

GFBR Call to Action Opposing 18 AAC 50.081

As REALTORS®, we are dedicated to helping Alaskans buy and sell homes efficiently, affordably, and responsibly. However, a new requirement outlined in 18 AAC 50.081 (full code attached) will pose significant challenges that will negatively impact the real estate market and create unnecessary hardships and burdens for homeowners and REALTORS® alike. This is a very urgent matter, and we need you to act quickly.

The code reads such that any seller must get an energy rating prior to listing their home for sale if they live in the non-attainment area in the Fairbanks North Star Borough. It also requires “agents”, if involved, to enforce compliance.

We are asking you to reach out to the policy makers listed below that could make a difference on this state administrative code already in place with these points:

We urge policymakers to reconsider these regulations and work toward more practical policies.

1. **Financial Burden for Sellers:** Requiring sellers to pay for an energy rating before listing their property adds another financial hurdle. These energy ratings cost approximately \$1,200 and could potentially discourage homeowners from putting their properties on the market. This would limit housing inventory even more in the Fairbanks area and drive-up prices for buyers, limiting affordability even more.

2. **Market Disruption:** As of January 26th, 2025 there are only 2 energy raters licensed with AHFC in FNSB and only 12 in the state. The average time for scheduling, physical energy rating testing, and then producing the report is 2 days. This could potentially add an upfront time frame of 6 months prior to a seller putting a sign in their yard. These regulations will halt the real estate market when put in place and create additional barriers to homeownership and negatively impact interior Alaska real estate market.

3. **Unnecessary Complexity of Transactions:** This policy introduces unnecessary layers of bureaucracy. These additional steps slow down transactions and increase the administrative burden on REALTORS®, sellers, and buyers and the state. It is unclear how this program will be “policed”.

4. **Impracticality of Policy.** This code mandates any property “residential” in nature. This includes condominiums and multifamily properties. These units will not be able to financially afford the complex and undefined scope of the energy rating. It is also unclear how long the energy ratings are good for and how they will be used later and if the rating will unnecessarily affect value.

5. **Potential for Liability Concerns:** The obligation to “ensure compliance” places an unrealistic expectation on agents to monitor highly technical and regulatory processes, diverting attention from serving clients effectively.

We support measures that promote energy efficiency and responsible heating practices but believe these goals can be achieved through education, incentives, and voluntary programs—not mandates that create financial burdens and procedural roadblocks.

Take Action Today:

Our collective power and voices can make a direct impact for property owners and our real estate market and these regulations. As community members, licensees, and REALTORS® we need to unify, advocate and appeal to the EPA and Governor Dunleavy to overturn the amendment and work for an amendment for balanced and attainable approach that supports the goals of the PM2.5 protocol and requirements without compromising the housing market or real estate licensees of the State of Alaska.

Please use the bullet points above to either copy or paste or create your own. It is important that any comments go to the EPA and the Governor before February 7th, 2025.

United State EPA public comment link

<https://www.epa.gov/ak/fairbanks-air-quality-plan#approval>

Mike Dunleavy, Governor

<https://gov.alaska.gov/contact/feedback/>

Emma Poken, Commissioner

Department of Environmental Conservation

dec.commissioner@alaska.gov

Please send any follow up information or comments back to Heather Ferguson, GFBR Legislative/Advocacy Chair 907-460-6470 heatherferguson907@gmail.com

This amendment to the Alaska Administrative Code (18AAC 50.081) is a regulatory update and does not require legislative action, unlike statute. This is why we must direct these comments to the Governor, Commission and directly to EPA.

For your reference the code reads:

After December 31, 2025, a residential building owner must have an energy rating completed by an energy rater **before listing the building or property for sale**; the residential building owner shall pay for the costs of the energy rating; the energy rater shall provide information about weatherization resources as part of the energy rating report; the residential

building owner must give the energy rating report to the buyer simultaneously with the seller's Residential Real Property Transfer Disclosure Statement from the Real Estate Commission

It goes on to say about licensees:

An agent **shall ensure compliance with all requirements of this section.** To ensure compliance, the agent must (1) inform the seller or buyer, as applicable, of the seller's or buyer's obligations under this section, (2) ensure during a real estate transaction that the seller or buyer, as applicable, has performed all activities required under or must personally ensure compliance with those requirements. (c) If the agent has complied with (b)(1) of this section, the agent may not be liable for the failure to disclose to a buyer the presence of a noncompliant wood-fired heating device known by a seller but not disclosed to the agent. (d) In this section, (1) "agent" means any party who enters into a contract with an owner, seller, or buyer, including any party who enters into a contract with a representative of the seller or buyer, for the purpose of selling or buying any building;

If you have additional questions, comments, or information please do not hesitate to call/email Heather Ferguson, GFBR Legislative/Advocacy Chair 907-460-6470
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