

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL NO. 417

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 13, after “dates;” insert “providing that, before a certain date, the Commission is not required to take certain actions relating to the licensing of home inspectors and an individual is not required to be a licensed home inspector for certain purposes;”; and after line 19, insert:

“BY repealing and reenacting, without amendments,

Article - Business Occupations and Professions

Section 16-3A-01 through 16-3A-08, 16-4A-01 through 16-4A-03, 16-703.1, and 16-705.1

Annotated Code of Maryland

(2000 Replacement Volume and 2001 Supplement)”.”

AMENDMENT NO. 2

On page 5, after line 21, insert:

“16-3A-01.

(a) Except as otherwise provided in this title, an individual shall be licensed by the Commission as a home inspector before the individual may provide home inspection services in the State.

(b) This title does not apply to:

(1) an individual who is employed as a building code enforcement official by the State or a political subdivision of the State, while acting within the scope of that employment;

(2) an individual who is employed as a federal or State inspector, while acting

(Over)

within the scope of that employment;

(3) a plumber, electrician, professional engineer, real estate appraiser, real estate broker or agent, or heating, ventilation, air-conditioning, or refrigeration contractor who is licensed in the State, while acting within the scope of that license;

(4) a roofer, general contractor, remodeler, or structural pest control specialist, while acting within the scope of that occupation; or

(5) any other professional whose services may be required in the building or remodeling of real property and who does not claim to be a licensed home inspector.

16-3A-02.

(a) To qualify for a license as a home inspector, an applicant must be an individual who meets the requirements of this section.

(b) Prior to July 1, 2002, an applicant for a home inspector license shall:

(1) meet two of the following conditions:

(i) have completed a minimum of 48 hours of an on-site training course approved by a national home inspection organization or the Commission;

(ii) have completed a minimum of 2 years of relevant work experience, as determined by the Commission, immediately preceding the submission of an application;

(iii) have completed at least 100 home inspections for compensation; or

(iv) submit proof of full membership in or certification by one of the following national home inspection organizations:

1. American Society of Home Inspectors; or

2. National Association of Home Inspectors;

(2) have a high school diploma or its equivalent;

- (3) have general liability insurance in an amount not less than \$50,000;
- (4) submit to the Commission an application on the form that the Commission provides; and
- (5) pay to the Commission an application fee of \$50.

16-3A-03.

Effective July 1, 2002, an applicant for a home inspector license shall:

- (1) have completed a minimum of 48 hours of an off-site training course approved by a national home inspection organization or the Commission;
- (2) have a high school diploma or its equivalent;
- (3) have general liability insurance in an amount not less than \$50,000;
- (4) submit to the Commission an application on the form that the Commission provides; and
- (5) pay to the Commission an application fee of \$50.

16-3A-04.

(a) Except as provided in subsection (c) of this section, subject to the licensing provisions of this section, the Commission may issue a license by reciprocity under this section for an applicant who is licensed to provide home inspection services in another state.

(b) The Commission may issue a license by reciprocity under this section for an applicant who is licensed to provide home inspection services in another state only if the applicant:

- (1) pays to the Commission an application fee as set by the Commission; and

(2) provides adequate evidence that the applicant:

(i) meets the qualifications otherwise required by this subtitle;

(ii) holds an active license in good standing from the other state;

(iii) became licensed in the other state after meeting, in that or another state, requirements that were at least equivalent to those then required by the laws of this State; or

(iv) at the time of the application for a license by reciprocity under this section, the applicant meets the requirements currently required by the laws of this State.

(c) Subject to the licensing provisions in this section, the Commission may issue a license by reciprocity to provide home inspection services to an individual who satisfies to the Commission that the applicant is qualified based on a combination of comparable education, training, and experience in providing home inspection services.

16-3A-05.

If an applicant qualifies for a home inspector license under this title, the Commission shall send the applicant a notice that states:

(1) the applicant has qualified for the license; and

(2) the Commission will issue the home inspector license to an applicant upon receipt of:

(i) proof of general liability insurance in an amount not less than \$50,000; and

(ii) a license fee not to exceed \$400.

16-3A-06.

While a home inspector license is in effect, it authorizes the licensee to provide home inspection services.

16-3A-07.

(a) Unless a license is renewed for a 2-year term as provided in this section, the license expires on a staggered basis as determined by the Secretary.

(b) At least 1 month before a license expires, the Commission shall mail to the licensee, at the last known address of the licensee:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current license expires; and

(ii) the amount of the renewal fee.

(c) Before a license expires, the licensee may renew it for an additional 2-year term, if the licensee:

(1) otherwise is entitled to be licensed;

(2) pays to the Commission a renewal fee not to exceed \$400; and

(3) submits a renewal application on the form that the Commission provides.

(d) The Commission shall renew the license of and issue a license to each licensee who meets the requirements of this section.

16-3A-08.

(Over)

(a) The Commission shall reinstate the license of an individual who has failed to renew a license for any reason if the individual:

(1) applies to the Commission for reinstatement within 5 years after the license expires;

(2) meets the renewal requirements under § 16-3A-07 of this subtitle; and

(3) in addition to the renewal fee required under § 16-3A-07 of this subtitle, pays to the Commission a reinstatement fee of \$50.

(b) The Commission may not reinstate the license of an individual who for any reason fails to apply for reinstatement within 5 years after the license has expired.

16-4A-01.

(a) A licensed home inspector shall give to each person for whom the licensee performs a home inspection for compensation or to the person's representative, a written report that states:

(1) the scope and the exclusions of the inspection;

(2) the conditions observed during the home inspection that are subject to the adopted standards of practice and code of ethics approved by the Commission;

(3) the license number of the licensee; and

(4) a disclosure in 14-point bold type that includes the following statements:

(i) “An inspection is intended to assist in the evaluation of the overall condition of a building. The inspection is based on observation of the visible and apparent condition of the building and its components on the date of the inspection”;

(ii) “The results of this home inspection are not intended to make any representation regarding latent or concealed defects that may exist, and no warranty or guaranty is

expressed or implied”;

(iii) “If your home inspector is not a licensed structural engineer or other professional whose license authorizes the rendering of an opinion as to structural integrity of a building or the condition of its components or systems, you may wish to seek the professional opinion of a licensed structural engineer or other professional regarding any possible defects or other observations set forth in this report”; and

(iv) “Only home inspections performed by Maryland licensed home inspectors will be recognized by the buyer as a valid home inspection under a real estate contract”.

(b) The licensee shall give the person or the person's representative the report:

(1) by the date set in a written agreement by the parties to the home inspection; or

(2) within 7 business days after the home inspection was performed, if no date was set in a written agreement by the parties to the home inspection.

(c) Any limitation of the liability of the licensee for any damages resulting from the report on the home inspection shall be agreed to in writing by the parties to the home inspection prior to the performance of the home inspection.

16-4A-02.

Each licensee shall display the license certificate in the manner required by the Commission.

16-4A-03.

A licensee must report any change of address to the Commission in writing within 15 days.”.

On page 6, after line 27, insert:

“16-703.1.

(Over)

Except as otherwise provided in this title, a person may not provide, attempt to provide, or offer to provide home inspection services in this State unless licensed as a home inspector by the Commission.

16-705.1.

Unless authorized under this title to provide home inspection services, a person may not represent to the public, by use of a title, including “licensed home inspector”, by description of services, methods, or procedures, or otherwise, that the person is authorized to provide home inspection services in the State.”.

On page 7, after line 12, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §§ 16-202, 16-3A-01 through 16-3A-08, 16-4A-01 through 16-4A-03, 16-703.1, and 16-705.1 of the Business Occupations and Professions Article, before July 1, 2003:

(1) the State Commission of Real Estate Appraisers and Home Inspectors is not required to provide or accept an application for an individual to become a licensed home inspector; and

(2) an individual is not required to be licensed by the State Commission of Real Estate Appraisers and Home Inspectors as a home inspector to:

(i) provide home inspection services in the State; or

(ii) serve as a member of the Commission.”;

and in lines 13, 20, and 33, strike “2.”, “3.”, and “4.”, respectively, and substitute “3.”, “4.”, and “5.”, respectively.