

1                                   A bill to be entitled  
 2           An act relating to home inspection services;  
 3           creating s. 501.935, F.S.; providing for  
 4           licensure of persons providing home inspection  
 5           services; providing legislative intent and  
 6           definitions; providing standards of practice;  
 7           creating the Florida Home Inspection Advisory  
 8           Council; providing licensure requirements,  
 9           including grandfathering provisions; providing  
 10          exemptions; providing prohibited acts and  
 11          penalties; providing for complaints and  
 12          discipline; providing fees; requiring liability  
 13          insurance; exempting from duty to provide  
 14          repair cost estimates; providing for  
 15          reciprocity; providing continuing education  
 16          requirements; providing limitations; providing  
 17          for enforcement of violations; providing an  
 18          appropriation and authorizing positions;  
 19          providing an effective date.

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 21 Be It Enacted by the Legislature of the State of Florida:

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 23           Section 1. Section 501.935, Florida Statutes, is  
 24 created to read:

25           501.935 Home inspection services; advisory council;  
 26 licensure requirements; exemptions; prohibited acts and  
 27 penalties; complaints and discipline; fees and insurance;  
 28 continuing education; reciprocity; limitations and  
 29 enforcement.--

30           (1) INTENT.--It is the intent of this section to  
 31 require the licensing of home inspectors and to ensure that

1 consumers of home inspection services can rely on the  
2 competence of home inspectors, as determined by educational  
3 and experience requirements and testing.

4 (2) DEFINITIONS.--As used in this section, the term:

5 (a) "Department" means the Department of Business and  
6 Professional Regulation.

7 (b) "Home" means any residential real property, or  
8 manufactured or modular home, that is a single-family  
9 dwelling, duplex, triplex, quadruplex, condominium unit, or  
10 cooperative unit. The term does not include the common areas  
11 of condominiums or cooperatives.

12 (c) "Home inspector" means any person who provides or  
13 offers to provide a home inspection for a fee or other  
14 compensation.

15 (d) "Home inspection" means a limited visual  
16 examination of one or more of the readily accessible installed  
17 systems and components of a home, including the structure,  
18 electrical system, HVAC system, roof covering, plumbing  
19 system, interior components, exterior components, and site  
20 conditions that affect the structure, for the purposes of  
21 providing a written professional opinion of the condition of  
22 the home.

23 (3) STANDARDS OF PRACTICE.--The department, in  
24 consultation with the Florida Home Inspection Advisory  
25 Council, shall adopt by rule pursuant to ss. 120.536(1) and  
26 120.54 the minimum standards of practice for home inspectors,  
27 which shall be based on nationally recognized industry  
28 standards of practice for home inspectors.

29 (4) FLORIDA HOME INSPECTION ADVISORY COUNCIL.--

30 (a) The department shall appoint a Florida Home  
31 Inspection Advisory Council to consist of eight members who

1 are home inspectors having a minimum of 5 years' experience  
2 each, one consumer member, and one nonvoting member from the  
3 staff of the department.

4 (b) The mission of the advisory council is to provide  
5 industry input to the department and assist the department in  
6 developing standards of practice and rules pursuant to this  
7 section.

8 (c) The advisory council shall assist the department  
9 in the review of complaints filed against home inspectors.

10 (d) The advisory council shall meet at least three  
11 times each year.

12 (5) EXEMPTIONS.--The following persons are not  
13 required to comply with this section with regard to any  
14 valuation condition, report, survey, evaluation, or estimate  
15 rendered within the scope of practice authorized by such  
16 license, except when such persons are operating within the  
17 scope of this section:

18 (a) A construction contractor licensed under chapter  
19 489.

20 (b) An architect licensed under chapter 481.

21 (c) An engineer licensed under chapter 471.

22 (d) A building code administrator, plans examiner, or  
23 building code inspector licensed under part XII of chapter  
24 468.

25 (e) A certified real estate appraiser, licensed real  
26 estate appraiser, or registered real estate appraiser licensed  
27 under part II of chapter 475.

28 (f) An inspector whose report is being provided to,  
29 and is solely for the benefit of, the Federal Housing  
30 Administration or the Veterans Administration.

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1           (g) An inspector conducting inspections for  
2 wood-destroying organisms on behalf of a licensee under  
3 chapter 482.

4           (h) A firesafety inspector certified under s. 633.081.

5           (i) An insurance adjuster licensed under part VI of  
6 chapter 626.

7           (j) An officer appointed by the court.

8           (k) A master septic tank contractor licensed under  
9 part III of chapter 489.

10           (l) A certified energy auditor performing an energy  
11 audit of any home or building conducted under chapter 366 or  
12 rules adopted by the Public Service Commission.

13           (6) LICENSE CRITERIA.--

14           (a) A person may not provide or represent himself or  
15 herself as able to perform a professional home inspection for  
16 compensation unless the person is licensed in accordance with  
17 this section.

18           (b) A business entity may not provide or offer to  
19 provide home inspection services unless each of the home  
20 inspectors employed by the business entity is licensed in  
21 accordance with this section.

22           (c) A business entity may not use, in connection with  
23 the name or signature of the business entity, the title "home  
24 inspectors" to describe the business entity's services unless  
25 each of the home inspectors employed by the business entity is  
26 licensed in accordance with this section.

27           (7) ELIGIBILITY.--To be eligible for a license as a  
28 home inspector, an applicant must:

29           (a) Be of good moral character.

30           (b) Have successfully completed high school or its  
31 equivalent.

1       (c) Have completed a course of study of no less than  
2 90 hours that covers all of the following components of a  
3 home: structure, electrical system, HVAC system, roof  
4 covering, plumbing system, interior components, exterior  
5 components, and site conditions that affect the structure.

6       (d) Pass an examination that is psychometrically valid  
7 and meets the standards of the Council on Licensure,  
8 Enforcement, and Regulation, as determined by the department.

9       (8) GRANDFATHERING.--For the first year after the  
10 enactment of this section, to be eligible for a license as a  
11 home inspector, an applicant must:

12       (a) Be of good moral character.

13       (b) Have successfully completed high school or its  
14 equivalent.

15       (c) Have been engaged in the practice of home  
16 inspection for compensation for not fewer than 3 years prior  
17 to the effective date of this section.

18       (d) Have performed not fewer than 250 home inspections  
19 for compensation.

20       (e) Have passed a psychometrically valid examination  
21 that meets the standards in the Council on Licensure,  
22 Enforcement, and Regulation publication "A Resource Brief on  
23 Licensure Examinations," as determined by the department.

24       (9) PROHIBITED ACTS; PENALTIES.--

25       (a) A home inspector, a company that employs a home  
26 inspector, or a company that is controlled by a company that  
27 also has a financial interest in a company employing a home  
28 inspector may not:

29       1. Perform or offer to perform, prior to closing, for  
30 any additional fee, any repairs to a home on which the  
31 inspector or the inspector's company has prepared a home

1 inspection report. This paragraph does not apply to a home  
2 warranty company that is affiliated with or retains a home  
3 inspector to perform repairs pursuant to a claim made under a  
4 home warranty contract.

5 2. Inspect for a fee any property in which the  
6 inspector or the inspector's company has any financial or  
7 transfer interest.

8 3. Offer or deliver any compensation, inducement, or  
9 reward to the owner of the inspected property, or any broker  
10 or agent therefor, for the referral of any business to the  
11 inspector or the inspection company.

12 4. Accept an engagement to make an omission or prepare  
13 a report in which the inspection itself, or the fee payable  
14 for the inspection, is contingent upon either the conclusions  
15 in the report, preestablished findings, or the close of  
16 escrow.

17 (b) Any person who violates any provision of this  
18 subsection commits a misdemeanor of the second degree,  
19 punishable as provided in s. 775.082 or s. 775.083.

20 (10) COMPLAINTS; DISCIPLINE.--

21 (a) Complaints concerning a home inspector subject to  
22 the provisions of this section shall be referred to the  
23 department.

24 (b) In lieu of investigation, the department may place  
25 in a registry a copy of a complaint received by the department  
26 against a licensed home inspector, the inspector's response to  
27 the complaint, and a copy of any records of the department  
28 concerning the complaint.

29 (c) The department shall provide to the home inspector  
30 a copy of the complaint no later than 30 days after the date  
31 the complaint is received by the department alleging that the

1 inspector has engaged in conduct that is grounds for  
2 discipline.

3 (d) After receiving a copy of the complaint, the home  
4 inspector may place in a registry a statement within 30 days  
5 that describes the inspector's view of the correctness or  
6 relevance of any of the information contained in the  
7 complaint.

8 (e) The department shall make the complaint and the  
9 home inspector's response to the complaint available to the  
10 public.

11 (f) The department shall remove all complaints against  
12 and other information concerning a home inspector from the  
13 registry if, for a period of 2 years from the date of the most  
14 recent complaint filed in the registry, no further complaints  
15 have been filed against the inspector.

16 (g) Unworthy or frivolous complaints shall be  
17 discarded and shall not be retained.

18 (h) The department may make investigations or conduct  
19 hearings pursuant to chapter 120 to determine whether a  
20 violation of this section has occurred.

21 (i) The department may refuse to grant a home  
22 inspector license or may suspend or revoke a home inspector  
23 license upon proof to the satisfaction of the department that  
24 the applicant or licensee has participated in an unfair  
25 business practice relating to the provision of home inspection  
26 services.

27 (11) FEES.--The department shall by rule establish the  
28 fees for licensure, renewal of licensure, and other services  
29 provided by the department under this section. Fees  
30 established under this subsection may not exceed amounts  
31 sufficient to defray the administrative costs to the state

1 under this section and shall be comparable to those charged  
2 for other similar, regulated professions.

3 (12) INSURANCE.--A licensed home inspector must  
4 maintain a commercial general liability insurance policy in an  
5 amount of not less than \$300,000.

6 (13) REPAIR COST ESTIMATES.--Home inspectors are not  
7 required to provide estimates related to the cost of repair of  
8 an inspected property.

9 (14) RECIPROCITY.--The department shall issue a home  
10 inspector license to any person who holds a valid license,  
11 certificate, or registration issued by another state,  
12 territory, or possession of the United States or the District  
13 of Columbia that has standards and licensing requirements  
14 substantially equivalent to or exceeding those of this state,  
15 as determined by the Florida Home Inspection Advisory Council,  
16 upon payment of the fee imposed and submission of the written  
17 application provided by the department.

18 (15) CONTINUING EDUCATION REQUIREMENTS.--A licensed  
19 home inspector must complete at least 14 hours of continuing  
20 education approved by the department during each calendar year  
21 in order to maintain his or her license.

22 (16) STATUTE OF LIMITATIONS.--Chapter 95 governs when  
23 an action to enforce an obligation, duty, or right arising  
24 under this section must be commenced.

25 (17) ENFORCEMENT OF VIOLATIONS.--Any violation of this  
26 section constitutes a deceptive and unfair trade practice,  
27 punishable as provided in part II of this chapter.

28 Section 2. For the 2004-2005 fiscal year, the sum of  
29 \$642,463 is appropriated from the Professional Regulation  
30 Trust Fund, and four positions are authorized, to the  
31 Department of Business and Professional Regulation for the



1 purpose of conducting licensing and regulatory activities  
2 associated with home inspection services.

3           Section 3. This act shall take effect July 1, 2004.  
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