN

23 July 1999 p C-1

## RAMSEY: Inspections focus on repairs.

Continued from Page C-1

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

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

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

Bathrooms in older homes may also need

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

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

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

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

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

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

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

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

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

### Inspection Industry Unregulated

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

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

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

### Insurance & Training of Great Importance

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

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

For 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**

**A Tax Break  
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(Medical Savings Accounts)  
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- a) \$ into MSA = 100% tax-deductible\*
- b) \$ into health premium = 45% tax-deductible

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

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

**Lonnie Crosby**  
Phone: 907-248-6348  
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**Happy Thanksgiving!**

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



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(Continued from Page 8)

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

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

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

1. Is home inspection your only business?  
Make certain it is, in order to avoid any potential conflicts of interest. Many independent inspectors do it on a part-time basis to supplement their real businesses as contractors, roofers, etc., and their report findings might be suspect.
2. Do you carry all the necessary insurance, including professional liability (E&O), general liability and worker's compensation?  
E&O is the number one priority, says Warren Boroson, co-author of the Homebuyer's Inspection Guide. This malpractice-type insurance protects the inspector (and indirectly the homebuyer and those referring the inspector) against post-inspection legal problems. General liability covers personal liability not covered by the basic E&O policy and worker's compensation covers the safety of the inspector during the inspection.

3. Does the home inspection firm offer a written guarantee on the inspection?  
It's best to hire an inspection company that offers a formal, written guarantee along with the inspection, although not many do.
4. How long does the inspection take and can the homebuyer accompany the inspector?  
Yes, they should. A professional inspection of the average house takes about two hours. Be skeptical of home inspectors who don't want you to tag along. Inspectors who invite the homebuyer along will often offer valuable maintenance tips.
5. What type of a report will they buyer receive and when will they receive it?  
There are various types of reports given by professional inspectors, including typed narrative (sent to the homebuyer within a week), and on-the-spot written reports for those who need or want the information as soon as possible. Don't accept a verbal report without a written backup, since you will have no record of the inspector's findings for future referral.
6. Is the inspector trained or certified in home inspection by a recognizable organization, such as the American Society of Home Inspector's (ASHI)?  
With no official government regulation of the home inspection industry required in Alaska, certification by ASHI ensures that the inspector meets strict guidelines set forth by one of the largest and most reputable home inspection organizations.

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360-1176

**Anita Bates**  
243-8777

**State of Alaska**

**Residential Real Property Transfer  
Disclosure Statement**

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

\* Note

**Documentation:**

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

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

**Additional Information:**

Supply information for the following items:

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| <b>&gt; Drainage:</b>   |                          |                          |
| • Are you aware of ever having any water in the crawl space, basement, or lower level? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, how has the problem been resolved?  |                          |                          |
| <input type="checkbox"/> Sump Pump(s) <input type="checkbox"/> Curtain Drain <input type="checkbox"/> Rain Gutter Extension <input type="checkbox"/> Other _____  |                          |                          |
| • When was problem resolved? _____  |                          |                          |
| • Location of each sump pump: _____   |                          |                          |
| • To where does the water drain after it leaves the sump pump? _____  |                          |                          |
| • If gutters, where do downspouts discharge? _____  |                          |                          |
| • Is there a floor drain in the structure, including garage? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, where is it located and where does it drain to? _____   |                          |                          |
| <b>&gt; Roof or Other Leakage:</b>  |                          |                          |
| • Age: _____ years.   |                          |                          |
| • Type: <input type="checkbox"/> Asphalt/Composition Shingle <input type="checkbox"/> Cedar Shake <input type="checkbox"/> Built-up <input type="checkbox"/> Metal <input type="checkbox"/> Other _____                 |                          |                          |
| • Are you aware of any ice damming on the roof? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, provide location. _____   |                          |                          |
| • Are you aware of any water leaking into the home? i.e., windows, lights, fireplace, etc.....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, provide location. _____   |                          |                          |
| <b>&gt; Fireplace and/or Woodstove:</b> Date chimneys last cleaned? _____ Who cleaned? _____  |                          |                          |
| <b>&gt; Heating System(s):</b>  |                          |                          |
| • Mark all types that apply: <input type="checkbox"/> Hot Water Baseboard <input type="checkbox"/> Forced Air <input type="checkbox"/> Radiant Heat <input type="checkbox"/> Electrical Heat                            |                          |                          |
| <input type="checkbox"/> Wood Stove <input type="checkbox"/> Other _____  |                          |                          |
| • Age: _____ years. Last Cleaned: _____ Last Inspected: _____   |                          |                          |
| • Source: <input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Oil with _____ gallon storage which is <input type="checkbox"/> Buried <input type="checkbox"/> Above General |                          |                          |
| <input type="checkbox"/> Propane Tank <input type="checkbox"/> Wood <input type="checkbox"/> Coal <input type="checkbox"/> Other _____  |                          |                          |
| • Age of Tank? _____ years  |                          |                          |
| <b>&gt; Hot Water Heater:</b>   |                          |                          |
| • Age: _____ years. Capacity: _____ gallons Type: <input type="checkbox"/> Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other _____   |                          |                          |
| <b>&gt; Water Supply:</b>   |                          |                          |
| • Type: <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Community <input type="checkbox"/> Cistern <input type="checkbox"/> Other _____                                       |                          |                          |
| • Have you had any problems with your water supply? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Private: Well Depth: _____ feet. Flow Rate: _____ gallons per minute.  |                          |                          |
| • Has the water supply been tested in the past 12 months? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, attach all documentation from all tests.  |                          |                          |
| • Has the well failed while you have owned the property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have you ever had a well pump problem or failure? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do you supply water to or receive water from others? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • If Yes, is there a recorded agreement? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do you have a water rights certificate for this property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |

Seller's Initials \_\_\_\_\_ Date \_\_\_\_\_ Property Address \_\_\_\_\_ Buyer's Initials \_\_\_\_\_ Date \_\_\_\_\_

I/We have completed this disclosure statement according to AS 34.70.010 - AS 34.70.200 and these instructions, and the statements are made in good faith and are true and correct to the best of my/our knowledge as of the date signed. I/We authorize any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated transfer of the property or interest in the property.

Seller: \_\_\_\_\_

Date: \_\_\_\_\_

Seller: \_\_\_\_\_

Date: \_\_\_\_\_

### Buyer's Notice and Receipt of Copy

**Transferee (Buyer) Awareness Notice:** Under AS 34.70.050, Transferee (Buyer) is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Transferee's (Buyer's) potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska Information Center Internet site: [www.state.ak.us](http://www.state.ak.us), under Hot Topics for the "Registry/Sex Offenders."

*\* Note*

The Buyer is urged to inspect the property carefully and to have the property inspected by an expert. Buyer understands that there are aspects of the property of which the Seller may not have knowledge and that this disclosure statement does not encompass those aspects. Buyer also acknowledges that he/she has read and received a signed copy of this statement from the Seller or the Seller's agent.

Buyer: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer: \_\_\_\_\_

Date: \_\_\_\_\_

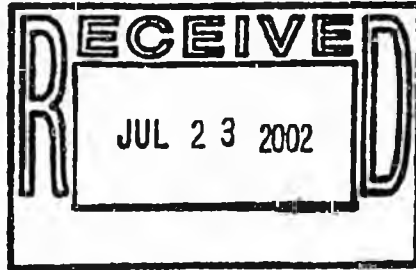
Seller's Initials

Date

Property Address

Buyer's Initials

Date



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

Representative Norman Rokeberg  
716 West " 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 black ink and is positioned above the printed name.

Richard F. Gaver

Enclosure: letter to AHFC

Letters of Support



# Municipality of Anchorage

Office of the Mayor

*George P. Wuerch, Mayor*



February 4, 2003

Representative Norman Rokeberg  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Re: House Bill 9

Dear Representative Rokeberg,

Purchasing a home is, for most families, the largest single investment they will make. Before making that investment, many people are now turning to home inspectors to assist them in making their purchase decision. Unfortunately, anyone can call himself or herself a home inspector and there is no oversight of this growing industry.

A faulty inspection could have serious consequences for consumers when selling or purchasing a home. Consumers should have the peace of mind of knowing that their home inspector they are hiring is qualified to do the inspection and that they can be held accountable for their work.

The Municipality of Anchorage supports your efforts, through HB 9 to provide protection to Alaskans by establishing proof of competency for home inspectors as well as registration, identification, bonding and insurance requirements.

Sincerely,

Tim Rogers  
Legislative Program Coordinator

**Subject: House Bill No. 9 Home Inspector Bill**

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

**From:** Don Sheppard <dsheppard@alaska.com>

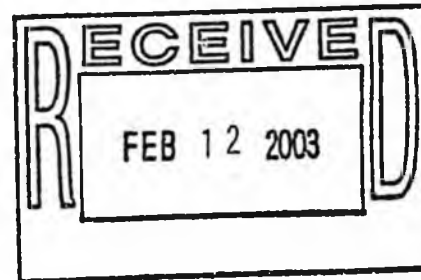
**To:** Representative\_Norman\_Rokeberg@legis.state.ak.us

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

Sincerely,

Don Sheppard  
Frank Sobottka  
Mark Crawford

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





**ANCHORAGE BOARD  
OF REALTORS, INC.**

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

January 24, 2003

Representative Rokeberg  
State Capitol  
Juneau, Alaska 99801-1182

RE: HB 9 – Relating to the licensing of home inspectors

Dear Representative Rokeberg,

The Anchorage Board of REALTORS with over 600 members statewide supports House Bill 9 relating to the licensing of home inspector.

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

The Board encourages the passage of HB 9.

Sincerely,

Bert Dozark, CRS, GRI  
President





ALASKA ASSOCIATION OF REALTORS, INC.  
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503  
Telephone 907-563-7133 • Fax 907-563-8476

January 24, 2003

Representative Rokeberg  
State Capitol  
Juneau, Alaska 99801-1182

RE: Relating to the licensing of home inspectors

Dear Representative Rokeberg,

The Alaska Association of REALTORS with over 1,100 members statewide supports House Bill 9 relating to the licensing of home inspectors.

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

The Association encourages the passage of HB 9 during this first session. We are available as a resource to pass this bill. Please feel free to contact the Alaska Association at (907) 563-7133.

Sincerely,

A handwritten signature in cursive script that reads 'Carole Winton'.

Carole Winton  
President



**LESSMEIER & WINTERS**

LAWYERS - LLC

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

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

TELEPHONE: (907) 586-5912  
FACSIMILE: (907) 463-3020  
E-MAIL: lw@qclaw

February 2, 2001

Representative Norman Rokeberg  
State Capitol  
Juneau, Alaska 99801-1182

FEB 02 2001

Re: CSHB 27

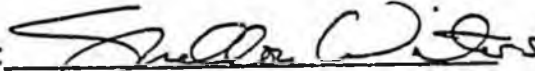
Dear Representative Rokeberg:

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

Sincerely,

LESSMEIER & WINTERS

By:



Sheldon E. Winters



# **WARD**

Development  
& Construction Management  
INCORPORATED

April 18, 2002

Dear *Tom* Legislator:

It is my understanding that HB 27, licensing of home inspectors, will be heard on the House Floor today.

I would like to urge my support for this bill, given it's broad support within the affected industries. This piece of legislation has been in the works for several years and the version you see today is the product of hard work and compromise by the many parties involved.

Some may ask; is this a union issue? It is not. Labor should not be affected.

Others may ask; how will this affect the Third Party Alternative Inspector ordinance that is being introduced at the Anchorage Assembly? It will enhance it. If the Anchorage ordinance were adopted, those inspectors would be licensed and certified, which is good public policy.

I would be available to answer any questions on my cell phone at 229-8403.

Thank you for your support!

Robin E. Ward

**Approved**

Date: 3/19/02

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

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

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

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

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

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

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

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

NOW, THEREFORE, the Anchorage Assembly resolves:

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

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

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

MAR 21 2002

**Subject: House Bill 27 - Home Inspection Licensing**

**Date: Mon, 06 May 2002 16:14:53 -0800**

**From: Karen Crawford <housemaster@alaska.com>**

**Organization: HouseMaster**

**To: Representative Norman Rokeberg <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Representative Rokeberg:

As an active ASHI member and a long term home inspector I wish to add my encouragement for the passage of HB 27. We have waited too long to provide for inspector certification by the state. While the vocal minority will always find something in the bill to complain about it is my feeling that we must proceed with passage of the bill and work out the kinks should any arise. State certification is ongoing throughout the rest of the country and sooner or later will encompass the entire 50 states.

Only through a well thought out certification bill will we be able to achieve minimum standards for those people calling themselves home inspectors and thereby provide the home buying public with assurance of professional inspections.

The following ASHI members/ candidates support the passage of this legislation.

Don Sheppard Owner/President HouseMaster Home Inspection Service  
ASHI #118913, NIBI #65495RT, ICBO#0865225-55

Frank Sobottka Inspector ASHI #204775, NIBI135700RT, ICBO#5071485-55  
Mark Crawford Inspector ASHI Candidate, NIBI #141601RT

Gregg Russo Inspector ASHI Candidate

Sincerely,

Don Sheppard

**Subject: HB27**

**Date: Tue, 7 May 2002 02:33:01 EDT**

**From: Qualhome@aol.com**

**To: Representative\_Norman\_Rokeberg@legis.state.ak.us**

Representative Rokeburg,

My name is Kevin Jones and I am the owner operator of Quality Home Inspection Service in Anchorage. I wish to express my support for HB27 and would ask for your assistance and support in getting this very important consumer protection bill into law. It appears that only the negative responses are reaching the senates ears when the majority of home inspectors are supportive of this bill.

Currently in Alaska anyone with a 50 dollar business license can advertise themselves as home inspectors to the buying public, without any background or experience in the principles of construction and building safety. I am a member of the American Society of Home Inspectors and currently hold the position of Alaska ASHI President. I am also a Certified Combination Dwelling Inspector through the International Conference of Building Officials (ICBO). In the state we have 19 members or candidates in the local Alaska ASHI chapter. Our organization requires passing the national home inspectors examination and having performed at least 250 fee paid inspections that conform to the Standards and Practice set forth by the organization. Additionally membership requires 20 continuing education credits for renewal every year. Certification from the ICBO required passing an examination on the knowledge of the Uniform Building Code, Uniform Mechanical Code, Uniform Plumbing Code, National Electric Code, International Residential Code, International Mechanical Code and the International Plumbing Code. The ICBO requires recertification by examination every three years.

As you can see the knowledge required to adequately and responsibly perform home inspections cannot be obtained with a 50 dollar bill and a business license. Home purchasing will likely be the single most important and costly decision the majority of consumers will ever make. In that regard the homebuying public deserves to have qualified and knowledgeable individuals representing them in the process of their home buying experience. With the price of homes today few people can ill afford to find costly defects existed after the fact, when a professional inspector could identify them prior to moving into the new home and allow the homebuyer to make knowledgeable decisions. It is only natural then that some sort of protection be in place to ensure that the individuals performing the inspections meet some established minimum standard/requirement of knowledge and experience.

This is where HB27 comes into effect. This bill has been around for almost two years and provides the consumer protection that everyone is entitled to. Again I would appreciate your help and support in gaining passage of this bill during the 2nd session. Thanks so much for your time.

Sincerely,

Kevin D Jones  
Quality Home Inspection Service  
333-1719  
Owner

**Subject:** [Fwd: hb27 reply]

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

**From:** Heather Nobrega <Heather\_Nobrega@legis.state.ak.us>

**Organization:** Representative Norman Rokeberg, Alaska State House

**To:** Janet Seitz <Janet\_Seitz@legis.state.ak.us>

Ryan wrote:

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

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Committee Aide  
Alaska State House  
Judiciary Committee