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House Bill 4162 (As Introduced)

Topic: Home Inspector Licensure
Sponsor: Representative LeBlanc
Co-sponsors:
Committee: House Regulatory Reform

Date Introduced: February 4, 2009

Date of Summary: August 25, 2009

The bill amends several sections of the Occupational Code and adds a new article licensing home inspectors.

The bill creates the Occupational Fund in the State Treasury to receive funds. Money from the fund would be used only for operation of the Bureau of Commercial Services and indirect overhead expenses of the department.

Licensure requirements for home inspectors include the following:

- At least 60 credit hours of education or equivalent training as determined appropriate by the department.
- Participation in not fewer than 200 home inspections conducted under the authority and direction of a licensed home inspector.
- Passage of an examination acceptable to the department and board. The National Home Inspector Examination developed by the Examination Board of Professional Home Inspectors is declared to be acceptable by the bill. Updates or alternatives to the examination may be adopted by administrative rule.
- The applicant must be at least 18 years of age and must not have been convicted of a felony.

Persons performing inspections for a governmental agency or in connection with their duties in another licensed profession would not be required to be licensed.

The bill provides for a 12-month transition period in which licenses may be issued to individuals with at least 3 years experience providing home inspection services and the conduct of or participation in at least 200 home inspections, both occurring within the preceding 5 calendar years.

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

An individual licensed otherwise regulated in another state that has substantially the same standards for licensure as Michigan and meets other relevant requirements is required to be issued a license.

The bill provides that a home inspector who enters into a contract for home inspector services that does not conform to the proposed article is subject to an action for damages brought by the client or penalties and sanctions contained in the Code, or both. A home inspector's obligation is to inspect major systems of a residence that are the subject of a contract only to the extent that those systems are readily accessible and visible. If unable to inspect, the home inspector is required to indicate in writing the system not inspected and the reason. The home inspector is required to disclose any conflict of interest in the residence being inspected. The home inspector is also required to disclose and provide at the time the written home inspection report is conveyed to the client at least both of the following:

- The scope of the inspections services provided with a detailed descriptions of the major systems to be inspected, the type of major deficiencies the inspection is designed to reveal, and items excluded from coverage under the contract.
- A statement that a home inspector inspecting a residence shall not repair or offer to repair a residence that was inspected by that inspector.

A written contract is required for home inspection services. Conditions of the residence affecting the inspector's ability to conduct an inspection are required to be noted in the report provided to the client. Unless otherwise indicated in writing, the purchaser of a residence being inspected is considered the client in an inspection conducted as part of a sale. The contract is required to include the following:

- A description of the residence.
- Any disclaimers, including, but not limited to, the absence of warranties as to the adequacy of future performance of a major system and the fact that the inspection is considered a valid assessment of the residence's condition only as of the date of the inspection.
- Any exclusion of defects not reasonably apparent by visual inspection.
- Any exclusion of any major system not operable on the date of the inspection.
- Disclosures required by the bill.

A written report is required to be provided to the client. The report is required to include a list of the major systems inspected and any major systems not inspected. Any conditions affecting or limiting the ability of the home inspector to provide home inspection services are required to be noted. The home inspector is required to retain copies of the contract and the report for at least 3 years.

Disputes between the inspector and client may be resolved by arbitration, if the contract so provides. The home inspector-client relationship is privileged. Any administrative or civil complaint against the home inspector must be filed within 3 years.

The department is required to promulgate rules providing for continuing professional competence for renewal of a license.

The bill provides for fees as follows:

- A \$100 application processing fee.
- A \$100 per year licensing fee.
- A \$200 examination fee, if applicable.
- A \$20 examination review fee, if applicable.

The bill would take effect 12 months after it is enacted into law.