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

Introduced and read first time: January 21, 2004

Assigned to: Economic Matters

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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 before  
5 performing a home inspection; extending a certain provision relating to the  
6 commencement of certain licensing requirements for home inspectors; and  
7 generally relating to the licensing and regulation of home inspectors by the  
8 Commission of Real Estate Appraisers and Home Inspectors.

9 BY repealing and reenacting, with amendments,  
10 Article - Business Occupations and Professions  
11 Section 16-3A-03 and 16-4A-01  
12 Annotated Code of Maryland  
13 (2000 Replacement Volume and 2003 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Chapter 226 of the Acts of the General Assembly of 2002  
16 Section 2

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

19 **Article - Business Occupations and Professions**

20 16-3A-03.

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

22 (1) have completed a minimum of 48 hours of an [off-site] ON-SITE  
23 training course approved by a national home inspection organization [or] AND the  
24 Commission;

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

1 (3) have general liability insurance in an amount not less than \$50,000;

2 (4) submit to the Commission an application on the form that the  
3 Commission provides; and

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

5 16-4A-01.

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

9 (1) A LIST OF THE CREDENTIALS OF:

10 (I) THE LICENSED HOME INSPECTOR; AND

11 (II) THE INDIVIDUAL WHO WILL ACTUALLY PERFORM THE HOME  
12 INSPECTION, IF THAT INDIVIDUAL IS DIFFERENT FROM THE LICENSED HOME  
13 INSPECTOR; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 [(b) (C) The licensee shall give the person or the person's representative the  
21 report:

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

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

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

29 **Chapter 226 of the Acts of 2002**

30 SECTION 2. AND BE IT FURTHER ENACTED, That notwithstanding §§  
31 16-202, 16-3A-01 through 16-3A-08, 16-4A-01 through 16-4A-03, 16-703.1, and  
32 16-705.1 of the Business Occupations and Professions Article, before July 1, [2003]  
33 2006:

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

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

- 3                   (i)       provide home inspection services in the State; or  
4                   (ii)       serve as a member of the Commission.

5       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
6 effect October 1, 2004.