
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-2054.1/07

ATTY/TYPIST: BLP:seg

BRIEF DESCRIPTION: Requiring the licensing of home inspectors.

1 AN ACT Relating to the licensing of home inspectors; adding a new
2 chapter to Title 18 RCW; creating a new section; and prescribing
3 penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
6 section apply throughout this chapter unless the context clearly
7 requires otherwise.

8 (1) "Board" means the home inspector licensing board.

9 (2) "Classroom education" means training in observing and
10 identifying defects in structural components, foundations, roof
11 coverings, insulation and ventilation, exterior and interior
12 components; wood destroying organism inspections; and plumbing,
13 heating, cooling, and electrical systems. It does not include online
14 or video training.

15 (3) "Component" means a readily accessible and observable aspect of
16 a system, such as a floor or wall, but not individual pieces such as
17 boards or nails where many pieces make up a system.

18 (4) "Department" means the department of labor and industries.

1 (5) "Director" means the director of the department of labor and
2 industries.

3 (6) "Home inspection" means a visual analysis for the purposes of
4 providing a professional opinion of the condition of a building and its
5 attached carports and attached garages, any reasonably accessible
6 installed components and the operation of the building systems,
7 including the controls normally operated by the owner, for the
8 following components of a residential building of four units or less:
9 Heating system, electrical system, cooling system, plumbing system,
10 structural components, foundation, roof covering, exterior and interior
11 components, and site aspects as they affect the building. "Home
12 inspection" also means an inspection for wood destroying organisms.

13 (7) "Home inspection report" or "inspection report" means a written
14 report prepared and issued after a home inspection. The inspector
15 shall include the following in the report:

16 (a) On those systems and components inspected which, in the
17 professional opinion of the inspector, are significantly deficient or
18 near the end of its service life;

19 (b) A reason why, if not self-evident, the system or component is
20 significantly deficient or near the end of its service life;

21 (c) The home inspector's recommendations to correct or monitor the
22 reported deficiency;

23 (d) Whether or not there is damage from wood destroying organisms;
24 and

25 (e) Any systems and components designated for inspection in the
26 standards developed by the board under section 5 of this act.

27 (8) "Home inspector" means any person licensed under this chapter
28 as a home inspector and who engages in the business of performing home
29 inspections and writing home inspection reports.

30 (9) "Readily accessible" means areas typically and routinely
31 visible by normal access.

32 NEW SECTION. **Sec. 2.** LICENSURE REQUIRED. (1) Beginning July 1,
33 2008, a person shall not engage in or conduct, or advertise or hold
34 himself or herself out as engaging in or conducting the business of or
35 acting in the capacity of a home inspector within this state without
36 first obtaining a license as provided in this chapter.

1 (2) On July 1, 2008, any person who has been actively engaged in
2 the business of conducting complete home inspections and has been
3 licensed as a structural pest inspector by the state department of
4 agriculture for at least two years and who has conducted at least one
5 hundred complete home inspections may apply to the board for initial
6 licensure without meeting the examination or instruction requirements
7 of this chapter.

8 NEW SECTION. **Sec. 3.** HOME INSPECTOR LICENSING BOARD. (1) The
9 state home inspector licensing board is created. The board consists of
10 eight members appointed by the director, who shall advise the director
11 concerning the administration of this chapter. Of the appointments to
12 this board, five shall be actively engaged as home inspectors
13 immediately prior to their appointment to the board, one shall be a
14 licensed real estate broker, one shall be currently teaching in a home
15 inspector certificate program, and one shall be a member of the general
16 public with no family or business connection with the home inspector
17 business or practice. Insofar as possible, the composition of the
18 appointed home inspector members of the board shall be generally
19 representative of the occupational distribution of home inspectors
20 licensed under this chapter.

21 (2) A home inspector must have the following qualifications to be
22 appointed to the board:

23 (a) Actively engaged as a home inspector in the state of Washington
24 for five years;

25 (b) Licensed as a home inspector under this chapter; and

26 (c) Performed three hundred fifty home inspections in the state of
27 Washington.

28 (3) Members of the board are appointed for three-year terms. Terms
29 must be staggered so that not more than two appointments are scheduled
30 to be made in any calendar year. Members hold office until the
31 expiration of the terms for which they were appointed. The director
32 may remove a board member for just cause. The director may appoint a
33 new member to fill a vacancy on the board for the remainder of the
34 unexpired term. All board members are limited to two consecutive
35 terms.

36 (4) Each board member is entitled to compensation for each day

1 spent conducting official business and to reimbursement for travel
2 expenses in accordance with RCW 43.03.240, 43.03.050, and 43.03.060.

3 NEW SECTION. **Sec. 4.** DIRECTOR'S AUTHORITY. The director has the
4 following authority in administering this chapter:

- 5 (1) To adopt, amend, and rescind rules approved by the board as
6 deemed necessary to carry out this chapter;
- 7 (2) To adopt fees as provided in RCW 43.24.086;
- 8 (3) To administer licensing examinations approved by the board and
9 to adopt or recognize examinations prepared by other organizations as
10 approved by the board;
- 11 (4) To adopt standards of professional conduct, practice, and
12 ethics as approved by the board; and
- 13 (5) To enter into an assurance of discontinuance in lieu of issuing
14 a statement of charges or conducting a hearing. The assurance must
15 consist of a statement of the law in question and an agreement to not
16 violate the stated provision. Violation of an assurance under this
17 section is grounds for disciplinary action.

18 NEW SECTION. **Sec. 5.** BOARD'S AUTHORITY. The board has the
19 following authority in administering this chapter:

- 20 (1) To establish rules, including board organization and assignment
21 of terms, and meeting frequency and timing, for adoption by the
22 director;
- 23 (2) To establish the minimum qualifications for licensing
24 applicants as provided in this chapter;
- 25 (3) To approve the method of administration of examinations
26 required by this chapter or by rule as established by the director;
- 27 (4) To approve the content of or recognition of examinations
28 prepared by other organizations for adoption by the director;
- 29 (5) To set the time and place of examinations with the approval of
30 the director; and
- 31 (6) To establish and review standards of professional conduct,
32 practice, and ethics for adoption by the director.

33 NEW SECTION. **Sec. 6.** QUALIFICATIONS FOR LICENSURE. In order to
34 become licensed as a home inspector, an applicant must submit the
35 following to the department:

- 1 (1) An application on a form developed by the department;
- 2 (2) The fee in an amount set by the department and approved by the
3 board;
- 4 (3) Proof of a minimum of twenty education points as set forth in
5 section 8 of this act;
- 6 (4) Evidence of successful passage of the written exam as required
7 in section 8 of this act;
- 8 (5) Proof of current state licensure as a structural pest inspector
9 under chapter 15.58 RCW.

10 NEW SECTION. **Sec. 7.** APPLICATION FOR LICENSING. An application
11 for licensing must be filed with the director and must contain
12 statements made under oath demonstrating the applicant's
13 qualifications. The director with the board's approval may require any
14 information and documentation that reasonably relates to the need to
15 determine whether the applicant meets the criteria for licensing. The
16 application fee for initial licensing shall be determined by the
17 director as provided in RCW 43.24.086. The application, together with
18 the fee, must be submitted to the department prior to the application
19 deadline established by the director. Fees for initial licensing must
20 include the examination and issuance of a certificate. If the director
21 finds the applicant ineligible for licensing, the director shall retain
22 the application fee.

23 NEW SECTION. **Sec. 8.** WRITTEN EXAMS. (1) The exam shall be
24 designed to test applicants on conducting home inspections specific to
25 Washington state.

26 (2) The exam shall be divided into five sections with forty
27 questions in each section. Each applicant must pass each section of
28 the exam with a score of seventy-five percent or better. The sections
29 in the exam shall be divided as follows: (a) Ethics and standards of
30 practice; (b) structure, roofing, site, exterior, interior; (c)
31 heating, ventilation, and air conditioning; (d) plumbing; and (e)
32 electrical.

33 (3) To qualify to take the exam, an applicant must provide the
34 board and the department with acceptable documentation that the
35 applicant has accumulated a minimum of twenty education points from the
36 following choices:

1 (a) Ten points for a completed, three-credit hour minimum class
2 with a passing grade in home inspection at an accredited college or
3 university (ten points maximum);

4 (b) One point for each completed three-hour minimum class with a
5 passing grade in construction, remodeling, engineering, architecture,
6 building design, building technology, or real estate at an accredited
7 college or university (ten points maximum);

8 (c) One point for each completed "ride along" inspection performed
9 under the direct supervision of a licensed home inspector (ten points
10 maximum);

11 (d) One point for each completed three-hour minimum class with a
12 passing grade in other programs approved by the board (ten points
13 maximum).

14 (4) The applicant may substitute the following experiences for all
15 or part of the education requirements in subsection (3) of this section
16 as follows:

17 (a) Two points for each completed twelve months working or teaching
18 at an accredited college, university, trade school, or private business
19 for monetary compensation in construction, remodeling, engineering,
20 architecture, building design, building technology, real estate, or
21 building inspections (sixteen points maximum); or

22 (b) Four points for each completed twelve months legally working as
23 a home inspector in Washington or another state or country (sixteen
24 points maximum).

25 (5) Examinations of applicants for licensing must be held at times
26 and places as determined by the board with the director's approval. A
27 candidate failing an examination may apply for reexamination.
28 Subsequent examinations must be granted upon payment of a fee.

29 NEW SECTION. **Sec. 9.** LICENSE LENGTH AND RENEWAL. (1) Licenses
30 are issued for a term of two years and expire on the last day of the
31 month the license was issued. Licenses must be in a form prescribed by
32 the board and approved by the director. Licenses that are not renewed
33 are considered to be expired and any home inspection activity which
34 would require a license to perform which occurs after the expiration of
35 the license is a violation of this chapter.

36 (2) Any person who receives an initial license under section 2(2)

1 of this act must, upon renewal of his or her license, pass the
2 examination required in section 6(4) of this act.

3 (3) Any licensee who fails to timely renew his or her license may
4 renew his or her license only upon payment of renewal and late fees as
5 set by the director. A licensee who fails to renew his or her license
6 within six months from the date it expires is considered to have
7 forfeited his or her rights to renew the license and can only be
8 licensed by filing an application as an initial applicant and meeting
9 all the requirements of an initial applicant.

10 NEW SECTION. **Sec. 10.** ADVERTISING. The term "licensed home
11 inspector" along with the license number of the inspector must appear
12 on all advertising, correspondence, and documents incidental to a home
13 inspection.

14 NEW SECTION. **Sec. 11.** CONTINUING EDUCATION REQUIREMENTS. (1) As
15 a condition of renewing a license under this chapter, a licensed home
16 inspector shall present satisfactory evidence to the board of having
17 completed the continuing education requirements provided for in this
18 section.

19 (2) Each applicant for license renewal shall complete at least
20 thirty hours of instruction in courses approved by the board every two
21 years.

22 NEW SECTION. **Sec. 12.** INSURANCE. All active practicing licensed
23 home inspectors shall carry errors and omissions insurance to cover all
24 activities contemplated under this chapter. In addition, all active
25 licensees shall also carry general liability insurance to cover all
26 activities contemplated by this chapter. Any licensed home inspector
27 who has provided the department of agriculture with evidence of
28 financial responsibility as required under RCW 15.58.465 need not carry
29 any additional insurance.

30 NEW SECTION. **Sec. 13.** HOME INSPECTORS AS CORPORATIONS PROHIBITED.
31 A license as a home inspector may not be issued to a corporation,
32 limited liability company, partnership, firm, or group. However, this
33 section does not prevent a licensed home inspector from rendering home

1 inspections for or on behalf of a corporation, limited liability
2 company, partnership, firm, or group, when the home inspection report
3 is performed, prepared, and signed by a licensed home inspector.

4 NEW SECTION. **Sec. 14.** WRITTEN REPORTS. (1) A licensed home
5 inspector shall provide a written report of the home inspection to each
6 person for whom the inspector performs a home inspection within seven
7 calendar days from the date of the inspections.

8 (2) A licensed home inspector shall not, from the time of the
9 inspection until one year from the date of the report, perform any work
10 other than home inspection-related consultation on the home upon which
11 he or she has performed a home inspection.

12 NEW SECTION. **Sec. 15.** RECIPROCITY. The director may, upon
13 application and payment of a fee determined by the director as provided
14 in RCW 43.24.086, issue a license and certificate without examination
15 as a home inspector to a person who holds a structural pest inspection
16 license issued by the department of agriculture and a license of
17 qualification as a home inspector issued by the proper authority of any
18 state, territory, or possession of the United States if the applicant's
19 qualifications as evaluated by the board meet the requirements of this
20 chapter and the rules adopted by the director.

21 NEW SECTION. **Sec. 16.** HOME INSPECTOR'S ACCOUNT. The home
22 inspector's account is created in the custody of the state treasurer.
23 All receipts from fines and fees collected under this chapter must be
24 deposited into the account. Expenditures from the account may be used
25 only to carry out the duties required for the operation and enforcement
26 of this chapter. Only the director may authorize expenditures from the
27 account. The account is subject to allotment procedures under chapter
28 43.88 RCW, but an appropriation is not necessary.

29 NEW SECTION. **Sec. 17.** UNPROFESSIONAL CONDUCT. In addition to the
30 unprofessional conduct described in RCW 18.235.130, the following
31 conduct, acts, and conditions constitute unprofessional conduct:

32 (1) Violating this chapter or the rules adopted under this chapter;

33 (2) Not meeting the qualifications for licensing set forth by this
34 chapter;

- 1 (3) Failure to comply with an assurance of discontinuance entered
2 into with the director; or
3 (4) Committing any other act, or failing to act, which act or
4 failure are customarily regarded as being contrary to the accepted
5 professional conduct or standard generally expected of those conducting
6 home inspections.

7 NEW SECTION. **Sec. 18.** HEARING BEFORE THE DIRECTOR. The
8 procedures governing adjudicative proceedings before agencies under
9 chapter 34.05 RCW govern all hearings before the director or his or her
10 designee. Upon a finding that a license holder or applicant has
11 committed unprofessional conduct, the director may issue an order
12 providing for one or any combination of the following:

- 13 (1) Revocation of the license;
14 (2) Suspension of the license for a fixed or indefinite term;
15 (3) Restriction or limitation of the practice;
16 (4) Issuance of a civil fine not to exceed five thousand dollars
17 for each violation;
18 (5) Requiring satisfactory completion of a specific program of
19 remedial education or treatment;
20 (6) Monitoring of the practice by a peer approved by the director;
21 (7) Reprimand or censure;
22 (8) Compliance with conditions of probation for a designated period
23 of time;
24 (9) Withholding of a license request;
25 (10) Refund of fees billed to and collected from the consumer; or
26 (11) Other corrective action.

27 Any of the actions under this section may be totally or partly
28 stayed by the director. All costs associated with compliance with
29 orders issued under this section are the obligation of the license
30 holder or applicant.

31 NEW SECTION. **Sec. 19.** INVESTIGATION OF COMPLAINTS. Any person
32 may submit a written complaint to the department charging a license
33 holder or applicant with unprofessional conduct and specifying the
34 grounds for the charge. If the director determines that the complaint
35 merits investigation, or if the director has reason to believe, without
36 a formal complaint, that a license holder or applicant may have engaged

1 in unprofessional conduct, the director may investigate to determine if
2 there has been unprofessional conduct. A person who files a complaint
3 under this section in good faith is immune from suit in any civil
4 action related to the filing or contents of the complaint.

5 NEW SECTION. **Sec. 20.** SUSPENSION OF LICENSE. The board shall
6 immediately suspend the license or practice permit of a person who has
7 been certified pursuant to RCW 74.20A.320 by the department of social
8 and health services as a person who is not in compliance with a child
9 support order. If the person has continued to meet all other
10 requirements for a license under this chapter during the suspension,
11 reissuance of the license is automatic upon the board's receipt of a
12 release issued by the department of social and health services stating
13 that the licensee is in compliance with the child support order. The
14 procedure in RCW 74.20A.320 is the exclusive administrative remedy for
15 contesting the establishment of noncompliance with a child support
16 order, and suspension of a license under this subsection, and satisfies
17 the requirements of RCW 34.05.422.

18 NEW SECTION. **Sec. 21.** CIVIL INFRACTIONS. The following acts are
19 prohibited and any person committing any of the following acts is
20 guilty of a class 1 civil infraction under chapter 7.80 RCW:

- 21 (1) Conducting or offering to conduct a home inspection without
22 being licensed in accordance with this chapter;
- 23 (2) Presenting or attempting to use as his or her own the home
24 inspector license of another;
- 25 (3) Giving any false or forged evidence of any kind to the director
26 or his or her authorized representative in obtaining a license;
- 27 (4) Falsely impersonating any other licensee; or
- 28 (5) Attempting to use an expired or revoked license.

29 All fees, fines, and penalties collected or assessed by a court
30 because of a violation of this section must be remitted to the
31 department to be deposited into the home inspector's account created in
32 section 16 of this act.

33 NEW SECTION. **Sec. 22.** RELIEF BY INJUNCTION. The director is
34 authorized to apply for relief by injunction without bond, to restrain
35 a person from the commission of any act that is prohibited under this

1 chapter. In such proceedings, it is not necessary to allege or prove
2 either that an adequate remedy at law does not exist, or that
3 substantial or irreparable damage would result from continued
4 violation. The director, individuals acting on the director's behalf,
5 and members of the board are immune from suit in any action, civil or
6 criminal, based on disciplinary proceedings or other official acts
7 performed in the course of their duties in the administration and
8 enforcement of this chapter.

9 NEW SECTION. **Sec. 23.** UNIFORM REGULATION OF BUSINESS AND
10 PROFESSIONS ACT GOVERNS. The uniform regulation of business and
11 professions act, chapter 18.235 RCW, governs unlicensed practice, the
12 issuance and denial of licenses, and the discipline of licensees under
13 this chapter.

14 NEW SECTION. **Sec. 24.** GENERAL EXCLUSIONS. (1) The home inspector
15 is not required to determine the following:

16 (a) The condition of systems or components that are not readily
17 accessible;

18 (b) The remaining life of any system or component;

19 (c) The strength, adequacy, effectiveness, or efficiency of any
20 system or component;

21 (d) The cause of any condition or deficiency;

22 (e) The methods, materials, or costs of corrections;

23 (f) Future conditions including but not limited to failure of
24 systems and components;

25 (g) The suitability of the property for any specialized use;

26 (h) Compliance with regulatory requirements;

27 (i) The market value of the property or its marketability; and

28 (j) The presence of environmental hazards including, but not
29 limited to, toxins, carcinogens, noise, and contaminants in soil,
30 water, and air.

31 (2) Home inspectors are not required to enter the following:

32 (a) Any area that will likely be dangerous to the inspector or
33 other persons or damage the property or its systems or components; or

34 (b) The underfloor crawl spaces or attics that are not readily
35 accessible; however, substructure crawl spaces must be inspected when
36 accessible. Inaccessibility of substructure crawl space areas due to

1 inadequate clearance, the presence of ducting or piping, foundation
2 walls, partitions, or other such conditions that block access must be
3 explained in the inspection report. The report finding must state that
4 inaccessible substructure crawl space areas may be vulnerable to
5 infestation by wood-destroying organisms and should be made accessible
6 for inspection.

7 NEW SECTION. **Sec. 25.** Sections 1 through 24 of this act
8 constitute a new chapter in Title 18 RCW.

9 NEW SECTION. **Sec. 26.** Captions used in this act are not any part
10 of the law.

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