
Commerce & Labor Committee

ESSB 5788

Brief Description: Requiring the licensing of home inspectors.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Spanel, Brandland and Kohl-Welles).

Brief Summary of Engrossed Substitute Bill

- Requires licensing of home inspectors.

Hearing Date: 3/27/07

Staff: Joan Elgee (786-7106).

Background:

Home inspectors are not required to be registered, certified, or licensed with the state. A person who conducts wood destroying organism inspections, however, must obtain a structural pest inspector license from the Washington State Department of Agriculture. This license requires passage of an exam, a fee of \$45, and a showing of financial responsibility.

Summary of Bill:

Beginning on September 1, 2008, a person must obtain a home inspector license from the Department of Licensing (Department) to conduct home inspections or advertise or hold himself or herself out as engaging in the business of a home inspector.

A home inspection is a visual analysis for the purposes of providing a professional opinion of the condition of a building and its attached carports and garages, any reasonably accessible installed components and the operation of building systems, for the following components of a residential building of four units or less:

- heating;
- electrical;
- cooling;
- plumbing;

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- foundation;
- roof covering;
- structural;
- site aspects as they affect the building;
- exterior and interior components; and
- inspection for wood destroying organisms.

Qualifications for licensure. To become licensed as a home inspector, an applicant must pay a fee, document that he or she passed a state accredited home inspection course of at least 120 hours of classroom instruction, pass a written exam, and be licensed as a structural pest inspector. Classroom instruction is training in observing and identifying defects in structural components, foundations, roof coverings, insulation and ventilation, exterior and interior components; wood destroying organism inspections; and plumbing, heating, cooling, and electrical systems. Online or video training is not included. A person performing home inspections as of the effective date of the act may receive up to 25 hours of credit toward the 120 hours by proof of experience as determined by the home inspector board.

Exam. The exam must test applicants on conducting home inspections specific to Washington. The exam consists of five sections covering: (1) ethics and standards of practice; (2) structure, roofing, site, exterior, interior; (3) heating, ventilation, and air conditioning; (4) plumbing; and (5) electrical.

Each section consists of 40 questions and the applicant must pass each section with a score of 75 percent or better.

Exemptions. Architects and engineers are exempt from the licensing requirements. Licensed pesticide applicators and operators, and licensed structural pest inspectors who perform only wood destroying organism inspections are also exempt.

Grandfather clause. A person who has been actively engaged in conducting home inspections and has been a licensed structural pest inspector for at least two years and who has completed at least 100 complete home inspections may apply for initial licensure without meeting the exam or instruction requirements. A person who receives a license under the grandfather clause must pass the exam to renew his or her license.

Licensing board. An eight member Home Inspector Licensing Board (Board) is created. Five members must be home inspectors, one a real estate broker, one a teacher in a home inspector certificate program, and one a public member. A home inspector member must have been actively engaged as a home inspector for five years, performed 350 home inspections in the state, and be licensed as a home inspector. The composition of the Board members must be generally representative of the occupational distribution of licensed home inspectors.

The Board's duties include establishing rules for adoption by the Director of the Department (Director), establishing the minimum qualifications for licensing, approving the content of exams for adoption by the Director, and setting standards of professional conduct, practice, and ethics for adoption by the Director.

Home inspection reports. A home inspector must provide a written report within seven days of an inspection. On those systems and components which are significantly deficient or near the end of the service life, the report must include a reason why, if not self-evident, and the home inspector's

recommendations to correct or monitor the reported deficiency. The report must also include whether or not there is damage from wood destroying organisms.

Continuing education/renewal. Licenses are issued for two year terms. A home inspector must complete at least 30 hours of continuing education every two years in courses approved by the board to renew the license.

Insurance. All active practicing home inspectors must carry errors and omissions insurance at a minimum of \$100,000 or post a bond at the same level to cover all home inspection activities, including inspection for wood destroying organisms.

Exclusions. A home inspector is not required to determine:

- the condition of systems or components that are not readily accessible;
- the remaining life of any system or component;
- the strength, adequacy, effectiveness, or efficiency of any system or component;
- the cause of any condition or deficiency;
- the methods, materials, or costs of corrections;
- future conditions including but not limited to failure of systems and components;
- the suitability of the property for any specialized use;
- compliance with regulatory requirements;
- the market value of the property or its marketability; and
- the presence of environmental hazards including, but not limited to, toxins, carcinogens, noise, and contaminants in soil, water, and air.

A home inspector is not required to enter: (1) any area that would likely be dangerous or damage the property or its systems or components, and (2) crawl spaces or attics that are not readily accessible.

Prohibited activities. A home inspector may not perform any work other than home inspection-related consultation on the home he or she inspected until one year from the date of the report. The Department may issue civil infractions in the following instances: (1) Conducting or offering to conduct a home inspection without being licensed; (2) presenting or attempting to use as his or her own the license of another; (3) giving any false or forged evidence of any kind in obtaining a license; (4) falsely impersonating any other licensee; or (5) attempting to use an expired or revoked license. The Director may seek injunctive relief to restrain a person from committing a prohibited act.

Rules Authority: The Home Inspector Licensing Board will be required to establish rules for adoption by the Director of the Department of Licensing.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.