$\mathbf{B}\mathbf{y}$ the Committee on Regulated Industries; and Senator Argenziano

580-2269-05

1	A bill to be entitled
2	An act relating to home inspection services;
3	creating s. 501.935, F.S.; providing
4	definitions; providing requirements for
5	practice; providing exemptions; providing
6	prohibited acts and penalties; requiring
7	liability insurance; exempting from duty to
8	provide repair cost estimates; providing
9	limitations; providing for enforcement of
10	violations; providing an effective date.
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12	Be It Enacted by the Legislature of the State of Florida:
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14	Section 1. Section 501.935, Florida Statutes, is
15	created to read:
16	501.935 Home inspection services; requirements;
17	exemptions; prohibited acts and penalties; insurance;
18	limitations and enforcement
19	(1) DEFINITIONSAs used in this section, the term:
20	(a) "Home" means any residential real property, or
21	manufactured or modular home, that is a single-family
22	dwelling, duplex, triplex, quadruplex, condominium unit, or
23	cooperative unit. The term does not include the common areas
24	of condominiums or cooperatives.
25	(b) "Home inspector" means any person who provides or
26	offers to provide a home inspection for a fee or other
27	compensation.
28	(c) "Home inspection" means a limited visual
29	examination of one or more of the readily accessible installed
30	systems and components of a home, including the structure,
31	electrical system, HVAC system, roof covering, plumbing

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CODING: Words stricken are deletions; words underlined are additions.

Τ	system, interior components, exterior components, and site
2	conditions that affect the structure, for the purposes of
3	providing a written professional opinion of the condition of
4	the home.
5	(2) REQUIREMENTS FOR PRACTICE
6	(a) A person shall not work as a home inspector unless
7	he or she:
8	1. Has successfully completed a course of study in
9	home inspections which requires a passing score on a valid
10	examination and is provided through a nonprofit organization
11	or a community college or university, which is not less than
12	80 hours, and which includes, but is not limited to, each of
13	the following components of a home: structure, electrical
14	system, roof covering, plumbing system, interior components,
15	exterior components, site conditions that affect the
16	structure, and heating, ventilation, and cooling systems.
17	2. Annually completes 8 hours of continuing education,
18	provided through a nonprofit organization or a community
19	college or university, related to home inspections.
20	3. Discloses each of the following to the consumer in
21	writing prior to contracting for or commencing a home
22	inspection:
23	a. The home inspector meets the education and
24	examination requirements of this subsection;
25	b. The home inspector maintains the commercial general
26	liability insurance policy required by this section;
27	c. The scope and any exclusions of the home
28	inspection; and
29	d. A statement of experience which shall include
30	either the approximate number of home inspections the home
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1	inspector has performed for a fee or the number of years of
2	experience as a home inspector.
3	4. Home inspectors are not regulated by any state
4	agency, but any violation of this section may be an unfair and
5	deceptive trade practice under part II of chapter 501.
6	(b) A business entity may not provide or offer to
7	provide home inspection services unless each of the home
8	inspectors employed by the business entity satisfies all the
9	requirements of this section.
10	(c) A business entity may not use, in connection with
11	the name or signature of the business entity, the title "home
12	inspectors" to describe the business entity's services unless
13	each of the home inspectors employed by the business entity
14	satisfies all the requirements of this section.
15	(3) EXEMPTIONS The following persons are not
16	required to comply with this section when acting within the
17	scope of practice authorized by such license, except when such
18	persons are conducting, producing, disseminating, or charging
19	a fee for a home inspection or otherwise operating within the
20	scope of this section:
21	(a) A construction contractor licensed under chapter
22	<u>489.</u>
23	(b) An architect licensed under chapter 481.
24	(c) An engineer licensed under chapter 471.
25	(d) A building code administrator, plans examiner, or
26	building code inspector licensed under part XII of chapter
27	<u>468.</u>
28	(e) A certified real estate appraiser, licensed real
29	estate appraiser, or registered real estate appraiser licensed
30	under part II of chapter 475.

1	(f) An inspector whose report is being provided to,
2	and is solely for the benefit of, the Federal Housing
3	Administration or the Veterans Administration.
4	(q) An inspector conducting inspections for
5	wood-destroying organisms on behalf of a licensee under
6	chapter 482.
7	(h) A firesafety inspector certified under s. 633.081.
8	(i) An insurance adjuster licensed under part VI of
9	chapter 626 or any person performing insurance underwriting
10	duties.
11	(j) An officer appointed by the court.
12	(k) A master septic tank contractor licensed under
13	part III of chapter 489.
14	(1) A certified energy auditor performing an energy
15	audit of any home or building conducted under chapter 366 or
16	rules adopted by the Public Service Commission.
17	(m) A mobile home manufacturer, dealer, or installer
18	regulated or licensed pursuant to the requirements of chapter
19	320 and any employees or agents of the manufacturer, dealer,
20	or installer.
21	(4) PROHIBITED ACTS; PENALTIES
22	(a) A home inspector, a company that employs a home
23	inspector, or a company that is controlled by a company that
24	also has a financial interest in a company employing a home
25	inspector may not:
26	1. Perform or offer to perform, prior to closing, for
27	any additional fee, any repairs to a home on which the
28	inspector or the inspector's company has prepared a home
29	inspection report. This paragraph does not apply to a home
30	warranty company that is affiliated with or retains a home
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1	inspector to perform repairs pursuant to a claim made under a
2	home warranty contract.
3	2. Inspect for a fee any property in which the
4	inspector or the inspector's company has any financial or
5	transfer interest.
6	3. Offer or deliver any compensation, inducement, or
7	reward to the owner of the inspected property, or any broker
8	or agent therefor, for the referral of any business to the
9	inspector or the inspection company.
10	4. Accept an engagement to make an omission or prepare
11	a report in which the inspection itself, or the fee payable
12	for the inspection, is contingent upon either the conclusions
13	in the report, preestablished findings, or the close of
14	escrow.
15	(b) Any person who violates any provision of this
16	subsection commits:
17	1. A misdemeanor of the second degree for a first
18	violation, punishable as provided in s. 775.082 or s. 775.083.
19	2. A misdemeanor of the first degree for a second
20	violation, punishable as provided in s. 775.082 or s. 775.083.
21	3. A felony of the third degree for a third or
22	subsequent violation, punishable as provided in s. 775.082, s.
23	775.083, or s. 775.084.
24	(5) INSURANCE A home inspector must maintain a
25	commercial general liability insurance policy in an amount of
26	not less that \$300,000.
27	(6) REPAIR COST ESTIMATES Home inspectors are not
28	required to provide estimates related to the cost of repair of
29	an inspected property.
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1	(7) STATUTE OF LIMITATIONSChapter 95 governs when
2	an action to enforce an obligation, duty, or right arising
3	under this section must be commenced.
4	(8) ENFORCEMENT OF VIOLATIONS Any violation of this
5	section constitutes a deceptive and unfair trade practice,
6	punishable as provided in part II of this chapter.
7	Section 2. This act shall take effect January 1, 2006.
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9	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
10	COMMITTEE SUBSTITUTE FOR <u>Senate Bill 1830</u>
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12	The Committee Substitute (CS) deletes provisions providing for
13	an advisory council, licensure requirements, administrative complaints and discipline, fees, continuing education and
14	reciprocity with other states.
15	It provides that home inspectors are not regulated by any state agency, but violations of the section may be actionable
16	as an unfair and deceptive trade practice under part II of ch. 501, F.S.
17	It provides for exemptions for certain licensed professionals,
18	requirements for liability insurance, training, continuing education requirements, and restrictions on the use of the
19	term "home inspector."
20	It provides for criminal penalties for certain violations of the section; and
21	It provides that home inspectors are not required to provide
22	estimates related to the cost of repair of an inspected property.
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