
ENGROSSED SUBSTITUTE SENATE BILL 5788

State of Washington

60th Legislature

2007 Regular Session

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

READ FIRST TIME 02/28/07.

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 licensing.

19 (5) "Director" means the director of the department of licensing.

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

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

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

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

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

21 (d) Whether or not there is damage from wood destroying organisms;
22 and

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

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

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

30 (10) "Wood destroying organism" means insects or fungi that
31 consume, excavate, develop in, or otherwise modify the integrity of
32 wood or wood products. "Wood destroying organism" includes but is not
33 limited to carpenter ants, moisture ants, subterranean termites,
34 dampwood termites, beetles in the family Anobiidae, and wood decay
35 fungi, known as wood rot.

36 (11) "Wood destroying organism inspection" means the inspection of
37 a building for the presence of wood destroying organisms, their damage,

1 or conducive conditions leading to the development or establishment of
2 the organism.

3 NEW SECTION. **Sec. 2.** LICENSURE REQUIRED. (1) Beginning September
4 1, 2008, a person shall not engage in or conduct, or advertise or hold
5 himself or herself out as engaging in or conducting the business of or
6 acting in the capacity of a home inspector within this state without
7 first obtaining a license as provided in this chapter.

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

15 (3) This chapter does not affect the practice of architecture or
16 engineering or prevent an architect or an engineer from offering to
17 provide or providing home inspection services.

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

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

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

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

1 (c) Performed three hundred fifty home inspections in the state of
2 Washington.

3 (3) Members of the board are appointed for three-year terms. Terms
4 must be staggered so that not more than two appointments are scheduled
5 to be made in any calendar year. Members hold office until the
6 expiration of the terms for which they were appointed. The director
7 may remove a board member for just cause. The director may appoint a
8 new member to fill a vacancy on the board for the remainder of the
9 unexpired term. All board members are limited to two consecutive
10 terms.

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

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

16 (1) To adopt, amend, and rescind rules approved by the board as
17 deemed necessary to carry out this chapter;

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

19 (3) To administer licensing examinations approved by the board and
20 to adopt or recognize examinations prepared by other organizations as
21 approved by the board; and

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

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

26 (1) To establish rules, including board organization and assignment
27 of terms, and meeting frequency and timing, for adoption by the
28 director;

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

31 (3) To approve the method of administration of examinations
32 required by this chapter or by rule as established by the director;

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

35 (5) To set the time and place of examinations with the approval of
36 the director; and

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

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

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

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

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

31 (2) The exam shall be divided into five sections with forty
32 questions in each section. Each applicant must pass each section of
33 the exam with a score of seventy-five percent or better. The sections
34 in the exam shall be divided as follows: (a) Ethics and standards of

1 practice; (b) structure, roofing, site, exterior, interior; (c)
2 heating, ventilation, and air conditioning; (d) plumbing; and (e)
3 electrical.

4 (3) To qualify to take the exam, an applicant must provide the
5 board and the department with acceptable documentation that the
6 applicant has passed a state accredited home inspection course of at
7 least one hundred twenty hours of classroom education. Persons who are
8 performing home inspections as of the effective date of this section
9 may receive up to twenty-five hours of credit towards the one hundred
10 twenty hours of classroom education by proof of experience as
11 determined by the board. In making this determination, the board shall
12 consider the length of time a person has held a structural pest
13 inspection license from the department of agriculture under chapter
14 15.58 RCW.

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

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

26 (2) Any person who receives an initial license under section 2(2)
27 of this act must, upon renewal of his or her license, pass the
28 examination required in section 6(4) of this act.

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

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

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

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

13 NEW SECTION. **Sec. 12.** INSURANCE. All active practicing licensed
14 home inspectors shall carry errors and omissions insurance at a minimum
15 of one hundred thousand dollars or post a bond at the same level to
16 cover all activities contemplated under this chapter, including
17 inspection for wood destroying organisms.

18 NEW SECTION. **Sec. 13.** HOME INSPECTORS AS CORPORATIONS PROHIBITED.
19 A license as a home inspector may not be issued to a corporation,
20 limited liability company, partnership, firm, or group. However, this
21 section does not prevent a licensed home inspector from rendering home
22 inspections for or on behalf of a corporation, limited liability
23 company, partnership, firm, or group, when the home inspection report
24 is performed, prepared, and signed by a licensed home inspector.

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

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

1 NEW SECTION. **Sec. 15.** HOME INSPECTOR'S ACCOUNT. The home
2 inspector's account is created in the custody of the state treasurer.
3 All receipts from fines and fees collected under this chapter must be
4 deposited into the account. Expenditures from the account may be used
5 only to carry out the duties required for the operation and enforcement
6 of this chapter. Only the director may authorize expenditures from the
7 account. The account is subject to allotment procedures under chapter
8 43.88 RCW, but an appropriation is not necessary.

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

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

25 (1) Conducting or offering to conduct a home inspection without
26 being licensed in accordance with this chapter;

27 (2) Presenting or attempting to use as his or her own the home
28 inspector license of another;

29 (3) Giving any false or forged evidence of any kind to the director
30 or his or her authorized representative in obtaining a license;

31 (4) Falsely impersonating any other licensee; or

32 (5) Attempting to use an expired or revoked license.

33 All fees, fines, and penalties collected or assessed by a court
34 because of a violation of this section must be remitted to the
35 department to be deposited into the home inspector's account created in
36 section 15 of this act.

1 NEW SECTION. **Sec. 18.** RELIEF BY INJUNCTION. The director is
2 authorized to apply for relief by injunction without bond, to restrain
3 a person from the commission of any act that is prohibited under
4 section 17 of this act. In such proceedings, it is not necessary to
5 allege or prove either that an adequate remedy at law does not exist,
6 or that substantial or irreparable damage would result from continued
7 violation. The director, individuals acting on the director's behalf,
8 and members of the board are immune from suit in any action, civil or
9 criminal, based on disciplinary proceedings or other official acts
10 performed in the course of their duties in the administration and
11 enforcement of this chapter.

12 NEW SECTION. **Sec. 19.** GENERAL EXCLUSIONS. (1) The home inspector
13 is not required to determine the following:

- 14 (a) The condition of systems or components that are not readily
15 accessible;
- 16 (b) The remaining life of any system or component;
- 17 (c) The strength, adequacy, effectiveness, or efficiency of any
18 system or component;
- 19 (d) The cause of any condition or deficiency;
- 20 (e) The methods, materials, or costs of corrections;
- 21 (f) Future conditions including but not limited to failure of
22 systems and components;
- 23 (g) The suitability of the property for any specialized use;
- 24 (h) Compliance with regulatory requirements;
- 25 (i) The market value of the property or its marketability; and
- 26 (j) The presence of environmental hazards including, but not
27 limited to, toxins, carcinogens, noise, and contaminants in soil,
28 water, and air.

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

- 30 (a) Any area that will likely be dangerous to the inspector or
31 other persons or damage the property or its systems or components; or
- 32 (b) The underfloor crawl spaces or attics that are not readily
33 accessible; however, substructure crawl spaces must be inspected when
34 accessible. Inaccessibility of substructure crawl space areas due to
35 inadequate clearance, the presence of ducting or piping, foundation
36 walls, partitions, or other such conditions that block access must be
37 explained in the inspection report. The report must state that

1 inaccessible substructure crawl space areas may be vulnerable to
2 infestation by wood-destroying organisms and should be made accessible
3 for inspection.

4 NEW SECTION. **Sec. 20.** EXEMPTION FROM LICENSING. Any person
5 licensed by the department of agriculture as a pesticide applicator or
6 operator under chapter 17.21 RCW, or as a structural pest inspector
7 under chapter 15.58 RCW who performs only wood destroying organism
8 inspections, is exempt from the licensing provisions of this chapter.

9 NEW SECTION. **Sec. 21.** Sections 1 through 20 of this act
10 constitute a new chapter in Title 18 RCW.

11 NEW SECTION. **Sec. 22.** Captions used in this act are not any part
12 of the law.

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