
By: **Delegates Love, Kach, and Donoghue**
Introduced and read first time: February 13, 1998
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Home Inspections**

3 FOR the purpose of requiring a home inspector and a client to execute a written
4 inspection agreement before a home inspection is performed; specifying the
5 contents of the agreement; requiring a home inspector to provide certain
6 information and make certain disclosures to a client before performing a home
7 inspection; requiring a home inspector to perform a home inspection in
8 accordance with certain standards of practice; requiring the results of a home
9 inspection to be reported in a certain manner; requiring a home inspection
10 report to be treated as confidential under certain circumstances; prohibiting a
11 home inspector from offering to repair for compensation any deficiencies
12 discovered during a home inspection; establishing certain requirements an
13 individual must meet to be authorized to act as a home inspector; requiring a
14 seller of a building to make certain information available to a home inspector;
15 requiring the seller to assume certain liabilities under certain circumstances;
16 establishing a certain statute of limitations on claims arising from a home
17 inspection; making a violation of this Act an unfair and deceptive trade practice
18 under the Maryland Consumer Protection Act; defining certain terms; and
19 generally relating to home inspections.

20 BY adding to
21 Article - Commercial Law
22 Section 14-2901 through 14-2906, inclusive, to be under the new subtitle
23 "Subtitle 29. Home Inspections"
24 Annotated Code of Maryland
25 (1990 Replacement Volume and 1997 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Commercial Law**

2 SUBTITLE 29. HOME INSPECTIONS.

3 14-2901.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.6 (B) "CLIENT" MEANS THE PERSON ON WHOSE BEHALF A HOME INSPECTOR IS
7 ACTING, AS SPECIFIED IN THE INSPECTION AGREEMENT AND WRITTEN REPORT.8 (C) "DEFICIENCIES" MEANS OBSERVED PROBLEMS IN THE OPERATION OR
9 CONDITION OF A SYSTEM OR COMPONENT THAT IS UNABLE TO PERFORM ITS
10 INTENDED PURPOSE ON THE DAY OF THE HOME INSPECTION.11 (D) "HOME INSPECTION" MEANS A LIMITED SURVEY OF A BUILDING BY A
12 HOME INSPECTOR FOR A CLIENT TO IDENTIFY AND REPORT MAJOR VISIBLE AND
13 ACCESSIBLE DEFECTS OR CONDITIONS THAT ADVERSELY AFFECT THE FUNCTION OR
14 INTEGRITY OF SPECIFIC ITEMS, COMPONENTS, OR SYSTEMS INSPECTED.15 (E) "HOME INSPECTOR" MEANS A PERSON WHO, FOR COMPENSATION,
16 ENGAGES IN OR OFFERS TO ENGAGE IN THE BUSINESS OF PROVIDING HOME
17 INSPECTION SERVICES TO A CLIENT.

18 (F) "STANDARDS OF PRACTICE" MEANS A DOCUMENT THAT:

19 (1) IS CREATED BY A NATIONAL HOME INSPECTION TRADE
20 ASSOCIATION SUCH AS THE NATIONAL ASSOCIATION OF HOME INSPECTORS (NAHI),
21 THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI), OR AN EQUIVALENT TRADE
22 ASSOCIATION; AND23 (2) DEFINES THE PROVISIONS, PURPOSE, GUIDELINES, CONDITIONS,
24 LIMITATIONS, EXCLUSIONS, AND TERMS RELATING TO A HOME INSPECTION.

25 14-2902.

26 (A) PROMPTLY AFTER AGREEING TO PERFORM A HOME INSPECTION AND
27 BEFORE PERFORMING THE HOME INSPECTION, A HOME INSPECTOR SHALL PROVIDE
28 THE CLIENT WITH A LIST OF THE CREDENTIALS OF THE HOME INSPECTOR.29 (B) (1) BEFORE PERFORMING A HOME INSPECTION, THE HOME INSPECTOR
30 AND THE CLIENT SHALL EXECUTE A WRITTEN INSPECTION AGREEMENT.

31 (2) THE AGREEMENT SHALL:

32 (I) CONTAIN THE TERMS AND CONDITIONS OF THE HOME
33 INSPECTION;

1 (II) SPECIFY THAT THE HOME INSPECTION WILL BE PERFORMED
2 ACCORDING TO THE STANDARDS OF PRACTICE SET FORTH BY A NATIONAL HOME
3 INSPECTION TRADE ASSOCIATION, SUCH AS THE NATIONAL ASSOCIATION OF HOME
4 INSPECTORS (NAHI), THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI), OR AN
5 EQUIVALENT TRADE ASSOCIATION; AND

6 (III) CONTAIN A DISCLOSURE IN 10-POINT BOLD TYPE THAT STATES:

7 "A HOME INSPECTION IS INTENDED TO ASSIST IN EVALUATION
8 OF THE OVERALL CONDITION OF A BUILDING. THE INSPECTION IS BASED ON
9 OBSERVATION OF THE VISIBLE, ACCESSIBLE, AND APPARENT CONDITION OF THE
10 BUILDING AND ITS COMPONENTS ON THE DATE OF INSPECTION.

11 THE RESULTS OF THIS HOME INSPECTION ARE NOT INTENDED
12 TO MAKE ANY REPRESENTATION REGARDING LATENT OR CONCEALED DEFECTS
13 THAT MAY EXIST, AND NO WARRANTY OR GUARANTEE IS EXPRESSED OR IMPLIED."

14 (C) BEFORE PERFORMING A HOME INSPECTION, A HOME INSPECTOR SHALL
15 DISCLOSE TO THE CLIENT ANY INTEREST IN THE BUILDING OR RELATIONSHIP TO
16 THE OWNER OF THE BUILDING THAT THE HOME INSPECTOR MAY HAVE.

17 (D) A HOME INSPECTOR SHALL PERFORM A HOME INSPECTION IN
18 ACCORDANCE WITH THE STANDARDS OF PRACTICE SET FORTH BY A NATIONAL
19 HOME INSPECTION TRADE ASSOCIATION, SUCH AS THE NATIONAL ASSOCIATION OF
20 HOME INSPECTORS (NAHI), THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI),
21 OR AN EQUIVALENT TRADE ASSOCIATION.

22 (E) (1) THE RESULTS OF A HOME INSPECTION SHALL BE REPORTED IN A
23 WRITTEN REPORT OR A CHECKLIST WITH SUMMARIES.

24 (2) THE HOME INSPECTOR SHALL DISCLOSE IN THE REPORT OR
25 CHECKLIST ALL FINDINGS MADE DURING THE HOME INSPECTION THAT WOULD BE
26 CONSIDERED A STRUCTURAL DEFICIENCY, FAILING MAJOR COMPONENT, OR A
27 POTENTIALLY HAZARDOUS CONDITION.

28 (3) AT THE REQUEST OF THE CLIENT, A HOME INSPECTION REPORT
29 SHALL BE TREATED AS CONFIDENTIAL BY THE HOME INSPECTOR.

30 (F) A HOME INSPECTOR MAY NOT OFFER TO REPAIR FOR COMPENSATION ANY
31 DEFICIENCIES DISCOVERED DURING A HOME INSPECTION.

32 14-2903.

33 TO BE AUTHORIZED TO ACT AS A HOME INSPECTOR, AN INDIVIDUAL SHALL:

34 (1) BE A FULL MEMBER OF A NATIONAL HOME INSPECTION TRADE
35 ASSOCIATION, SUCH AS THE NATIONAL ASSOCIATION OF HOME INSPECTORS (NAHI),
36 THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI), OR AN EQUIVALENT TRADE
37 ASSOCIATION, COMPLETE ALL TESTS REQUIRED BY THE TRADE ASSOCIATION FOR
38 FULL MEMBERSHIP, AND BE IN GOOD STANDING IN THE TRADE ASSOCIATION; AND

1 (2) ATTEND A MINIMUM OF 8 HOURS OF CONTINUING EDUCATION EACH
2 YEAR IN SUBJECTS RELEVANT TO THE PERFORMANCE OF HOME INSPECTIONS, FROM
3 A RECOGNIZED PROFESSIONAL ORGANIZATION OR ACCREDITED EDUCATIONAL
4 INSTITUTION.

5 14-2904.

6 (A) WITH RESPECT TO ANY HOME INSPECTION, THE SELLER OF A BUILDING
7 SHALL BE REQUIRED TO:

8 (1) MAKE AVAILABLE TO THE HOME INSPECTOR PRIOR TO THE HOME
9 INSPECTION ANY WRITTEN DISCLOSURE STATEMENTS;

10 (2) DISCLOSE IN WRITING ANY INFORMATION REQUESTED BY THE
11 HOME INSPECTOR THAT IS AVAILABLE TO THE SELLER ABOUT ANY DEFICIENCIES;
12 AND

13 (3) ASSUME ALL LIABILITIES IF THE SELLER IS FOUND TO HAVE
14 INTENTIONALLY CONCEALED ANY PROBLEMS FROM THE HOME INSPECTOR OR
15 BUYER AND CORRECT THE PROBLEMS CONCEALED.

16 (B) A CLAIM ARISING FROM A HOME INSPECTION MUST BE BROUGHT WITHIN
17 1 YEAR OF THE HOME INSPECTION OR IT IS BARRED.

18 14-2905.

19 A PERSON MAY NOT ACT AS A HOME INSPECTOR UNLESS THE PERSON HAS A
20 CURRENT POLICY OF ERRORS AND OMISSIONS INSURANCE FOR LIABILITY IN AN
21 AMOUNT NOT LESS THAN \$100,000.

22 14-2906.

23 A VIOLATION OF THIS SUBTITLE IS AN UNFAIR AND DECEPTIVE TRADE
24 PRACTICE UNDER TITLE 13 OF THIS ARTICLE.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 1998.