
HOUSE BILL 3132

State of Washington 60th Legislature 2008 Regular Session

By Representatives Springer, Conway, Warnick, Wood, Williams,
Goodman, and Ormsby

Read first time 01/23/08. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the licensing of home inspectors; amending RCW
2 15.58.205; adding a new chapter to Title 18 RCW; 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 instruction or classroom education" means training
10 in observing and identifying defects in structural components,
11 foundations, roof coverings, insulation and ventilation, exterior and
12 interior components; wood destroying organisms; and plumbing, heating,
13 cooling, and electrical systems. "Classroom instruction or classroom
14 education" includes online or video training.

15 (3) "Client" means an individual or individuals who contract for a
16 home inspection.

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

1 (5) "Department" means the department of licensing.

2 (6) "Director" means the director of the department of licensing.

3 (7) "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.

12 (8) "Home inspection report" means a written report prepared and
13 issued after a home inspection.

14 (9) "Home inspector" means any person licensed as a home inspector
15 and who engages in the business of performing home inspections and
16 writing home inspection reports.

17 (10) "Readily or reasonably accessible" means areas typically and
18 routinely visible by normal access.

19 (11) "Residential buildings" includes newly built or previously
20 owned homes, condominium units, townhomes, or manufactured homes.

21 NEW SECTION. **Sec. 2.** HOME INSPECTION REPORTS. (1) A home
22 inspector shall include the following information in a home inspection
23 report:

24 (a) Those systems and components inspected which, in the
25 professional opinion of the inspector, are significantly deficient or
26 near the end of its service life;

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

29 (c) Whether or not there is damage from wood destroying organisms
30 or conducive conditions leading to the development or establishment of
31 the organism; and

32 (d) Any systems and components designated for inspection in the
33 standards of practice developed by the board.

34 (2) A licensed home inspector shall provide a written report of the
35 home inspection to each person for whom the inspector performs a home
36 inspection within seven calendar days from the date of the inspection.

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

5 NEW SECTION. **Sec. 3.** GENERAL EXCLUSIONS FROM A HOME INSPECTION.

6 (1) The home inspector is not required to determine the following:

7 (a) The condition of systems or components that are not readily
8 accessible;

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

10 (c) The strength, adequacy, effectiveness, or efficiency of any
11 system or component;

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

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

14 (f) Future conditions including, but not limited to, failure of
15 systems and components;

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

17 (h) Compliance with regulatory requirements;

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

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

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

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

25 (b) The underfloor crawl spaces or attics that are not readily
26 accessible; however, substructure crawl spaces must be inspected when
27 accessible.

28 NEW SECTION. **Sec. 4.** THIRD-PARTY EXCLUSIONS. The home inspection
29 and report are performed and prepared for the sole, confidential, and
30 exclusive use and possession of the client and are nontransferable.
31 The inspector shall hold no responsibility for use or misinterpretation
32 by third parties.

33 NEW SECTION. **Sec. 5.** LICENSURE. Beginning September 1, 2009, a
34 person shall not engage in or conduct, or advertise or hold himself or

1 herself out as engaging in or conducting, the business of or acting in
2 the capacity of a home inspector within this state without first
3 obtaining a license as provided in this chapter.

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

7 (1) An application on a form developed by the department;
8 (2) The fee in an amount set by the department and approved by the
9 board;

10 (3) Identification proving that the applicant is at least eighteen
11 years of age;

12 (4) Proof that the applicant possesses at least a high school
13 diploma or its equivalent;

14 (5) Proof of a minimum of one hundred twenty hours of classroom
15 instruction as approved by the board;

16 (6) Proof of having completed a minimum of forty hours of
17 supervised field training as approved by the board;

18 (7) Evidence of successful passage of the written exam as outlined
19 in section 8 of this act; and

20 (8) Proof of having passed the Washington state department of
21 agriculture's pest inspection exam.

22 NEW SECTION. **Sec. 7.** APPLICATION FOR LICENSING. An application
23 for licensing must be filed with the director and must contain
24 statements made under oath demonstrating the applicant's
25 qualifications. The director with the board's approval may require any
26 information and documentation that reasonably relates to the need to
27 determine whether the applicant meets the criteria for licensing. The
28 application fee for initial licensing shall be determined by the
29 director as provided in RCW 43.24.086. The application, together with
30 the fee, must be submitted to the department prior to the application
31 deadline established by the director. If the director finds the
32 applicant ineligible for licensing, the director shall retain the
33 application fee.

34 NEW SECTION. **Sec. 8.** WRITTEN EXAMS. (1) Applicants must provide
35 proof of successfully passing a nationally recognized, psychometrically

1 evaluated, home inspectors' exam. The examination shall be designed to
2 test competence in home inspection practice, as determined by
3 recognized role definition methodology and developed and administered
4 in a manner consistent with the American educational research
5 association's standards for educational and psychological testing; the
6 equal employment opportunity commission's uniform guidelines for
7 employee selection procedures; the civil rights act of 1991; the
8 Americans with disabilities act of 1990; and similar applicable
9 standards.

10 (2) A separate examination module will be developed to test
11 applicants on the specific Washington state laws, adopted standard of
12 practice, and code of ethics. Examinations of applicants for this exam
13 module must be held at times and places as determined by the board with
14 the director's approval. A candidate failing this examination may
15 apply for reexamination. Subsequent examinations must be granted upon
16 payment of a fee.

17 (3) To qualify to take the Washington standards exam, an applicant
18 must:

19 (a) Provide the board and the department with acceptable
20 documentation that the applicant has passed a board-approved home
21 inspection course of at least one hundred twenty hours of classroom
22 education;

23 (b) Provide the board and the department with acceptable
24 documentation that the applicant has completed a minimum of forty hours
25 of supervised field training as approved by the board;

26 (c) Provide the board and the department with acceptable
27 documentation that the applicant has successfully passed a nationally
28 recognized, psychometrically evaluated, home inspectors' exam.

29 NEW SECTION. **Sec. 9.** GRANDFATHERING. At the time that licensing
30 takes effect, any person who has been actively engaged in the business
31 of conducting home inspections and has been licensed as a structural
32 pest inspector by the state department of agriculture for at least two
33 years and who has conducted at least one hundred complete fee-paid home
34 inspections may apply to the board for initial licensure without
35 meeting the examination or instruction requirements of this chapter.

1 NEW SECTION. **Sec. 10.** LICENSE LENGTH AND RENEWAL. (1) Licenses
2 are issued for a term of two years and expire on the last day of the
3 month the license was issued. Licenses must be in a form prescribed by
4 the board and approved by the director. Licenses that are not renewed
5 are considered to be expired and any home inspection activity which
6 would require a license to perform which occurs after the expiration of
7 the license is a violation of this chapter.

8 (2) Any person who receives an initial license under section 9 of
9 this act must, upon renewal of his or her license, provide the board
10 and the department with acceptable documentation that the applicant has
11 successfully passed a nationally recognized, psychometrically
12 evaluated, home inspectors' exam, and the Washington standards exam.

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

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

24 NEW SECTION. **Sec. 12.** CONTINUING EDUCATION REQUIREMENTS. (1) As
25 a condition of renewal, a licensed home inspector shall present
26 satisfactory evidence to the board of having completed the continuing
27 education requirements provided for in this section.

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

31 NEW SECTION. **Sec. 13.** RECIPROCITY. The director may, upon
32 application and payment of a fee determined by the director as provided
33 in RCW 43.24.086, issue a license and certificate without examination
34 as a home inspector issued by the proper authority of any state,

1 territory, or possession of the United States if the applicant's
2 qualifications as evaluated by the board meet the requirements of this
3 chapter and the rules adopted by the director.

4 NEW SECTION. **Sec. 14.** EXEMPTIONS FROM HOME INSPECTOR LICENSING.

5 The following persons shall be exempt from the licensing requirements
6 outlined in this chapter:

7 (1) Persons licensed by the state as professional engineers when
8 acting within the scope of their license;

9 (2) Persons licensed by the state as architects when acting within
10 the scope of their license;

11 (3) Persons licensed by the state or any political subdivision as
12 electricians when acting within the scope of their license;

13 (4) Persons licensed by the state or any political subdivision as
14 plumbers when acting within the scope of their license;

15 (5) Persons licensed by the state or any political subdivision as
16 heating and air conditioning technicians when acting within the scope
17 of their license;

18 (6) Persons licensed by the state as real estate brokers or real
19 estate sales persons when acting within the scope of their license;

20 (7) Persons licensed by the state as real estate appraisers,
21 certified general appraisers, or residential real estate appraisers
22 when acting within the scope of their license;

23 (8) Persons licensed by the state as pest control operators or
24 structural pest inspectors when acting within the scope of their
25 license;

26 (9) Persons regulated by the state as insurance adjusters when
27 acting within the scope of their profession;

28 (10) Persons who are employed as code enforcement officials by the
29 state or any political subdivision when acting within the scope of
30 their employment by such governmental entity;

31 (11) Persons licensed by the state or any political subdivision as
32 contractors when acting within the scope of their license;

33 (12) Persons who perform warranty evaluations of components,
34 systems, or appliances within resale residential buildings for the
35 purpose of issuance of a home warranty agreement, provided that the
36 warranty evaluation report includes a statement that the warranty
37 evaluation performed is not a home inspection and does not meet the

1 standards of a home inspection under Washington law. No home warranty
2 company shall refer to a warranty evaluation as a home inspection in
3 any written materials provided by the home warranty company.

4 NEW SECTION. **Sec. 15.** EXEMPTION FROM STRUCTURAL PEST INSPECTOR
5 LICENSING. Any person licensed by the Washington state department of
6 licensing as a home inspector under the conditions outlined in this
7 chapter shall be exempt from the license requirements of RCW 15.58.205.

8 NEW SECTION. **Sec. 16.** HOME INSPECTOR LICENSING BOARD. (1) The
9 state home inspector licensing board is created. The board consists of
10 seven members appointed by the director, who shall advise the director
11 concerning the administration of this chapter. Of the appointments to
12 this board, six shall be actively engaged as home inspectors
13 immediately prior to their appointment to the board, and one shall be
14 a member of the general public with no family or business connection
15 with the home inspector business or practice.

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

18 (a) Engaged as a home inspector in the state of Washington for five
19 years;

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

21 (c) Performed one thousand home inspections in the state of
22 Washington.

23 (3) Members of the board are appointed for three-year terms. Terms
24 must be staggered so that no more than two appointments are scheduled
25 to be made in any calendar year. Members hold office until the
26 expiration of the terms for which they were appointed. The director
27 may remove a board member for just cause. The director may appoint a
28 new member to fill a vacancy on the board for the remainder of the
29 unexpired term. All board members are limited to two consecutive
30 terms.

31 (4) Each board member is entitled to compensation for each day
32 spent conducting official business and to reimbursement for travel
33 expenses in accordance with RCW 43.03.240, 43.03.050, and 43.03.060.

34 (5) The board will be established prior to the licensure start
35 date; therefore, the director will establish the criteria for the
36 initial appointments to the board.

1 NEW SECTION. **Sec. 17.** DIRECTOR'S AUTHORITY. The director has the
2 following authority:

3 (1) To adopt, amend, and rescind rules approved by the board as
4 deemed necessary to carry out the licensing requirements;

5 (2) To adopt fees as provided in RCW 43.24.086;

6 (3) To administer licensing examinations approved by the board and
7 to adopt or recognize examinations prepared by other organizations as
8 approved by the board; and

9 (4) To adopt standards of professional conduct, practice, and
10 ethics as approved by the board.

11 NEW SECTION. **Sec. 18.** BOARD'S AUTHORITY. The board has the
12 following authority:

13 (1) To establish rules, including board organization and assignment
14 of terms, and meeting frequency and timing, for adoption by the
15 director;

16 (2) To establish the minimum qualifications for licensing
17 applicants as provided in this chapter;

18 (3) To approve the method of administration of examinations
19 required by the criteria outlined in this chapter or by rule as
20 established by the director;

21 (4) To approve the content of or recognition of examinations
22 prepared by other organizations for adoption by the director;

23 (5) To set the time and place of examinations with the approval of
24 the director; and

25 (6) To establish and review standards of professional conduct,
26 practice, and ethics for adoption by the director.

27 NEW SECTION. **Sec. 19.** HOME INSPECTORS AS CORPORATIONS PROHIBITED.
28 A license as a home inspector may not be issued to a corporation,
29 limited liability company, partnership, firm, or group. However, this
30 section does not prevent a licensed home inspector from rendering home
31 inspections for or on behalf of a corporation, limited liability
32 company, partnership, firm, or group, when the home inspection report
33 is performed, prepared, and signed by a licensed home inspector.

34 NEW SECTION. **Sec. 20.** HOME INSPECTOR'S ACCOUNT. The home
35 inspector's account is created in the custody of the state treasurer.

1 All receipts from fines and fees collected under this chapter must be
2 deposited into the account. Expenditures from the account may be used
3 only to carry out the duties required for the operation and enforcement
4 of this chapter. Only the director may authorize expenditures from the
5 account. The account is subject to allotment procedures under chapter
6 43.88 RCW, but an appropriation is not necessary.

7 NEW SECTION. **Sec. 21.** UNPROFESSIONAL CONDUCT. In addition to the
8 unprofessional conduct described in RCW 18.235.130, the following
9 conduct, acts, and conditions constitute unprofessional conduct:

- 10 (1) Violating this chapter or the rules adopted under this chapter;
- 11 (2) Not meeting the qualifications for licensing set forth by this
12 chapter;
- 13 (3) Failure to comply with an assurance of discontinuance entered
14 into with the director; or
- 15 (4) Committing any other act, or failing to act, which act or
16 failure are customarily regarded as being contrary to the accepted
17 professional conduct or standard generally expected of those conducting
18 home inspections.

19 NEW SECTION. **Sec. 22.** HEARING BEFORE THE DIRECTOR. The
20 procedures governing adjudicative proceedings before agencies under
21 chapter 34.05 RCW govern all hearings before the director or his or her
22 designee. Upon a finding that a license holder or applicant has
23 committed unprofessional conduct, the director may issue an order
24 providing for one or any combination of the following:

- 25 (1) Revocation of the license;
- 26 (2) Suspension of the license for a fixed or indefinite term;
- 27 (3) Restriction or limitation of the practice;
- 28 (4) Issuance of a civil fine not to exceed five thousand dollars
29 for each violation;
- 30 (5) Requiring satisfactory completion of a specific program of
31 remedial education or treatment;
- 32 (6) Monitoring of the practice by a peer approved by the director;
- 33 (7) Reprimand or censure;
- 34 (8) Compliance with conditions of probation for a designated period
35 of time;
- 36 (9) Withholding of a license request;

- 1 (10) Refund of fees billed to and collected from the consumer; or
2 (11) Other corrective action.

3 NEW SECTION. **Sec. 23.** SUSPENSION OF LICENSE. The director shall
4 immediately suspend the license or practice permit of a person who has
5 been certified pursuant to RCW 74.20A.320 by the department of social
6 and health services as a person who is not in compliance with a child
7 support order. If the person has continued to meet all other
8 requirements for a license under this chapter during the suspension,
9 reissuance of the license is automatic upon the board's receipt of a
10 release issued by the department of social and health services stating
11 that the licensee is in compliance with the child support order. The
12 procedure in RCW 74.20A.320 is the exclusive administrative remedy for
13 contesting the establishment of noncompliance with a child support
14 order, and suspension of a license under this subsection, and satisfies
15 the requirements of RCW 34.05.422.

16 NEW SECTION. **Sec. 24.** CIVIL INFRACTIONS. The department has the
17 authority to issue civil infractions under chapter 7.80 RCW in the
18 following instances:

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

27 All fees, fines, and penalties collected or assessed by a court
28 because of a violation of this section must be remitted to the
29 department to be deposited into the home inspector's account created in
30 section 20 of this act.

31 NEW SECTION. **Sec. 25.** RELIEF BY INJUNCTION. The director is
32 authorized to apply for relief by injunction without bond, to restrain
33 a person from the commission of any act that is prohibited under this
34 chapter. In such proceedings, it is not necessary to allege or prove
35 either that an adequate remedy at law does not exist, or that

1 substantial or irreparable damage would result from continued
2 violation. The director, individuals acting on the director's behalf,
3 and members of the board are immune from suit in any action, civil or
4 criminal, based on disciplinary proceedings or other official acts
5 performed in the course of their duties in the administration and
6 enforcement of this chapter.

7 NEW SECTION. **Sec. 26.** LIMIT OF LIABILITY. The home inspector
8 shall be able to limit the home inspector's liability by mutual
9 agreement with the client.

10 NEW SECTION. **Sec. 27.** STATUTE OF LIMITATIONS. All actions to
11 recover damages for any act or omission of a home inspector relating to
12 a home inspection that the home inspector conducts must be commenced
13 within one year after the date that the home inspection was completed.

14 NEW SECTION. **Sec. 28.** Captions used in this chapter are not any
15 part of the law.

16 NEW SECTION. **Sec. 29.** Sections 1 through 28 of this act
17 constitute a new chapter in Title 18 RCW.

18 **Sec. 30.** RCW 15.58.205 and 2003 c 212 s 5 are each amended to read
19 as follows:

20 (1) Except as provided in subsection (2) of this section, no
21 individual may perform services as a structural pest inspector or
22 advertise that they perform services of a structural pest inspector
23 without obtaining a structural pest inspector license from the
24 director. The license expires annually on a date set by rule by the
25 director. Application for a license must be on a form prescribed by
26 the director and must be accompanied by a fee of forty-five dollars.

27 (2) The following are exempt from the application fee requirement
28 of subsection (1) of this section when acting within the authorities of
29 their existing licenses issued under chapter 15.58 or 17.21 RCW:
30 Licensed pest control consultants; licensed commercial pesticide
31 applicators and operators; licensed private-commercial applicators; and
32 licensed demonstration and research applicators.

1 (3) The following are exempt from the structural pest inspector
2 licensing requirement: Individuals inspecting for damage caused by
3 wood destroying organisms if the inspections are solely for the purpose
4 of: (a) Repairing or making specific recommendations for the repair of
5 the damage, or (b) assessing a monetary value for the structure
6 inspected. Individuals performing wood destroying organism inspections
7 that incorporate but are not limited to the activities described in (a)
8 or (b) of this subsection are not exempt from the structural pest
9 inspector licensing requirement.

10 (4) Persons licensed as home inspectors under chapter 18.--- RCW
11 (sections 1 through 28 of this act) are exempt from the structural pest
12 inspector licensing requirement.

13 (5) Persons holding a valid license to act as a structural pest
14 inspector on July 1, 2003, are exempt from this requirement until
15 expiration of that license.

16 ((+5)) (6) A structural pest inspector license is not valid for
17 conducting a complete wood destroying organism inspection unless the
18 inspector owns or is employed by a business with a structural pest
19 inspection company license.

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