

HOUSE BILL REPORT

HB 1269

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to regulating structural pest inspectors.

Brief Description: Regulating structural pest inspectors.

Sponsors: Representatives Linville and Schoesler; by request of Department of Agriculture.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/28/03, 2/14/03 [DPS].

Brief Summary of Substitute Bill

- Identifies the types of inspections for which a person must be licensed as a structural pest inspector and requires certain evidence of financial responsibility for such a license and authorizes other evidence.
- Requires businesses that conduct structural pest inspections also to be licensed.
- Requires certain structural inspections to be "complete wood destroying organism inspections."

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Eickmeyer, Grant, McDermott, Orcutt, Quall and Sump.

Staff: Kenneth Hirst (786-7105).

Background:

The state's Pesticide Control Act (Act) requires pesticides to be registered by the state's Department of Agriculture (WSDA). The Act also requires pesticide dealers, dealer managers, and public and private pest control consultants to be licensed. The fee that

must accompany an application for a pesticide dealer is \$50; for a dealer manager, \$25; for a pest control consultant, \$45; and for a public pest control consultant, \$25.

A special category of the pest control consultant's license is for structural pest inspectors. A structural pest inspector is a person who inspects buildings for wood destroying organisms, their damage, or conditions conducive to their infestation. As a condition for licensure, a pest control inspector must provide evidence of financial responsibility in the form of a surety bond, or an errors and omissions insurance policy or certification. The minimum amounts required for the bonds and policies are specified under the Act.

Summary of Substitute Bill:

Structural Pest Inspector's License. Structural pest inspection is no longer a licensing subcategory of a pest control consultant's license. A structural pest inspector's license is required for a person who conducts as a service a complete or a specific wood destroying organism inspection. A "complete" wood destroying organism inspection is an inspection conducted to determine evidence of infestation or damage by, or conducive conditions for, wood destroying organisms as part of the transfer, exchange, or refinancing of a structure. Any inspection conducted as the result of a telephone solicitation must be conducted as such a complete inspection. The "specific" version of the inspection is one for the purpose of identifying or verifying evidence of an infestation of wood destroying organisms prior to pest management activities. A wood destroying organism is one that consumes, excavates, develops in, or otherwise modifies the integrity of wood or wood products.

A person who currently holds a valid license to perform such services is exempted from this requirement until the expiration of the license. The license application fee is \$45, as it was when the license was a sub-category of a consultant's license. Persons who had been exempted from licensure to perform such inspections because they hold other pesticide licenses and are operating within the authority of those other licenses are now exempt only from the license application fee requirement. The exemption no longer applies to all governmental employees acting within their official capacities or to pesticide dealer managers or their employees. The other licenses to which the fee exemption applies include a pest control consultant's license.

An applicant for a structural pest inspector's license must pass a written examination designed to demonstrate certain knowledge, including knowledge of the conditions that are conducive to the development of wood destroying organisms.

Company License. A business that conducts such structural pest inspections must itself be licensed; it is unlawful for a business to conduct such inspections without a license. The contents of the application form for the license are listed. Changes to the information provided on such a form must be reported to the WSDA within 30 days.

Required Evidence of Financial Responsibility The evidence of financial responsibility required for a structural pest inspector must be provided to the WSDA by the inspector or by the business employing the inspector. Greater detail is provided regarding the evidence of financial responsibility. It is to be provided by: an errors and omissions insurance policy; a surety bond; a surety bond and an errors and omissions policy; or an assigned account. The errors and omissions insurance policy or surety bond must be for not less than \$25,000 separately; if provided together, the insurance policy must be for not less than \$25,000 and the bond must be for not less than \$12,500. The assigned account must be held by the WSDA in an amount not less than \$25,000 (and the WSDA is not liable for payments beyond this specified amount). The Director of the WSDA may identify other evidence by rule that provides coverage equivalent to the types specified by statute.

Means of making claims against the various forms of financial responsibility are specified. They apply to such claims made within two years of the inspection. This time limitation applies to claims against these forms of financial responsibility; it does not affect any statute of limitations for claims a person may have against the inspector.

Other. The Director of the WSDA may require licensees to earn recertification credits in their licensing categories. Provisions of the Pesticide Control Act are removed that indicate that a pest control consultant supervises or aids the application of a pesticide by a user.

Substitute Bill Compared to Original Bill:

The substitute bill: requires structural pest inspectors to be licensed only if they conduct specific or complete wood destroying organism inspections; allows the evidence of financial responsibility required for a structural pest inspector's license to be filed by the structural pest inspection company that employs an inspector; allows the director to identify by rule other, equivalent types of evidence of financial responsibility that may be used for licensure; requires a company license for self-employed inspectors; deletes the authority of the director to adopt rules setting and for collecting course sponsorship fees; and returns the application fee for a pest control consultant's license to a statutorily set fee of \$45, rather than allowing it to be set by rule, and sets the application fee for a structural pest inspector's license statutorily at \$45, rather than allowing it to be set by rule.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect

July 1, 2003.

Testimony For: 1) Either companies do not write the type of policies required by current law as evidence of financial responsibility or the policy premiums are prohibitive; more flexibility and new options are needed, as allowed in the bill. 2) Having a separate licensing exam for the inspectors allows the exam to be tailored to the services they provide. 3) Continuing education will help inspectors keep abreast of changes in the industry and help them get insurance and bond coverage.

(Comments) The inspection company should provide financial responsibility coverage for its employees.

Testimony Against: None.

Testified: (In support) Art Losey, Washington State Pest Control Association; Brad Cyrier, Bugman Bradford Inspections; and Leslie Emerick and Margaret Tucker, Washington State Department of Agriculture.

(Comments) Roy Angevine, American Society of Home Inspectors.