

SENATE BILL 98

Unofficial Copy  
C2

2003 Regular Session  
3r0038

---

By: **Chairman, Finance Committee (By Request - Departmental - Labor,  
Licensing and Regulation)**

Introduced and read first time: January 22, 2003

Rules suspended

Assigned to: Finance

---

A BILL ENTITLED

1 AN ACT concerning

2 **Home Inspectors - Training Requirements and Disclosures**

3 FOR the purpose of altering certain requirements for licensure as a home inspector;  
4 requiring certain disclosures to be provided by a licensed home inspector prior to  
5 performing a home inspection; and generally relating to the licensing and  
6 regulation of home inspectors by the Commission of Real Estate Appraisers and  
7 Home Inspectors.

8 BY repealing and reenacting, with amendments,  
9 Article - Business Occupations and Professions  
10 Section 16-3A-03 and 16-4A-01  
11 Annotated Code of Maryland  
12 (2000 Replacement Volume and 2002 Supplement)

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

15 **Article - Business Occupations and Professions**

16 16-3A-03.

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

- 18 (1) have completed a minimum of 48 hours of an [off-site] ON-SITE  
19 training course approved by a national home inspection organization or the  
20 Commission;
- 21 (2) have a high school diploma or its equivalent;
- 22 (3) have general liability insurance in an amount not less than \$50,000;
- 23 (4) submit to the Commission an application on the form that the  
24 Commission provides; and

1 (5) pay to the Commission an application fee of \$50.

2 16-4A-01.

3 (A) PROMPTLY AFTER AGREEING TO PERFORM AN INSPECTION AND BEFORE  
4 A HOME IS INSPECTED, A LICENSED HOME INSPECTOR SHALL PROVIDE THE PERSON  
5 WHO HAS ENTERED INTO A CONTRACT FOR THE PURCHASE OF THE PROPERTY:

6 (1) A LIST OF THE CREDENTIALS OF:

7 (I) THE LICENSED HOME INSPECTOR; AND

8 (II) THE INDIVIDUAL WHO WILL ACTUALLY PERFORM THE HOME  
9 INSPECTION, IF THAT INDIVIDUAL IS DIFFERENT FROM THE LICENSED HOME  
10 INSPECTOR; AND

11 (2) A DISCLOSURE IN 14-POINT BOLD TYPE THAT STATES:

12 (I) "AN INSPECTION IS INTENDED TO ASSIST IN EVALUATION OF  
13 THE OVERALL CONDITION OF A BUILDING. THE INSPECTION IS BASED ON  
14 OBSERVATION OF THE VISIBLE AND APPARENT CONDITION OF THE BUILDING AND  
15 ITS COMPONENTS ON THE DATE OF INSPECTION";

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

19 (III) "IF THE PERSON CONDUCTING YOUR HOME INSPECTION IS NOT  
20 A LICENSED STRUCTURAL ENGINEER OR OTHER PROFESSIONAL WHOSE LICENSE  
21 AUTHORIZES THE RENDERING OF AN OPINION AS TO THE STRUCTURAL INTEGRITY  
22 OF A BUILDING OR ITS OTHER COMPONENT PARTS, YOU MAY BE ADVISED TO SEEK A  
23 PROFESSIONAL OPINION AS TO ANY DEFECTS OR CONCERNS MENTIONED IN THE  
24 HOME INSPECTION REPORT"; AND

25 (IV) "ONLY HOME INSPECTIONS PERFORMED BY MARYLAND  
26 LICENSED HOME INSPECTORS WILL BE RECOGNIZED BY THE BUYER AS A VALID  
27 HOME INSPECTION UNDER A REAL ESTATE CONTRACT".

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

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

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

34 (3) the license number of the licensee; and

35 (4) a disclosure in 14-point bold type that includes the [following  
36 statements] STATEMENT:

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

5                   (ii)        "The results of this home inspection are not intended to make  
6 any representation regarding latent or concealed defects that may exist, and no  
7 warranty or guaranty is expressed or implied";

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

14                   (iv)]        "Only home inspections performed by Maryland licensed home  
15 inspectors will be recognized by the buyer as a valid home inspection under a real  
16 estate contract".

17        [(b)]       (C)        The licensee shall give the person or the person's representative the  
18 report:

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

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

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

26        SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
27 effect October 1, 2003.