

House Bill Analysis

HB 2378

HOUSE AGRICULTURE AND ECOLOGY COMMITTEE

January 21,
2000

- Makes it unlawful for a person to advertise himself or herself as being a licensed structural pest inspector if he or she is not or for such a licensee to issue certain inspection reports without attaching unique inspection control numbers.
- Requires evidence of financial responsibility for persons licensed as structural pest inspectors and requires this evidence to be in the form of certain specified surety bonds or insurance.

BACKGROUND:

The Washington Pesticide Control Act is administered by the Department of Agriculture. (Chapter 15.58 RCW.) Under the Act and with certain exceptions, a person is prohibited from acting as a structural pest control inspector without obtaining a license from the Department as a pest control consultant in the special category of structural pest control inspector. (RCW 15.58.210.) A structural pest control inspector is a person who inspects a building for wood destroying organisms, their damage, or conditions conducive to infestation by such organisms. (RCW 15.58.030(39).)

Commercial pesticide applicators are licensed under the Washington Pesticide Application Act. To secure and maintain such a license, the applicators must provide certain evidence of financial responsibility in the form of a surety bond or certain insurance. (RCW 17.21.160.) The amount of the bond or insurance policy must be not less than \$50,000 for each of the following: property damage; and public liability insurance. The property damage portion may be waived in certain circumstances. (RCW 17.21.170.)

SUMMARY:

The Washington Pesticide Control Act is amended. Structural pest control inspectors are now referred to as structural pest inspectors— under the Act. (Sections 1, 8, and 9.)

Crimes. It is unlawful for a person to advertise as being a licensed structural pest inspector without having a valid pest control consultant's license in the category of structural pest inspector. (Section 6.) It is unlawful for a person to issue a wood destroying organism inspection report in conjunction with the transfer, exchange, or refinancing of any structure without recording a unique inspection control number on all reports associated with the transaction. (Section 2.) Such a report is a written document that reports or comments on the presence or absence of wood destroying organisms, damage by such organisms, or conditions conducive to establishing such organisms. (Section 1(43).)

Financial Responsibility. The Director of Agriculture cannot not issue a license to a person who intends to act as a structural pest inspector until the person has furnished evidence of financial responsibility. The evidence must consist of either a surety bond or an errors and omissions insurance policy or certification of it that protects persons who may suffer legal damages as a result of actions by the structural pest inspector. Such a bond or policy must be from an authorized insurer in this state. (Section 3.)

The amount of the bond or policy must be not less than \$25,000 and \$50,000 respectively and the bond or policy cannot have a deductible of more than \$5,000. A deductible is not allowed if the applicant has not satisfied the amount of the deductible in a prior claim unless the deductible is itself covered by a bond or policy. An insurance policy must have a minimum three-year occurrence clause. The bond or policy must be maintained during the licensing period. The director must be notified before a reduction of policy coverage requested by the applicant and before cancellation of the bond or policy. (Section 4.) If a licensee does not maintain these financial responsibility requirements, the Director must immediately suspend the license until the requirements are again met. (Section 5.)

EFFECTIVE DATE: The bill takes effect July 1, 2000.

