

HOUSE BILL 664

Unofficial Copy  
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SB 469/97 - FIN

1998 Regular Session  
8r1804  
CF 8r0415

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By: **Delegate Morhaim**

Introduced and read first time: February 9, 1998

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Home Inspectors - Disclosure Requirements, Limitations of Liability, and**  
3                                   **Inspection Standards**

4 FOR the purpose of requiring home inspectors to disclose certain information prior to  
5 a home inspection; prohibiting a home inspector from limiting liability arising  
6 out of the home inspection to any fee paid as consideration for the home  
7 inspection; requiring a home inspection to be conducted in accordance with  
8 certain standards; providing that a violation of this Act is an unfair and  
9 deceptive trade practice; and generally relating to home inspectors.

10 BY transferring

11 Article - Real Property  
12 Section 10-801 and the subtitle "Subtitle 8. Home Inspections"  
13 Annotated Code of Maryland  
14 (1996 Replacement Volume and 1997 Supplement)

15 to be

16 Article - Commercial Law  
17 Section 14-2902 under the amended subtitle "Subtitle 29. Home Inspectors"  
18 Annotated Code of Maryland  
19 (1990 Replacement Volume and 1997 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - Commercial Law  
22 Section 13-301(14)  
23 Annotated Code of Maryland  
24 (1990 Replacement Volume and 1997 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article - Commercial Law  
27 Section 13-301(15)  
28 Annotated Code of Maryland  
29 (1990 Replacement Volume and 1997 Supplement)

1 BY adding to  
2 Article - Commercial Law  
3 Section 14-2901, 14-2903, 14-2904, and 14-2905  
4 Annotated Code of Maryland  
5 (1990 Replacement Volume and 1997 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - Commercial Law  
8 Section 14-2902  
9 Annotated Code of Maryland  
10 (1990 Replacement Volume and 1997 Supplement)  
11 (As enacted by Section 1 of this Act)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That Section(s) 10-801 and the subtitle "Subtitle 8. Home Inspections"  
14 of Article - Real Property of the Annotated Code of Maryland be transferred to be  
15 Section(s) 14-2902 under the amended subtitle "Subtitle 29. Home Inspectors" of  
16 Article - Commercial Law of the Annotated Code of Maryland.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
18 read as follows:

19 **Article - Commercial Law**

20 13-301.

21 Unfair or deceptive trade practices include any:

22 (14) Violation of a provision of:

23 (i) This title;

24 (ii) An order of the Attorney General or agreement of a party  
25 relating to unit pricing under Title 14, Subtitle 1 of this article;

26 (iii) Title 14, Subtitle 2 of this article, the Maryland Consumer Debt  
27 Collection Act;

28 (iv) Title 14, Subtitle 3 of this article, the Maryland Door-to-Door  
29 Sales Act;

30 (v) Title 14, Subtitle 9 of this article, Kosher Products;

31 (vi) Title 14, Subtitle 10 of this article, Automotive Repair Facilities;

32 (vii) Section 14-1302 of this article;

- 1 (viii) Title 14, Subtitle 11 of this article, Maryland Layaway Sales  
2 Act;
- 3 (ix) Section 22-415 of the Transportation Article;
- 4 (x) Title 14, Subtitle 20 of this article;
- 5 (xi) Title 14, Subtitle 15 of this article, the Automotive Warranty  
6 Enforcement Act;
- 7 (xii) Title 14, Subtitle 21 of this article;
- 8 (xiii) Section 18-107 of the Transportation Article;
- 9 (xiv) Title 14, Subtitle 22 of this article, the Maryland Telephone  
10 Solicitations Act;
- 11 (xv) Title 14, Subtitle 23 of this article, the Automotive Crash Parts  
12 Act;
- 13 (xvi) Title 10, Subtitle 6 of the Real Property Article;
- 14 (xvii) [Title 10, Subtitle 8 of the Real Property Article] TITLE 14,  
15 SUBTITLE 29 OF THIS ARTICLE;
- 16 (xviii) Title 14, Subtitle 25 of this article, the Hearing Aid Sales Act;  
17 or
- 18 (xix) Title 14, Subtitle 26 of this article, the Maryland Door-to-Door  
19 Solicitations Act; or
- 20 (15) Any act or omission that relates to a residential building and that is  
21 chargeable as a misdemeanor under or otherwise violates a provision of the Energy  
22 Conservation Building Standards Act, Article 78, § 54-I of the Code.
- 23 Subtitle [8. Home Inspections] 29. HOME INSPECTORS.
- 24 14-2901.
- 25 IN THIS SUBTITLE "HOME INSPECTOR" MEANS A PERSON WHO PROVIDES OR  
26 OFFERS TO PROVIDE HOME INSPECTION SERVICES.
- 27 14-2902.
- 28 [(a) In this subtitle, "home inspector" means a person who provides or offers to  
29 provide home inspection services.
- 30 (b) Promptly after agreeing to perform an inspection and] A CONTRACT FOR A  
31 HOME INSPECTION IS NOT BINDING ON A CONSUMER UNLESS, before a home is  
32 inspected, a home inspector [shall provide] PROVIDES the person who has entered

1 into [a] THE contract FOR THE HOME INSPECTION [for the purchase of the  
2 property]:

3 (1) A list of the credentials of:

4 (i) The home inspector; and

5 (ii) If the individual who will actually perform the inspection is  
6 different from the home inspector, that individual; and

7 (2) A disclosure in [10-point] 12-POINT bold type ON A SEPARATE FORM  
8 that states:

9 "An inspection is intended to assist in evaluation of the overall condition of a  
10 building. The inspection is based on observation of the visible and apparent condition  
11 of the building and its components on the date of inspection.

12 The results of this home inspection are not intended to make any representation  
13 regarding latent or concealed defects that may exist, and no warranty or guaranty is  
14 expressed or implied.

15 If the person conducting your home inspection is not a licensed structural  
16 engineer or other professional whose license authorizes the rendering of an opinion as  
17 to the structural integrity of a building or its other component parts, you may be  
18 advised to seek a professional opinion as to any defects or concerns mentioned in the  
19 report."

20 [(c) The information required to be provided under subsection (b) of this  
21 section shall be included in the home inspection report that is delivered to the person  
22 who has entered into a contract for the purchase of the property.]

23 14-2903.

24 A CONTRACT FOR THE INSPECTION OF REAL PROPERTY BY A HOME INSPECTOR  
25 MAY NOT LIMIT LIABILITY OF THE HOME INSPECTOR ARISING OUT OF THE HOME  
26 INSPECTION TO ANY FEE PAID AS CONSIDERATION FOR THE HOME INSPECTION.

27 14-2904.

28 A HOME INSPECTOR CONDUCTING A HOME INSPECTION UNDER THIS SUBTITLE  
29 SHALL:

30 (1) EVALUATE THE OVERALL CONDITION OF THE BUILDING AND ITS  
31 MAJOR COMPONENTS; AND

32 (2) IDENTIFY AND REPORT IN WRITING ANY VISIBLE AND ACCESSIBLE  
33 MATERIAL DEFECTS IN THE BUILDING AND ITS MAJOR COMPONENTS.

1 14-2905.

2 IN ADDITION TO ANY OTHER REMEDIES OTHERWISE AVAILABLE AT LAW, A  
3 VIOLATION OF THIS SUBTITLE SHALL BE AN UNFAIR AND DECEPTIVE TRADE  
4 PRACTICE UNDER TITLE 13, SUBTITLE 3 OF THIS ARTICLE.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
6 effect October 1, 1998.