

HOUSE BILL 212

Unofficial Copy
C2
HB 288/99 - ECM

2000 Regular Session
0lr0606

By: **Delegates Morhaim, Finifter, and Zirkin**
Introduced and read first time: January 24, 2000
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Home Inspectors**

3 FOR the purpose of establishing a State Board of Home Inspectors in the Department
4 of Labor, Licensing, and Regulation; providing for the membership, powers, and
5 duties of the Board; requiring an individual to be licensed before the individual
6 may engage in the business of performing home inspections in the State;
7 establishing certain requirements that must be met to be licensed; providing for
8 the issuance, scope, term, renewal, and reinstatement of licences; authorizing
9 the Board to deny a license to any applicant, reprimand a licensee, or suspend or
10 revoke a license under certain circumstances; providing for certain hearings
11 under certain circumstances; providing for certain home inspection reports
12 within a certain period of time; prohibiting certain acts and providing for certain
13 penalties; specifying the terms of the initial members of the Board; defining
14 certain terms; requiring an evaluation of the Board and the regulations that
15 relate to the Board by a certain date; and generally relating to the licensing and
16 regulation of home inspectors by the State Board of Home Inspectors.

17 BY repealing
18 Article - Real Property
19 Section 10-801 and the subtitle "Subtitle 8. Home Inspections"
20 Annotated Code of Maryland
21 (1996 Replacement Volume and 1999 Supplement)

22 BY adding to
23 Article - Business Regulation
24 Section 9B-101 through 9B-702, inclusive, to be under the new title "Title 9B.
25 Home Inspectors"
26 Annotated Code of Maryland
27 (1998 Replacement Volume and 1999 Supplement)

28 BY adding to
29 Article - State Government
30 Section 8-403(m)
31 Annotated Code of Maryland

1 (1999 Replacement Volume)

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

4 **Article - Real Property**

5 [Subtitle 8. Home Inspections.]

6 [10-801.

7 (a) In this subtitle, "home inspector" means a person who provides or offers to
8 provide home inspection services.

9 (b) Promptly after agreeing to perform an inspection and before a home is
10 inspected, a home inspector shall provide the person who has entered into a contract
11 for the purchase of the property:

12 (1) A list of the credentials of:

13 (i) The home inspector; and

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

16 (2) A disclosure in 10-point bold type that states:

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

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

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

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

Article - Business Regulation

TITLE 9B. HOME INSPECTORS.

SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

4 9B-101.

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

6 (B) "BOARD" MEANS THE STATE BOARD OF HOME INSPECTORS.

7 (C) "HOME INSPECTION" MEANS A WRITTEN EVALUATION OF ONE OR MORE
8 OF THE COMPONENTS OF AN EXISTING RESIDENTIAL BUILDING, INCLUDING THE
9 HEATING SYSTEM, COOLING SYSTEM, PLUMBING SYSTEM, ELECTRICAL SYSTEM,
10 STRUCTURAL COMPONENTS, FOUNDATION, ROOF, MASONRY STRUCTURE, EXTERIOR
11 AND INTERIOR COMPONENTS, OR ANY OTHER RELATED RESIDENTIAL HOUSING
12 COMPONENT.

13 (D) "HOME INSPECTOR" MEANS AN INDIVIDUAL WHO ENGAGES IN THE
14 BUSINESS OF PERFORMING HOME INSPECTIONS FOR COMPENSATION.

15 (E) "LICENSE" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A
16 LICENSE ISSUED BY THE BOARD TO ENGAGE IN THE BUSINESS OF PERFORMING
17 HOME INSPECTIONS.

18 (F) "LICENSED HOME INSPECTOR" MEANS AN INDIVIDUAL WHO IS LICENSED
19 BY THE BOARD TO ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS.
20 9B-102.

21 THE PURPOSE OF THIS TITLE IS TO ESTABLISH A LICENSING PROGRAM FOR
22 INDIVIDUALS WHO ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS
23 TO:

24 (1) PROTECT THE PUBLIC;

25 (2) PROVIDE REPORTS TO MAINTAIN EFFICIENT AND SAFE
26 COMPONENTS OF RESIDENTIAL BUILDINGS;

27 (3) PROMOTE HIGH PROFESSIONAL STANDARDS; AND

28 (4) ENSURE THAT QUALIFIED INDIVIDUALS CARRY OUT ITEMS (1), (2),
29 AND (3) OF THIS SECTION.

1 9B-103.

2 THIS TITLE DOES NOT APPLY TO:

3 (1) AN INDIVIDUAL WHO IS EMPLOYED AS A BUILDING CODE
4 ENFORCEMENT OFFICIAL BY THE STATE OR A POLITICAL SUBDIVISION OF THE
5 STATE, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;

6 (2) AN INDIVIDUAL WHO IS EMPLOYED AS A FEDERAL OR STATE
7 INSPECTOR, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;

8 (3) A PLUMBER, ELECTRICIAN, REAL ESTATE APPRAISER, REAL ESTATE
9 BROKER OR AGENT, OR HEATING, VENTILATION, AIR-CONDITIONING, OR
10 REFRIGERATION CONTRACTOR WHO IS LICENSED IN THE STATE, WHILE ACTING
11 WITHIN THE SCOPE OF THAT LICENSE;

12 (4) A ROOFER, GENERAL CONTRACTOR, REMODELER, OR STRUCTURAL
13 PEST CONTROL SPECIALIST, WHILE ACTING WITHIN THE SCOPE OF THAT
14 OCCUPATION; OR

15 (5) ANY OTHER PROFESSIONAL WHOSE SERVICES MAY BE REQUIRED IN
16 THE BUILDING OR REMODELING OF REAL PROPERTY AND WHO DOES NOT CLAIM TO
17 BE A LICENSED HOME INSPECTOR.

18 SUBTITLE 2. STATE BOARD OF HOME INSPECTORS.

19 9B-201.

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

21 9B-202.

22 (A) (1) THE BOARD CONSISTS OF SEVEN MEMBERS.

23 (2) OF THE SEVEN BOARD MEMBERS:

24 (I) ONE SHALL BE A LICENSED HOME INSPECTOR WHO IS A
25 MEMBER OF THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI);

26 (II) ONE SHALL BE A LICENSED HOME INSPECTOR WHO IS A
27 MEMBER OF THE NATIONAL ASSOCIATION OF HOME INSPECTORS (NAHI);

28 (III) THREE SHALL BE LICENSED HOME INSPECTORS WHO ARE NOT
29 AFFILIATED WITH ASHI OR NAHI; AND

30 (IV) TWO SHALL BE CONSUMER MEMBERS.

31 (3) THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE BOARD
32 WITH THE ADVICE OF THE SECRETARY AND WITH THE ADVICE AND CONSENT OF THE
33 SENATE.

1 (B) EACH MEMBER OF THE BOARD SHALL BE:

2 (1) A CITIZEN OF THE UNITED STATES; AND

3 (2) A RESIDENT OF THE STATE.

4 (C) EACH CONSUMER MEMBER OF THE BOARD:

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

6 (2) MAY NOT BE A LICENSEE OR OTHERWISE BE SUBJECT TO THE
7 REGULATION OF THE BOARD;

8 (3) MAY NOT PROVIDE HOME INSPECTION SERVICES; AND

9 (4) MAY NOT HAVE HAD WITHIN 1 YEAR BEFORE APPOINTMENT A
10 FINANCIAL INTEREST IN OR HAVE RECEIVED COMPENSATION FROM A PERSON
11 REGULATED BY THE BOARD.

12 (D) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE
13 THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.

14 (E) (1) THE TERM OF A MEMBER IS 4 YEARS AND BEGINS ON JULY 1.

15 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE
16 TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2000.

17 (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A
18 SUCCESSOR IS APPOINTED AND QUALIFIES.

19 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
20 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
21 QUALIFIES.

22 (5) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR
23 MISCONDUCT.

24 9B-203.

25 (A) THE BOARD SHALL ELECT A CHAIRMAN AND A VICE CHAIRMAN FROM
26 AMONG THE MEMBERS.

27 (B) THE MANNER OF ELECTION OF OFFICERS SHALL BE AS THE BOARD
28 DETERMINES.

29 9B-204.

30 (A) (1) THE BOARD SHALL MEET AT LEAST TWICE EACH YEAR IN A
31 LOCATION DETERMINED BY THE BOARD.

1 (2) SPECIAL MEETINGS OF THE BOARD MAY BE HELD IF CALLED BY THE
2 CHAIRMAN OR ANY TWO MEMBERS OF THE BOARD.

3 (B) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A
4 QUORUM.

5 (C) THE BOARD MAY EMPLOY A STAFF IN ACCORDANCE WITH THE STATE
6 BUDGET.

7 (D) A MEMBER OF THE BOARD:

8 (1) MAY NOT RECEIVE COMPENSATION; BUT

9 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
10 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

11 9B-205.

12 IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD SHALL:

13 (1) ADOPT RULES AND REGULATIONS TO CARRY OUT THIS TITLE;

14 (2) ADOPT AND ENFORCE A CODE OF ETHICS AND STANDARD OF
15 PRACTICE FOR INDIVIDUALS LICENSED UNDER THIS TITLE;

16 (3) DETERMINE THE QUALIFICATIONS AND FITNESS OF APPLICANTS
17 FOR LICENSES AND RENEWAL LICENSES;

18 (4) REVIEW AND APPROVE ANY ON-SITE TRAINING PROGRAMS,
19 INCLUDING PROGRAMS THAT HAVE BEEN APPROVED BY NATIONAL HOME
20 INSPECTION ORGANIZATIONS;

21 (5) ISSUE, RENEW, DENY, REVOKE, OR SUSPEND LICENSES UNDER THIS
22 TITLE;

23 (6) KEEP A LIST OF ALL LICENSEES;

24 (7) REVIEW, APPROVE, AND ESTABLISH CONTINUING EDUCATION
25 REQUIREMENTS IN ACCORDANCE WITH NATIONAL HOME INSPECTION
26 ORGANIZATIONS;

27 (8) KEEP A RECORD OF ITS PROCEEDINGS;

28 (9) SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY; AND

29 (10) ADOPT AN OFFICIAL SEAL TO AUTHENTICATE ITS PROCEEDINGS,
30 OFFICIAL RECORDS, AND LICENSES.

1 9B-206.

2 (A) THE BOARD MAY INVESTIGATE ANY COMPLAINT THAT ALLEGES FACTS
3 THAT CONSTITUTE A VIOLATION OF THIS TITLE.

4 (B) ON RECEIPT OF THE RESULTS OF AN INVESTIGATION MADE UNDER THIS
5 SECTION, THE BOARD PROMPTLY SHALL TAKE ACTION THAT IS APPROPRIATE UNDER
6 THIS TITLE TO ENSURE COMPLIANCE WITH THIS TITLE.

7 (C) (1) IF THE BOARD CONCLUDES THAT ANY CONDUCT ALLEGED TO BE IN
8 VIOLATION OF THIS TITLE WILL RESULT IN HARM TO ANY CITIZEN OF THE STATE,
9 THE BOARD MAY SEEK A PERMANENT OR TEMPORARY INJUNCTION WITH RESPECT
10 TO THE CONDUCT FROM THE CIRCUIT COURT OF ANY COUNTY IN WHICH THE
11 ALLEGED VIOLATION OCCURS, OR IN WHICH THE VIOLATOR HAS ITS PRINCIPAL
12 PLACE OF BUSINESS.

13 (2) IN SEEKING AN INJUNCTION UNDER THIS SUBSECTION, THE BOARD
14 IS NOT REQUIRED TO:

15 (I) POST BOND;

16 (II) ALLEGE OR PROVE THAT AN ADEQUATE REMEDY AT LAW DOES
17 NOT EXIST; OR

18 (III) ALLEGE OR PROVE THAT SUBSTANTIAL OR IRREPARABLE
19 DAMAGE WOULD RESULT FROM THE CONTINUED VIOLATION OF THE PROVISION.

20 (D) (1) ANY FOUR MEMBERS OF THE BOARD, OR A HEARING OFFICER
21 DESIGNATED BY THE BOARD, MAY ADMINISTER OATHS, HOLD HEARINGS, AND TAKE
22 TESTIMONY ABOUT ALL MATTERS WITHIN THE JURISDICTION OF THE BOARD.

23 (2) THE BOARD, OR ITS DESIGNEE, MAY TAKE TESTIMONY OF ANY
24 PERSON BY DEPOSITION IN THE SAME MANNER AS IN JUDICIAL PROCEEDINGS IN
25 STATE CIVIL CASES.

26 (3) ANY PARTY TO ANY HEARING BEFORE THE BOARD HAS THE RIGHT
27 TO ATTENDANCE OF WITNESSES, AFTER MAKING A REQUEST TO THE BOARD AND
28 DESIGNATING THE PERSON SOUGHT TO BE SUBPOENAED.

29 (4) A MEMBER OF THE BOARD MAY NOT BE HELD PERSONALLY LIABLE
30 FOR ANY ACTION TAKEN UNDER THIS SECTION.

31 (E) (1) THE BOARD OR ITS DESIGNEE MAY ISSUE A SUBPOENA.

32 (2) THE POLICE DEPARTMENT OF BALTIMORE CITY OR THE SHERIFF OF
33 A COUNTY SHALL SERVE A SUBPOENA ISSUED UNDER THIS SUBSECTION.

34 (3) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER
35 THIS SUBSECTION, ON PETITION OF THE BOARD, A COURT OF COMPETENT
36 JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

1 9B-207.

2 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE BOARD MAY SET
3 REASONABLE FEES, INCLUDING APPLICATION FEES, FOR THE ISSUANCE AND
4 RENEWAL OF LICENSES AND ITS OTHER SERVICES.

5 (B) REVENUES GENERATED BY THE BOARD SHALL BE AT LEAST EQUAL TO
6 EXPENSES INCURRED BY THE BOARD.

7 (C) THE BOARD SHALL PAY ALL MONEYS COLLECTED UNDER THIS TITLE INTO
8 THE GENERAL FUND OF THE STATE.

9 SUBTITLE 3. LICENSING.

10 9B-301.

11 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL BE
12 LICENSED BY THE BOARD AS A HOME INSPECTOR BEFORE THE INDIVIDUAL
13 ENGAGES IN THE BUSINESS OF PERFORMING HOME INSPECTIONS IN THE STATE.

14 9B-302.

15 (A) TO QUALIFY FOR A LICENSE UNDER THIS TITLE, AN APPLICANT MUST BE
16 AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

17 (B) AN APPLICANT FOR A HOME INSPECTOR LICENSE SHALL:

18 (1) MEET ONE OF THE FOLLOWING CONDITIONS:

19 (I) HAVE COMPLETED A MINIMUM OF 48 HOURS OF AN ON-SITE
20 TRAINING COURSE APPROVED BY A NATIONAL HOME INSPECTION ORGANIZATION OR
21 THE BOARD;

22 (II) HAVE COMPLETED AT LEAST 100 HOME INSPECTIONS FOR
23 COMPENSATION;

24 (III) SUBMIT PROOF OF FULL MEMBERSHIP IN OR CERTIFICATION
25 BY ONE OF THE FOLLOWING NATIONAL HOME INSPECTION ORGANIZATIONS:

- 26 1. AMERICAN SOCIETY OF HOME INSPECTORS;
27 2. NATIONAL ASSOCIATION OF HOME INSPECTORS;
28 3. BUILDING OFFICIALS AND CODE ADMINISTRATORS; OR
29 4. COUNCIL OF AMERICAN BUILDING OFFICIALS; OR

30 (IV) SATISFY THE BOARD THAT THE APPLICANT IS QUALIFIED
31 BASED ON PROOF OF A COMBINATION OF ITEMS (I), (II), OR (III) OF THIS ITEM;

32 (2) HAVE A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT; AND

1 (3) HAVE GENERAL LIABILITY INSURANCE IN AN AMOUNT NOT LESS
2 THAN \$50,000.

3 9B-303.

4 AN APPLICANT FOR A LICENSE SHALL:

5 (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE
6 BOARD PROVIDES; AND

7 (2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.

8 9B-304.

9 (A) THE BOARD:

10 (1) SHALL REVIEW EACH APPLICATION FOR A LICENSE SUBMITTED TO
11 IT; AND

12 (2) WITHIN 30 DAYS AFTER RECEIVING THE APPLICATION, SHALL
13 NOTIFY EACH APPLICANT THAT THE APPLICATION IS EITHER ACCEPTED OR DENIED.

14 (B) IF AN APPLICANT QUALIFIES FOR A HOME INSPECTOR LICENSE UNDER
15 THIS TITLE, THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES:

16 (1) THE APPLICANT HAS QUALIFIED FOR THE LICENSE; AND

17 (2) THE BOARD WILL ISSUE THE LICENSE TO AN APPLICANT ON RECEIPT
18 OF:

19 (I) PROOF OF GENERAL LIABILITY INSURANCE IN AN AMOUNT NOT
20 LESS THAN \$50,000; AND

21 (II) A LICENSE FEE ESTABLISHED BY THE BOARD.

22 (C) IF THE BOARD DENIES AN APPLICATION, THE NOTICE SENT TO THE
23 APPLICANT MUST STATE THE REASONS FOR THE REJECTION.

24 (D) THE BOARD SHALL ISSUE A LICENSE TO EACH APPLICANT WHO MEETS
25 THE REQUIREMENTS OF THIS SUBTITLE.

26 9B-305.

27 WHILE A HOME INSPECTOR LICENSE IS IN EFFECT, IT AUTHORIZES THE
28 LICENSEE TO ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS.

29 9B-306.

30 (A) UNLESS A LICENSE IS RENEWED FOR A 2-YEAR TERM AS PROVIDED IN
31 THIS SECTION, THE LICENSE EXPIRES ON THE SECOND SEPTEMBER 30 THAT COMES
32 AFTER ITS EFFECTIVE DATE.

1 (B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE BOARD SHALL MAIL
2 TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE LICENSEE:

3 (1) A RENEWAL APPLICATION FORM; AND

4 (2) A NOTICE THAT STATES:

5 (I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

6 (II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE
7 RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE
8 CURRENT LICENSE EXPIRES;

9 (III) THE AMOUNT OF THE RENEWAL FEE; AND

10 (IV) THE APPLICANT MUST SUBMIT PROOF OF SUCCESSFUL
11 COMPLETION OF CONTINUING EDUCATION CREDITS AS DETERMINED BY THE
12 BOARD.

13 (C) BEFORE A LICENSE EXPIRES, THE LICENSEE MAY RENEW IT FOR AN
14 ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:

15 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

16 (2) PAYS TO THE BOARD A RENEWAL FEE ESTABLISHED BY THE BOARD;
17 AND

18 (3) SUBMITS:

19 (I) PROOF OF ANY CONTINUING EDUCATION REQUIREMENTS SET
20 BY THE BOARD; AND

21 (II) A RENEWAL APPLICATION ON THE FORM THAT THE BOARD
22 PROVIDES.

23 (D) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A RENEWAL
24 CERTIFICATE TO EACH LICENSEE WHO MEETS THE REQUIREMENTS OF THIS
25 SECTION.

26 9B-307.

27 (A) THE BOARD SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL WHO HAS
28 FAILED TO RENEW THE LICENSE FOR ANY REASON IF THE INDIVIDUAL:

29 (1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 5 YEARS
30 AFTER THE LICENSE EXPIRES;

31 (2) MEETS THE RENEWAL REQUIREMENTS UNDER § 9B-306 OF THIS
32 SUBTITLE; AND

33 (3) PAYS TO THE BOARD A LATE FEE SET BY THE BOARD.

1 (B) THE BOARD MAY NOT REINSTATE THE LICENSE OF AN INDIVIDUAL WHO
2 FOR ANY REASON FAILS TO APPLY FOR REINSTATEMENT WITHIN 5 YEARS AFTER THE
3 LICENSE HAS EXPIRED.

4 9B-308.

5 (A) EACH LICENSEE SHALL DISPLAY THE LICENSE CERTIFICATE IN THE
6 MANNER REQUIRED BY THE BOARD.

7 (B) A LICENSEE WHOSE ADDRESS CHANGES MUST REPORT THE CHANGE TO
8 THE BOARD.

9 9B-309.

10 SUBJECT TO THE HEARING PROVISIONS OF § 9B-310 OF THIS SUBTITLE, THE
11 BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSEE, OR
12 SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR LICENSEE:

13 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
14 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;

15 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

16 (3) COMMITS AN ACT OF MALPRACTICE, GROSS NEGLIGENCE, OR
17 INCOMPETENCE IN THE PRACTICE OF HOME INSPECTIONS;

18 (4) HAS BEEN CONVICTED OR PLED GUILTY OR NOLO CONTENDERE TO A
19 CRIME OF MORAL TURPITUDE; OR

20 (5) VIOLATES ANY PROVISION OF THIS TITLE OR ANY REGULATION
21 ADOPTED UNDER THIS TITLE OR AIDS, ABETS, OR ASSISTS ANY PERSON IN
22 VIOLATING ANY PROVISION OF THIS TITLE OR ANY REGULATION ADOPTED UNDER
23 THIS TITLE.

24 9B-310.

25 (A) EXCEPT AS OTHERWISE PROVIDED IN TITLE 10 , SUBTITLE 4 OF THE STATE
26 GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §
27 9B-309 OF THIS SUBTITLE, IT SHALL GIVE THE INDIVIDUAL AGAINST WHOM THE
28 ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE BOARD.

29 (B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN
30 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

31 (C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY
32 PROCEEDING UNDER THIS SECTION.

33 (D) THE HEARING NOTICE TO BE GIVEN TO THE INDIVIDUAL SHALL BE SENT
34 BY CERTIFIED MAIL TO THE LAST KNOWN ADDRESS OF THE INDIVIDUAL AT LEAST 10
35 DAYS BEFORE THE HEARING.

1 (E) THE INDIVIDUAL MAY BE REPRESENTED AT THE HEARING BY COUNSEL.

2 (F) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS
3 CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND
4 DETERMINE THE MATTER.

5 9B-311.

6 ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A
7 CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,
8 MAY TAKE AN APPEAL AS ALLOWED IN § 10-222 OF THE STATE GOVERNMENT
9 ARTICLE.

10 9B-312.

11 AN APPLICATION MAY BE MADE TO THE BOARD FOR REINSTATEMENT OF A
12 REVOKED LICENSE IF THE REVOCATION HAS BEEN IN EFFECT FOR AT LEAST 1 YEAR.

13 SUBTITLE 4. MISCELLANEOUS PROVISIONS.

14 9B-401.

15 (A) A LICENSED HOME INSPECTOR SHALL GIVE TO EACH PERSON FOR WHOM
16 THE LICENSEE PERFORMS A HOME INSPECTION FOR COMPENSATION A WRITTEN
17 REPORT THAT STATES:

18 (1) THE SCOPE AND THE EXCLUSIONS OF THE INSPECTION;

19 (2) THE CONDITIONS OBSERVED DURING THE HOME INSPECTION THAT
20 ARE SUBJECT TO THE ADOPTED STANDARDS OF PRACTICE AND CODE OF ETHICS
21 APPROVED BY THE BOARD;

22 (3) THE LICENSE NUMBER OF THE LICENSEE; AND

23 (4) A DISCLOSURE IN 14-POINT BOLD TYPE THAT INCLUDES THE
24 FOLLOWING STATEMENTS:

25 (I) "AN INSPECTION IS INTENDED TO ASSIST IN THE EVALUATION
26 OF THE OVERALL CONDITION OF A BUILDING. THE INSPECTION IS BASED ON
27 OBSERVATION OF THE VISIBLE AND APPARENT CONDITION OF THE BUILDING AND
28 ITS COMPONENTS ON THE DATE OF THE INSPECTION";

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

32 (III) "IF YOUR HOME INSPECTOR IS NOT A LICENSED SPECIALIST IN
33 THE BUILDING PROFESSION OR OTHER PROFESSIONAL WHOSE LICENSE
34 AUTHORIZES THE RENDERING OF AN OPINION AS TO STRUCTURAL INTEGRITY OF A
35 BUILDING OR AN OPINION REGARDING OTHER COMPONENTS OR SYSTEMS, YOU MAY

1 WISH TO SEEK THE PROFESSIONAL OPINION OF ONE LICENSED IN THE SPECIALTY
2 RELATED TO THE STRUCTURAL INTEGRITY OR COMPONENTS OR SYSTEMS OF
3 CONCERN TO YOU REGARDING ANY POSSIBLE DEFECTS OR OTHER OBSERVATIONS
4 SET FORTH IN THIS REPORT";

5 (IV) "ONLY HOME INSPECTIONS PERFORMED BY MARYLAND
6 LICENSED HOME INSPECTORS WILL BE RECOGNIZED BY THE SELLER AS A
7 CONTRACTUAL VALID HOME INSPECTION"; AND

8 (V) A STATEMENT OF THE LIABILITY OF THE HOME INSPECTOR
9 FOR ANY DAMAGES RESULTING FROM THE REPORT ON THE HOME INSPECTION.

10 (B) THE LICENSEE SHALL GIVE THE PERSON THE REPORT:

11 (1) BY THE DATE SET IN A WRITTEN AGREEMENT BY THE PARTIES TO
12 THE HOME INSPECTION; OR

13 (2) WITHIN 7 BUSINESS DAYS AFTER THE HOME INSPECTION WAS
14 PERFORMED, IF NO DATE WAS SET IN A WRITTEN AGREEMENT BY THE PARTIES TO
15 THE HOME INSPECTION.

16 9B-402.

17 THE BOARD SHALL ADOPT REGULATIONS THAT ENSURE CIRCULATION TO THE
18 GENERAL PUBLIC OF THE LICENSING REQUIREMENTS OF THIS TITLE.

19 SUBTITLE 5. CIVIL PENALTIES.

20 9B-501.

21 (A) THE BOARD MAY IMPOSE ON A PERSON WHO VIOLATES THIS TITLE A CIVIL
22 PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION, WHETHER OR NOT THE
23 PERSON IS LICENSED UNDER THIS TITLE.

24 (B) IN SETTING THE AMOUNT OF A CIVIL PENALTY, THE BOARD SHALL
25 CONSIDER:

26 (1) THE SERIOUSNESS OF THE VIOLATION;

27 (2) THE GOOD FAITH OF THE VIOLATOR;

28 (3) ANY PREVIOUS VIOLATIONS;

29 (4) THE HARMFUL EFFECT OF THE VIOLATION ON THE COMPLAINANT,
30 THE PUBLIC, AND THE BUSINESS OF HOME INSPECTIONS;

31 (5) THE ASSETS OF THE VIOLATOR; AND

32 (6) ANY OTHER RELEVANT FACTORS.

1 SUBTITLE 6. GENERAL CRIMINAL PENALTY.

2 9B-601.

3 A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF A
4 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,000
5 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.

6 SUBTITLE 7. SHORT TITLE; TERMINATION OF TITLE.

7 9B-701.

8 THIS TITLE MAY BE CITED AS THE "MARYLAND HOME INSPECTORS ACT".

9 9B-702.

10 SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE
11 MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL REGULATIONS
12 ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY
13 1, 2010.

14 **Article - State Government**

15 8-403.

16 (M) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (E) OF THIS SECTION,
17 ON OR BEFORE JULY 1, 2009, AN EVALUATION SHALL BE MADE OF THE STATE BOARD
18 OF HOME INSPECTORS AND THE REGULATIONS THAT RELATE TO THE STATE BOARD
19 OF HOME INSPECTORS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
21 members of the State Board of Home Inspectors shall expire as follows:

22 (1) 2 members in 2002;

23 (2) 2 members in 2003;

24 (3) 2 members in 2004; and

25 (4) 1 member in 2005.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2000.