

SENATE BILL 764

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1998 Regular Session
8lr2658
CF 8lr2588

By: **Senator Craig**

Introduced and read first time: March 2, 1998

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Home Inspectors - Licensing**

3 FOR the purpose of creating a State Board of Home Inspectors; requiring certain
4 home inspectors to be licensed; establishing the membership of the Board;
5 establishing the powers and duties of the Board; specifying certain requirements
6 for home inspectors; providing for the denial, revocation, or suspension of
7 certain licenses; providing for certain penalties; defining terms; providing for a
8 delayed effective date for certain provisions of this Act; and generally relating to
9 the licensing of home inspectors.

10 BY adding to

11 Article - Business Occupations and Professions
12 Section 7A-101 through 7A-402 to be under the new title "Title 7A. Home
13 Inspectors"
14 Annotated Code of Maryland
15 (1995 Replacement Volume and 1997 Supplement)

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

18 **Article - Business Occupations and Professions**

19 TITLE 7A. HOME INSPECTORS.

20 SUBTITLE 1. DEFINITIONS.

21 7A-101.

22 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

23 (B) "APPRENTICE HOME INSPECTOR" MEANS AN INDIVIDUAL WHO:

24 (1) IS TRAINING TO BECOME A HOME INSPECTOR BUT IS NOT QUALIFIED
25 TO PERFORM HOME INSPECTION SERVICES FOR COMPENSATION;

1 (2) WORKS UNDER THE SUPERVISION OF A LICENSED HOME
2 INSPECTOR;

3 (3) IS REGISTERED WITH THE BOARD; AND

4 (4) DOES NOT REQUIRE A LICENSE.

5 (C) "ASSOCIATE HOME INSPECTOR" MEANS AN INDIVIDUAL WHO:

6 (1) PERFORMS HOME INSPECTION SERVICES FOR COMPENSATION;

7 (2) IS LICENSED UNDER THIS TITLE TO PROVIDE HOME INSPECTION
8 SERVICES; AND

9 (3) WORKS UNDER THE SUPERVISION OF A LICENSED HOME INSPECTOR.

10 (D) "BOARD" MEANS THE STATE BOARD OF HOME INSPECTORS.

11 (E) "HOME INSPECTION" MEANS A WRITTEN EVALUATION BASED ON A
12 GENERAL AND LIMITED VISUAL EXAMINATION OF THE FOLLOWING COMPONENTS
13 OF A RESIDENTIAL BUILDING:

14 (1) HEATING SYSTEM;

15 (2) COOLING SYSTEM;

16 (3) PLUMBING SYSTEM;

17 (4) ELECTRICAL SYSTEM;

18 (5) STRUCTURAL COMPONENTS;

19 (6) FOUNDATION;

20 (7) ROOFING;

21 (8) MASONRY STRUCTURES;

22 (9) EXTERIOR AND INTERIOR COMPONENTS;

23 (10) GROUNDS SURROUNDING THE RESIDENTIAL BUILDING; OR

24 (11) ANY OTHER RELATED RESIDENTIAL BUILDING COMPONENT.

25 (F) "HOME INSPECTOR" MEANS AN INDIVIDUAL WHO:

26 (1) PERFORMS HOME INSPECTION SERVICES FOR COMPENSATION; AND

27 (2) IS LICENSED UNDER THIS TITLE.

28 (G) "PARTIAL HOME INSPECTION" MEANS AN EVALUATION PROVIDED BY A
29 LICENSED HOME INSPECTOR OR A LICENSED ASSOCIATE HOME INSPECTOR AS A

1 RESULT OF A GENERAL AND LIMITED VISUAL EXAMINATION OF ONE OR MORE, BUT
2 NOT ALL, OF THE REAL PROPERTY COMPONENTS AND SYSTEMS.

3 SUBTITLE 2. STATE BOARD OF HOME INSPECTORS.

4 7A-201.

5 THERE IS A STATE BOARD OF HOME INSPECTORS IN THE DEPARTMENT.

6 7A-202.

7 (A) (1) THE BOARD CONSISTS OF NINE MEMBERS.

8 (2) OF THE NINE MEMBERS OF THE BOARD:

9 (I) ONE SHALL BE A CONSUMER MEMBER;

10 (II) SIX SHALL BE HOME INSPECTORS;

11 (III) ONE SHALL BE A LICENSED REAL ESTATE BROKER OR
12 ASSOCIATE REAL ESTATE BROKER; AND

13 (IV) ONE SHALL BE A LICENSED GENERAL CONTRACTOR WHO IS
14 NOT A LICENSED HOME INSPECTOR.

15 (3) THE SECRETARY MAY APPOINT MEMBERS OF THE BOARD BASED ON
16 GEOGRAPHY AND COMPANY AFFILIATION.

17 (4) THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE ADVICE
18 OF THE SECRETARY.

19 (B) EACH MEMBER OF THE BOARD SHALL:

20 (1) BE A CITIZEN OF THE UNITED STATES; AND

21 (2) BE A RESIDENT OF THE STATE.

22 (C) THE CONSUMER MEMBER OF THE BOARD:

23 (1) SHALL BE A MEMBER OF THE GENERAL PUBLIC;

24 (2) MAY NOT BE SUBJECT TO REGULATION BY THE BOARD;

25 (3) MAY NOT BE REQUIRED TO MEET THE QUALIFICATIONS FOR THE
26 PROFESSIONAL MEMBERS OF THE BOARD; AND

27 (4) MAY NOT PROVIDE HOME INSPECTION SERVICES.

28 (D) WHILE A MEMBER OF THE BOARD, A CONSUMER MEMBER MAY NOT:

1 (1) HAVE A FINANCIAL INTEREST IN OR RECEIVE COMPENSATION FROM
2 A PERSON REGULATED BY THE BOARD; OR

3 (2) GRADE ANY EXAMINATION GIVEN BY OR FOR THE BOARD.

4 (E) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE
5 THE OATH REQUIRED UNDER ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.

6 (F) (1) OF THE APPOINTED MEMBERS TO THE INITIAL BOARD:

7 (I) THREE SHALL SERVE FOR 1 YEAR;

8 (II) THREE SHALL SERVE FOR 2 YEARS; AND

9 (III) THREE SHALL SERVE FOR 3 YEARS.

10 (2) THE FIRST FIVE HOME INSPECTORS APPOINTED TO THE INITIAL
11 BOARD ARE NOT REQUIRED TO BE LICENSED BY THE BOARD.

12 (3) INITIAL APPOINTMENTS SHALL BE MADE BEFORE OCTOBER 1, 1999.

13 (4) THE TERM OF A MEMBER OF THE BOARD IS 3 YEARS AND BEGINS ON
14 OCTOBER 1.

15 (5) A MEMBER SERVES UNTIL SEPTEMBER 30 IN THE YEAR THE
16 MEMBER'S TERM EXPIRES AND UNTIL A QUALIFIED SUCCESSOR IS APPOINTED.

17 (6) A MEMBER APPOINTED AFTER A TERM BEGINS SERVES FOR THE
18 REMAINDER OF THE TERM AND UNTIL A QUALIFIED SUCCESSOR IS APPOINTED.

19 (7) A MEMBER OF THE BOARD MAY BE REAPPOINTED.

20 (8) A MEMBER OF THE BOARD IS LIMITED TO TWO CONSECUTIVE TERMS
21 IN ADDITION TO A PARTIAL TERM IMMEDIATELY PRIOR TO THE FIRST FULL TERM ON
22 THE BOARD.

23 (G) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR
24 MISCONDUCT.

25 7A-203.

26 (A) (1) THE INITIAL MEETING OF THE BOARD SHALL BE 60 DAYS AFTER THE
27 GOVERNOR APPOINTS THE MEMBERS OF THE BOARD.

28 (2) THE BOARD SHALL ELECT A CHAIRMAN, A VICE CHAIRMAN, AND A
29 SECRETARY.

30 (3) (I) THE TERM FOR OFFICERS IS 1 YEAR.

31 (II) AT THE END OF A TERM AN OFFICER MAY NOT BE REELECTED
32 TO THE MOST RECENTLY HELD OFFICE.

1 (III) THE CHAIRMAN AND VICE CHAIRMAN SHALL BE LICENSED
2 HOME INSPECTORS.

3 (B) (1) THE BOARD SHALL MEET AT LEAST TWO TIMES EACH YEAR.

4 (2) THE BOARD SHALL MEET AT THE TIMES AND PLACES IN THE STATE
5 THAT IT DETERMINES.

6 (3) THE BOARD MAY, WITH A 7-DAY NOTICE, HOLD SPECIAL MEETINGS
7 UPON REQUEST OF THE CHAIRMAN OR THREE BOARD MEMBERS.

8 (C) A QUORUM CONSISTS OF A MAJORITY OF MEMBERS OF THE BOARD.

9 (D) THE BOARD MAY NOT ACT UNLESS A MAJORITY OF THE MEMBERS
10 CONCUR.

11 (E) EACH MEMBER OF THE BOARD IS ENTITLED TO:

12 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND

13 (2) REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES AS PROVIDED
14 IN THE BUDGET AND IN CONFORMANCE WITH THE STANDARD STATE TRAVEL
15 REGULATIONS.

16 7A-204.

17 THE BOARD MAY ADOPT AND ENFORCE REGULATIONS TO CARRY OUT THIS
18 TITLE.

19 7A-205.

20 IN ADDITION TO ANY POWERS AND DUTIES UNDER THIS TITLE, THE BOARD
21 SHALL:

22 (1) DETERMINE THE QUALIFICATIONS OF APPLICANTS FOR A LICENSE
23 OR A RENEWAL LICENSE;

24 (2) IN CONSULTATION WITH INDUSTRY MEMBERS, ADOPT AND PUBLISH
25 A CODE OF ETHICS AND STANDARDS OF PRACTICE FOR INDIVIDUALS LICENSED
26 UNDER THIS TITLE;

27 (3) ISSUE, RENEW, DENY, REVOKE, OR SUSPEND LICENSES UNDER THIS
28 TITLE;

29 (4) UPON RECEIPT OF A WRITTEN COMPLAINT ALLEGING A VIOLATION
30 OF THIS TITLE:

31 (I) CONDUCT INVESTIGATIONS;

32 (II) SUBPOENA A PERSON AND ASSOCIATED RECORDS;

- 1 (III) CONDUCT ADMINISTRATIVE HEARINGS; AND
- 2 (IV) PERFORM ACTS NECESSARY TO ENSURE COMPLIANCE WITH
3 THIS TITLE;
- 4 (5) EMPLOY CLERICAL, INVESTIGATIVE, AND OTHER PERSONNEL
5 NECESSARY TO CARRY OUT THE PROVISIONS OF THIS TITLE;
- 6 (6) ESTABLISH FEES FOR LICENSING, REGISTERING, EXAMINING, AND
7 CERTIFYING HOME INSPECTION TRAINING FACILITIES;
- 8 (7) PUBLISH AND MAKE AVAILABLE TO THE PUBLIC LICENSING
9 STANDARDS AND RULES ADOPTED BY THE BOARD;
- 10 (8) IN CONSULTATION WITH THE INDUSTRY, ESTABLISH CONTINUING
11 EDUCATION REQUIREMENTS FOR LICENSEES;
- 12 (9) ESTABLISH STANDARDS FOR:
- 13 (I) CERTIFYING HOME INSPECTION TRAINING FACILITIES;
- 14 (II) CERTIFYING COMPANIES AND PERSONS PERFORMING HOME
15 INSPECTION TRAINING TO PREPARE INDIVIDUALS FOR LICENSING UNDER THIS
16 TITLE; AND
- 17 (III) CONTINUING EDUCATION REQUIREMENTS;
- 18 (10) IN CONSULTATION WITH THE INDUSTRY, DEVELOP AN EXAMINATION
19 AND DETERMINE THE SUBJECTS, SCOPE, AND FORM OF THE EXAMINATION;
- 20 (11) DETERMINE THE PROFESSIONAL QUALIFICATIONS FOR A LICENSED
21 HOME INSPECTOR;
- 22 (12) IN CONSULTATION WITH THE INDUSTRY, ADOPT RULES NECESSARY
23 TO IMPLEMENT THIS TITLE; AND
- 24 (13) SEEK RESTRAINING ORDERS TO ENJOIN VIOLATIONS OF THIS TITLE.
25 7A-206.
- 26 THE BOARD SHALL PAY ALL MONEY COLLECTED UNDER THIS TITLE INTO THE
27 GENERAL FUND OF THE STATE.

28 SUBTITLE 3. LICENSING.

29 7A-301.

- 30 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL
31 BE LICENSED BY THE BOARD BEFORE THE INDIVIDUAL MAY PROVIDE HOME
32 INSPECTION SERVICES IN THE STATE.

1 (B) THIS SECTION DOES NOT APPLY TO:

2 (1) INDIVIDUALS EMPLOYED AS CODE ENFORCEMENT OFFICIALS BY
3 THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE ACTING WITHIN THE
4 SCOPE OF THEIR DUTIES;

5 (2) INDIVIDUALS EMPLOYED AS FEDERAL OR STATE INSPECTORS WHEN
6 PERFORMING HOME INSPECTIONS;

7 (3) LICENSED PLUMBERS ACTING WITHIN THE SCOPE OF THEIR
8 LICENSE;

9 (4) LICENSED HEATING, AIR-CONDITIONING, VENTILATION, AND
10 REFRIGERATION CONTRACTORS ACTING WITHIN THE SCOPE OF THEIR LICENSE;

11 (5) LICENSED ELECTRICIANS ACTING WITHIN THE SCOPE OF THEIR
12 LICENSE;

13 (6) ROOFERS ACTING WITHIN THE SCOPE OF THEIR LICENSE;

14 (7) GENERAL CONTRACTORS ACTING WITHIN THE SCOPE OF THEIR
15 LICENSE;

16 (8) REMODELERS ACTING WITHIN THE SCOPE OF THEIR LICENSE;

17 (9) APPRAISERS ACTING WITHIN THE SCOPE OF THEIR LICENSE;

18 (10) LICENSED REAL ESTATE BROKERS OR AGENTS ACTING WITHIN THE
19 SCOPE OF THEIR LICENSE;

20 (11) PEST CONTROL SPECIALISTS ACTING WITHIN THE SCOPE OF THEIR
21 LICENSE; OR

22 (12) ANY OTHER PROFESSIONALS WHOSE SERVICES MAY BE REQUIRED
23 IN THE BUILDING OR REMODELING OF REAL PROPERTY AND WHO DO NOT CLAIM TO
24 BE LICENSED HOME INSPECTORS.

25 7A-302.

26 (A) AN INDIVIDUAL SHALL BE LICENSED BY THE BOARD BEFORE THE
27 INDIVIDUAL MAY PRACTICE AS A LICENSED HOME INSPECTOR OR A LICENSED
28 ASSOCIATE HOME INSPECTOR.

29 (B) (1) THE BOARD MAY ISSUE A LICENSE ONLY TO AN INDIVIDUAL.

30 (2) A LICENSED HOME INSPECTOR MAY PROVIDE HOME INSPECTION
31 SERVICES FOR A BUSINESS ENTITY.

32 (C) A LICENSED ASSOCIATE HOME INSPECTOR SHALL PERFORM HOME
33 INSPECTIONS UNDER THE SUPERVISION OF A LICENSED HOME INSPECTOR.

1 (D) A LICENSE ISSUED BY THE BOARD IS THE PROPERTY OF THE BOARD.

2 (E) AN INDIVIDUAL WHOSE LICENSE HAS BEEN SUSPENDED OR REVOKED
3 SHALL IMMEDIATELY RETURN THE LICENSE TO THE BOARD.

4 (F) A LICENSE SHALL BE DISPLAYED IN A MANNER DETERMINED BY THE
5 BOARD.

6 (G) AN ADVERTISEMENT OF HOME INSPECTION SERVICES SHALL BE SUBJECT
7 TO THE REQUIREMENTS OF THE BOARD.

8 7A-303.

9 A LICENSED HOME INSPECTOR SHALL:

10 (1) SUBMIT TO THE BOARD A COMPLETED APPLICATION ON A FORM
11 PROVIDED BY THE BOARD;

12 (2) PASS AN EXAMINATION GIVEN BY THE BOARD;

13 (3) SUBMIT IN WRITING TO THE BOARD PROOF OF SUCCESSFULLY
14 COMPLETING 48 HOURS OF A BOARD CERTIFIED TRAINING COURSE FOR HOME
15 INSPECTORS;

16 (4) OBSERVE 25 HOME INSPECTIONS PERFORMED BY A LICENSED HOME
17 INSPECTOR;

18 (5) BE A LICENSED ASSOCIATE HOME INSPECTOR AND A REGISTERED
19 APPRENTICE HOME INSPECTOR FOR A COMBINED PERIOD OF 12 MONTHS;

20 (6) COMPLETE 100 HOME INSPECTIONS AS A LICENSED ASSOCIATE
21 HOME INSPECTOR;

22 (7) OBTAIN A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT OR HAVE
23 EDUCATION EXPERIENCE THE BOARD CONSIDERS TO BE EQUIVALENT TO A HIGH
24 SCHOOL DIPLOMA; AND

25 (8) PAY THE APPLICABLE FEES.

26 7A-304.

27 A LICENSED ASSOCIATE HOME INSPECTOR SHALL:

28 (1) SUBMIT TO THE BOARD A COMPLETED APPLICATION ON A FORM
29 PROVIDED BY THE BOARD;

30 (2) PASS AN EXAMINATION GIVEN BY THE BOARD;

31 (3) SUCCESSFULLY COMPLETE 48 HOURS OF A BOARD CERTIFIED
32 TRAINING COURSE FOR HOME INSPECTORS;

1 (4) OBTAIN A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT OR HAVE
2 EDUCATION EXPERIENCE THE BOARD CONSIDERS TO BE EQUIVALENT OF A HIGH
3 SCHOOL DIPLOMA;

4 (5) (I) BE SUPERVISED BY A LICENSED HOME INSPECTOR; AND

5 (II) SUBMIT TO THE BOARD A WRITTEN STATEMENT FROM THE
6 SUPERVISING HOME INSPECTOR VERIFYING THAT THE LICENSED HOME INSPECTOR
7 SHALL SUPERVISE AND TRAIN THE APPLICANT;

8 (6) OBSERVE 25 HOME INSPECTIONS PERFORMED BY A LICENSED HOME
9 INSPECTOR; AND

10 (7) PAY THE APPLICABLE FEES.

11 7A-305.

12 A REGISTERED APPRENTICE HOME INSPECTOR SHALL:

13 (1) SUBMIT TO THE BOARD A COMPLETED APPLICATION ON A FORM
14 PROVIDED BY THE BOARD;

15 (2) SUBMIT TO THE BOARD A STATEMENT BY A LICENSED HOME
16 INSPECTOR, TAKEN UNDER OATH, THAT THE LICENSED HOME INSPECTOR WILL
17 SUPERVISE AND TRAIN THE APPLICANT;

18 (3) OBTAIN A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT OR HAVE
19 EDUCATION EXPERIENCE THE BOARD CONSIDERS TO BE EQUIVALENT TO A HIGH
20 SCHOOL DIPLOMA; AND

21 (4) PAY THE APPLICABLE FEES.

22 7A-306.

23 (A) AN INDIVIDUAL WHO IS A MEMBER OF A PRIVATE ASSOCIATION WHOSE
24 STANDARDS OF PRACTICE HAVE BEEN APPROVED BY THE BOARD MAY RECEIVE
25 CREDIT FOR THE FOLLOWING:

26 (1) THE REQUIREMENTS UNDER § 7A-303(3) OF THIS SUBTITLE;

27 (2) THE REQUIREMENTS UNDER § 7A-303(5) OF THIS SUBTITLE;

28 (3) THE REQUIREMENTS UNDER § 7A-303(6) OF THIS SUBTITLE;

29 (4) SERVING AS AN ASSOCIATE HOME INSPECTOR FOR A TIME PERIOD
30 APPROVED BY THE BOARD; OR

31 (5) OBSERVING AS A REGISTERED APPRENTICE HOME INSPECTOR
32 UNDER THE SUPERVISION OF A LICENSED HOME INSPECTOR, 25 HOME INSPECTIONS
33 PERFORMED BY A LICENSED HOME INSPECTOR.

1 (B) AN INDIVIDUAL WHO HAS BEEN ENGAGED AS A HOME INSPECTOR FOR 3
2 YEARS AND WHO COMPLETES 200 HOME INSPECTIONS MAY RECEIVE CREDIT UNDER
3 SUBSECTION (A) OF THIS SECTION.

4 7A-307.

5 THE BOARD SHALL:

6 (1) REVIEW AN APPLICATION AND NOTIFY AN APPLICANT UNDER THIS
7 TITLE WITHIN 30 DAYS AFTER RECEIVING THE APPLICATION; AND

8 (2) PROVIDE IN WRITING TO A REJECTED APPLICANT THE REASONS FOR
9 THE REJECTION.

10 7A-308.

11 (A) AN APPLICANT WHO FAILS AN EXAMINATION TWO TIMES MAY RECEIVE A
12 PEER REVIEW INSPECTION BY A PANEL OF THREE LICENSED HOME INSPECTORS.

13 (B) ON PASSING THE PEER REVIEW INSPECTION, THE PANEL MAY WAIVE THE
14 EXAMINATION REQUIRED UNDER THIS TITLE.

15 (C) THE BOARD MAY GRANT A WAIVER OF THE EXAMINATION REQUIRED
16 UNDER THIS TITLE IF THE BOARD DETERMINES THAT A PRIVATELY ADMINISTERED
17 QUALIFYING EXAMINATION IS EQUIVALENT TO THE BOARD ADMINISTERED EXAM.

18 7A-309.

19 (A) A LICENSED HOME INSPECTOR AND A LICENSED ASSOCIATE HOME
20 INSPECTOR SHALL SUBMIT TO THE BOARD AT THE TIME A LICENSE IS RENEWED
21 PROOF OF 10 HOURS PER YEAR OF CONTINUING EDUCATION CREDITS.

22 (B) THE BOARD SHALL APPROVE CONTINUING EDUCATION CREDITS.

23 7A-310.

24 (A) A LICENSE SHALL EXPIRE EVERY 2 YEARS ON OCTOBER 1.

25 (B) A LICENSE MAY BE RENEWED BY FILING WITH THE BOARD ON A FORM
26 PROVIDED BY THE BOARD AN APPLICATION THAT SHALL INCLUDE:

27 (1) CERTIFICATION OF CONTINUING EDUCATION CREDITS EARNED IN
28 THE PREVIOUS LICENSING TERM; AND

29 (2) PAYMENT OF A RENEWAL FEE.

30 (C) AT LEAST 30 DAYS BEFORE A LICENSE EXPIRES THE BOARD SHALL NOTIFY
31 THE LICENSEE IN WRITING THAT THE LICENSE IS ABOUT TO EXPIRE.

1 7A-311.

2 A LICENSEE WHO FAILS TO RENEW A LICENSE BY THE EXPIRATION DATE OF
3 THE LICENSE MAY RENEW THE LICENSE IF THE LICENSEE PAYS TO THE BOARD A
4 LATE FEE.

5 7A-312.

6 (A) THE BOARD SHALL PLACE THE LICENSEE ON INACTIVE STATUS IF THE
7 LICENSEE REQUESTS THAT THE LICENSE BE PLACED ON INACTIVE STATUS.

8 (B) AN APPLICANT FOR INACTIVE STATUS SHALL FOLLOW THE PROCEDURES
9 AND REQUIREMENTS ESTABLISHED BY THE BOARD.

10 7A-313.

11 (A) AN INDIVIDUAL WHO WILLFULLY AND KNOWINGLY VIOLATES THE
12 LICENSING OR REGISTRATION PROVISIONS UNDER THIS TITLE IS SUBJECT TO
13 DISCIPLINARY ACTION BY THE BOARD.

14 (B) THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, SUSPEND OR
15 REVOKE A LICENSE, OR IMPOSE PROBATIONARY CONDITIONS ON A LICENSEE OR A
16 REGISTERED APPRENTICE HOME INSPECTOR IF THE APPLICANT OR LICENSEE HAS:

17 (1) USED FRAUD, DECEIT, OR WILLFUL MISREPRESENTATION IN
18 OBTAINING, ATTEMPTING TO OBTAIN, OR RENEWING A LICENSE OR REGISTRATION;

19 (2) PERFORMED HOME INSPECTION SERVICES FOR COMPENSATION
20 WITHOUT RECEIVING APPROVAL FROM THE BOARD;

21 (3) ACTED NEGLIGENTLY OR INCOMPETENTLY IN TRAINING AN
22 APPRENTICE HOME INSPECTOR OR ASSOCIATE HOME INSPECTOR;

23 (4) BEEN CONVICTED OF A CRIME OF MORAL TURPITUDE; OR

24 (5) WILLFULLY VIOLATED THIS TITLE OR A REGULATION ADOPTED BY
25 THE BOARD.

26 SUBTITLE 4. MISCELLANEOUS; PENALTIES.

27 7A-401.

28 A LICENSEE SHALL PROVIDE, TO THE INDIVIDUAL WHO RECEIVES A HOME
29 INSPECTION OR A PARTIAL HOME INSPECTION, A WRITTEN REPORT ON THE HOME
30 INSPECTION THAT INCLUDES:

31 (1) A DESCRIPTION OF THE CONDITION OF BUILDING SYSTEMS AND
32 COMPONENTS INSPECTED;

33 (2) A DESCRIPTION OF THE CONDITION OF BUILDING SYSTEMS OR
34 COMPONENTS CONTRACTED TO BE INSPECTED;

1 (3) THE HOME INSPECTION LICENSE NUMBER AND TYPE OF LICENSE OF
2 THE INDIVIDUAL WHO PERFORMED THE HOME INSPECTION; AND

3 (4) THE FOLLOWING STATEMENTS IN 10-POINT BOLD TYPE:

4 (I) "AN INSPECTION IS INTENDED TO ASSIST IN EVALUATION OF
5 THE OVERALL CONDITIONS OF A BUILDING. THE INSPECTION IS BASED ON
6 OBSERVATION OF THE VISIBLE AND APPARENT CONDITION OF THE BUILDING AND
7 ITS COMPONENTS ON THE DATE OF THE INSPECTION."

8 (II) "THE RESULTS OF THIS HOME INSPECTION ARE NOT INTENDED
9 TO MAKE ANY REPRESENTATION REGARDING LATENT OR CONCEALED DEFECTS
10 THAT MAY EXIST, AND NO WARRANTY OR GUARANTY IS EXPRESSED OR IMPLIED."

11 (III) "IF YOUR INSPECTOR IS NOT A LICENSED SPECIALIST IN THE
12 BUILDING PROFESSION OR OTHER PROFESSIONAL WHOSE LICENSE AUTHORIZES
13 THE RENDERING OF AN OPINION AS TO STRUCTURAL INTEGRITY OF A BUILDING OR
14 AN OPINION REGARDING OTHER COMPONENTS OR SYSTEMS, YOU MAY WISH TO
15 SEEK THE PROFESSIONAL OPINION OF ONE LICENSED IN THE SPECIALTY RELATED
16 TO THE STRUCTURAL INTEGRITY OR COMPONENTS OR SYSTEMS OF CONCERN TO
17 YOU REGARDING ANY POSSIBLE DEFECTS OR OTHER OBSERVATIONS SET FORTH IN
18 THIS REPORT."

19 7A-402.

20 (A) EXCEPT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION, AN
21 INDIVIDUAL WHO WILLFULLY AND KNOWINGLY VIOLATES THE LICENSING OR
22 REGISTRATION PROVISIONS UNDER THIS TITLE IS GUILTY OF A MISDEMEANOR AND
23 UPON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000.

24 (B) AN INDIVIDUAL CONDUCTING HOME INSPECTIONS FOR COMPENSATION
25 IN THE STATE, WITHOUT A LICENSE OR REGISTRATION FROM THE BOARD, WHO
26 CANNOT DEMONSTRATE MINIMUM PROFICIENCY REQUIRED FOR A LICENSED HOME
27 INSPECTOR UNDER THIS TITLE, IS GUILTY OF A FELONY AND ON CONVICTION IS
28 SUBJECT TO A FINE OF NOT MORE THAN \$5,000.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the State Board of Home
30 Inspectors shall adopt regulations to carry out the provisions of this Act by October 1,
31 1998.

32 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
33 take effect June 1, 1998.

34 SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
35 take effect October 1, 1999.