

**PROPOSED SUBSTITUTE**

1 “NEW SECTION. **Sec. 1. DEFINITIONS.** The definitions in this section  
2 apply throughout this chapter unless the context clearly requires otherwise.

3 1) “Board” means the home inspector licensing board.

4 2) “Classroom education” means training in observing and identifying  
5 defects in structural components, foundations, roof coverings, insulation and  
6 ventilation, exterior and interior components; wood destroying organism  
7 inspections; and plumbing, heating, cooling, and electrical systems. It does not  
8 include online or video training.

9 3) “Component” means a readily accessible and observable aspect of a  
10 system, such as a floor or wall, but not individual pieces such as boards or nails  
11 where many pieces make up a system.

12 4) “Department” means the department of licensing.

13 5) “Director” means the director of the department of licensing.

14 6) “Home inspection” means a visual analysis for the purposes of providing  
15 a professional opinion of the condition of a building and its attached  
16 carports and attached garages, any reasonably accessible installed  
17 components and the operation of the building systems, including the controls  
18 normally operated by the owner, for the following components of a  
19 residential building of four units or less: Heating system, electrical system,  
20 cooling system, plumbing system, structural components, foundation, roof  
21 covering, exterior and interior components, and site aspects as they affect  
22 the building. “Home inspection” also means an inspection for wood  
23 destroying organisms.

24) 7) “Home inspection report” or “inspection report” means a written report  
25 prepared and issued after a home inspection. The inspector shall include the  
26 following in the report:

17) a. On those systems and components inspected which, in the  
2 professional opinion of the inspector, are significantly deficient or near the end of  
3 its service life;

4 b. A reason why, if not self-evident, the system or component is  
5 significantly deficient or near the end of its service life;

6 c. The home inspector's recommendations to correct or monitor  
7 the reported deficiency;

8 d. Whether or not there is the presence of wood destroying  
9 organisms, damage from wood destroying organisms, or conducive conditions  
10 leading to the development or establishment of the organism;

11 and

12c. e. Any systems and components designated for inspection in the  
13 standards developed by the board under section 5 of this act.

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

17 9) "Readily accessible" means areas typically and routinely visible by  
18 normal access.

19 10) "Wood destroying organism" means insects or fungi that consume,  
20 excavate, develop in, or otherwise modify the integrity of wood or wood products.  
21 "Wood destroying organism" includes but is not limited to carpenter ants,  
22 moisture ants, subterranean termites, dampwood termites, beetles in the family  
23 Anobiidae, and wood decay fungi, known as wood rot.

24 ~~11) "Wood destroying organism inspection" means the inspection of a~~  
25 ~~building for the presence of wood destroying organisms, their damage, or~~  
26 ~~conducive conditions leading to the development or establishment of the organism.~~

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

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

7           ~~3) This chapter does not affect the practice of architecture or engineering~~  
8 ~~or prevent an architect or an engineer from offering to provide or providing home~~  
9 ~~inspection services.~~

10  
11           NEW SECTION. Sec. 3. HOME INSPECTOR LICENSING BOARD.

12           ~~1) The state home inspector licensing board is created. The board consists~~  
13 ~~of eight members appointed by the director, who shall advise the director~~  
14 ~~concerning the administration of this chapter. Of the appointments to this board,~~  
15 ~~five shall be actively engaged as home inspectors immediately prior to their~~  
16 ~~appointment to the board, one shall be a licensed real estate broker, one shall be~~  
17 ~~currently teaching in a home inspector certificate program, and one shall be a~~  
18 ~~member of the general public with no family or business connection with the home~~  
19 ~~inspector business or practice. Insofar as possible, the composition of the~~  
20 ~~appointed home inspector members of the board shall be generally representative~~  
21 ~~of the occupational distribution of home inspectors licensed under this chapter.~~

22           NEW SECTION. Sec. 3. HOME INSPECTOR LICENSING BOARD.

23           1) The state home inspector licensing board is created. The board consists  
24 of seven members appointed by the director, who shall advise the director  
25 concerning the administration of this chapter. Of the appointments to this board,  
26 six shall be actively engaged as home inspectors immediately prior to their  
27 appointment to the board, and one shall be a member of the general public with no  
28 family or business connection with the home inspector business or practice.

29           2) A home inspector must have the following qualifications to be appointed  
30 to the board:

- 31           a. Actively engaged as a home inspector in the state of Washington for  
32 five years;
- 33           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 must be  
4 staggered so that not more than two appointments are scheduled to be made in any  
5 calendar year. Members hold office until the expiration of the terms for which  
6 they were appointed. The director may remove a board member for just cause. The  
7 director may appoint a new member to fill a vacancy on the board for the  
8 remainder of the unexpired term. All board members are limited to two  
9 consecutive terms.

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

13 5) Because the licensing board will be established prior to the September 1,  
14 2008 licensure start date, the director will establish the criteria for the initial  
15 appointments to the licensing board.

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

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

20 2) To adopt fees as provided in RCW 43.24.086;

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

24 4) To adopt standards of professional conduct, practice, and ethics as  
25 approved by the board.

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

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

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

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

- 1           4) To approve the content of or recognition of examinations prepared by
- 2 other organizations for adoption by the director;
- 3           5) To set the time and place of examinations with the approval of the
- 4 director; and
- 5           6) To establish and review standards of professional conduct, practice, and
- 6 ethics for adoption by the director.

7           NEW SECTION. Sec. 6. QUALIFICATIONS FOR LICENSURE. In order

8 to become licensed as a home inspector, an applicant must submit the following to

9 the department:

- 10           1) An application on a form developed by the department;
- 11           2) The fee in an amount set by the department and approved by the board;
- 12           3) Proof of a minimum of one hundred and twenty hours of classroom
- 13 instruction approved by the board;
- 14           4) Proof of having completed a minimum of forty hours of supervised field
- 15 training as approved by the board;
- 16           5) Evidence of successful passage of the written exam as required in section
- 17 8 of this act;
- 18           ~~6) Proof of current state licensure as a structural pest inspector under~~
- 19 ~~chapter 15.58 RCW.~~
- 20           6) Proof of successfully passing the Washington State Department of
- 21 Agriculture's Pest Inspection Exam.

22           NEW SECTION Sec. 7. APPLICATION FOR LICENSING. An application

23 for licensing must be filed with the director and must contain statements made

24 under oath demonstrating the applicant's qualification. The director with the

25 board's approval may require any information and documentation that reasonably

26 relates to the need to determine whether the applicant meets the criteria for

27 licensing. The application fee for initial licensing shall be determined by the

28 director as provided in RCW 43.24.086. The application, together with the fee,

29 must be submitted to the department prior to the application deadline established

30 by the director. ~~Fees for initial licensing must include the examination and~~

31 ~~issuance of a certificate.~~ If the director finds the applicant ineligible for licensing,

32 the director shall retain the application fee.

1       ~~NEW SECTION. Sec. 8. WRITTEN EXAMS. 1) The exam shall be~~  
2 ~~designed to test applicants on conducting home inspections specific to Washington~~  
3 ~~state.~~

4       ~~2) The exam shall be divided into five sections with forty questions in each~~  
5 ~~section. Each applicant must pass each section of the exam with a score of~~  
6 ~~seventy five percent or better. The sections in the exam shall be divided as~~  
7 ~~follows: (a) Ethics and standards of practice; (b) structure, roofing, site,~~  
8 ~~exterior, interior; (c) heating, ventilation, and air conditioning; (d) plumbing;~~  
9 ~~and (e) electrical.~~

10       ~~3) Examinations of applicants for licensing must be held at times and places~~  
11 ~~as determined by the board with the director's approval. A candidate failing an~~  
12 ~~examination may apply for reexamination. Subsequent examinations must be~~  
13 ~~granted upon payment of a fee.~~

14       NEW SECTION. Sec. 8. WRITTEN EXAMS 1) Applicants must provide  
15 proof of successfully passing a nationally recognized, psychometrically evaluated,  
16 home inspectors' exam. The examination shall be designed to test competence in  
17 home inspection practice, as determined by recognized role definition  
18 methodology and developed and administered in a manner consistent with the  
19 American Educational Research Association's "Standards for Educational and  
20 Psychological Testing;" the Equal Employment Opportunity Commission's  
21 "Uniform Guidelines for Employee Selection Procedures;" the Civil Rights Act of  
22 1991; the Americans with Disabilities Act of 1990; and similar applicable  
23 standards.

24       2) A separate examination module will be developed to test applicants on  
25 the specific Washington state laws, adopted standard of practice, and code of  
26 ethics. Examinations of applicants for this exam module must be held at times and  
27 places as determined by the board with the director's approval. A candidate failing  
28 this examination may apply for reexamination. Subsequent examinations must be  
29 granted upon payment of a fee.

30       3) The above exams may be taken at the same time but to qualify to take the Washington  
31 standards exam, an applicant must:

32           a. provide the board and the department with acceptable  
33 documentation that the applicant has passed a state accredited home inspection  
34 course of at least one hundred twenty hours of classroom education;

1 b. provide the board and the department with acceptable  
2 documentation that the applicant has completed a minimum of forty hours of  
3 supervised field training as approved by the board;

4 d. Persons who are performing home inspections as of the effective  
5 date of this section may receive up to twenty-five hours of credit towards the one  
6 hundred twenty hours of classroom education by proof of experience as  
7 determined by the board. In making this determination, the board shall consider  
8 the length of time a person has held a structural pest inspection license from the  
9 department of agriculture under chapter 15.58 RCW.

10 NEW SECTION. **Sec. 9.** LICENSE LENGTH AND RENEWAL.

11 1) Licenses are issued for a term of two years and expire on the last day of  
12 the month the license was issued. Licenses must be in a form prescribed by the  
13 board and approved by the director. Licenses that are not renewed are considered  
14 to be expired and any home inspection activity which would require a license to  
15 perform which occurs after the expiration of the license is a violation of this  
16 chapter.

17 2) Any person who receives an initial license under section 2(2) of this act  
18 must, upon renewal of his or her license, provide the board and the department  
19 with acceptable documentation that the applicant has successfully passed a  
20 nationally recognized, psychometrically evaluated, home inspectors' exam.

21 3) Any licensee who fails to timely renew his or her license may renew his  
22 or her license only upon payment of renewal and late fees as set by the director. A  
23 licensee who fails to renew his or her license within six months from the date it  
24 expires is considered to have forfeited his or her rights to renew the license and  
25 can only be licensed by filing an application as an initial applicant and meeting all  
26 the requirements of an initial applicant.

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

30 NEW SECTION. **Sec. 11.** CONTINUING EDUCATION REQUIREMENTS.

31 1) As a condition of renewing a license under this chapter, a licensed home  
32 inspector shall present satisfactory evidence to the board of having completed the  
33 continuing education requirements provided for in this section.

1           2) Each applicant for license renewal shall complete at least thirty hours of  
2 instruction in courses approved by the board every two years; **the course material**  
3 **will include the systems and components, including wood destroying organisms**  
4 **defined in Sec. 1.**

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

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

17           NEW SECTION. **Sec. 14. WRITTEN REPORTS.** 1) A licensed home  
18 inspector shall provide a written report of the home inspection to each person for  
19 whom the inspector performs a home inspection within seven calendar days from  
20 the date of the inspection.

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

25           NEW SECTION. **Sec. 15. RECIPROCITY.** The director may, upon  
26 application and payment of a fee determined by the director as provided in RCW  
27 43.24.086, issue a license and certificate without examination as a home inspector  
28 issued by the proper authority of any state, territory, or possession of the United  
29 States if the applicant's qualifications as evaluated by the board meet the  
30 requirements of this chapter and rules adopted by the director.

31           NEW SECTION. **Sec. 16. HOME INSPECTORS' ACCOUNT.** The home  
32 inspectors' account is created in the custody of the state treasurer. All receipts

1 from fines and fees collected under this chapter must be deposited into the  
2 account. Expenditures from the account may be used only to carry out the duties  
3 required for the operation and enforcement of this chapter. Only the director may  
4 authorize expenditures from the account. The account is subject to allotment  
5 procedures under chapter 43.88 RCW, but an appropriation is not necessary.

6 NEW SECTION. **Sec. 17. UNPROFESSIONAL CONDUCT.** In addition to  
7 the unprofessional conduct described in RCW 18.235.130, the following conduct,  
8 acts, and conditions constitute unprofessional conduct:

- 9 1) Violating this chapter or the rules adopted under this chapter;
- 10 2) Not meeting the qualifications for licensing set forth by this chapter;
- 11 3) Failure to comply with an assurance of discontinuance entered into with  
12 the director; or
- 13 4) Committing any other act, or failing to act, which act or failure are  
14 customarily regarded as being contrary to the accepted professional conduct or  
15 standard generally expected of those conducting home inspections.

16 NEW SECTION. **Sec. 18. HEARING BEFORE THE DIRECTOR.** The  
17 procedures governing adjudicative proceedings before agencies under chapter  
18 34.05 RCW govern all hearings before the director or his or her designee. Upon a  
19 finding that a license holder or applicant has committed unprofessional conduct,  
20 the director may issue an order providing for one or any combination of the  
21 following:

- 22 1) Revocation of the license;
- 23 2) Suspension of the license for a fixed or indefinite term;
- 24 3) Restriction or limitation of the practice;
- 25 4) Issuance of a civil fine not to exceed five thousand dollars for each  
26 violation;
- 27 5) Requiring satisfactory completion of a specific program of remedial  
28 education or treatment;
- 29 6) Monitoring of the practice by a peer approved by the director;
- 30 7) Reprimand or censure;
- 31 8) Compliance with conditions of probation for a designated period of time;
- 32 9) Withholding of a license request;
- 33 10) Refund of fees billed to and collected from the consumer; or

1 11) Other corrective action.

2 NEW SECTION **Sec. 19. INVESTIGATION OF COMPLAINTS.** Any  
3 person may submit a written complaint to the department charging a license holder  
4 or applicant with unprofessional conduct and specifying the grounds for the  
5 charge. If the director determines that the complaint merits investigation, or if the  
6 director has reason to believe, without a formal complaint, that a license holder or  
7 applicant may have engaged in unprofessional conduct, the director may  
8 investigate to determine if there has been unprofessional conduct. A person who  
9 files a complaint under this section in good faith is immune from suit in any civil  
10 action related to the filing or contents of the complaint.

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

23 NEW SECTION. **Sec. 21. CIVIL INFRACTIONS.** The department has the  
24 authority to issue civil infractions under chapter 7.80 RCW in the following  
25 instances:

- 26 1) Conducting or offering to conduct a home inspection without being  
27 licensed in accordance with this chapter;
- 28 2) Presenting or attempting to use as his or her own the home inspector  
29 license of another;
- 30 3) Giving any false or forged evidence of any kind to the director or his or  
31 her authorized representative in obtaining a license;
- 32 4) Falsely impersonating any other licensee; or
- 33 5) Attempting to use an expired or revoked license.

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

4 NEW SECTION. **Sec. 22. RELIEF BY INJUNCTION.** The director is  
5 authorized to apply for relief by injunction without bond, to restrain a person from  
6 the commission of any act that is prohibited under section 17 of this act. In such  
7 proceedings, it is not necessary to allege or prove either that an adequate remedy  
8 at law does not exist, or that substantial or irreparable damage would result from  
9 continued violation. The director, individuals acting on the director's behalf and  
10 members of the board are immune from suit in any action, civil or criminal, based  
11 on disciplinary proceedings or other official acts performed in the course of their  
12 duties in the administration and enforcement of this chapter.

13 NEW SECTION. **Sec. 23. GENERAL EXCLUSIONS.** 1) The home  
14 inspector is not required to determine the following:

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

1 presence of ducting or piping, foundation walls, partitions, or other such  
2 conditions that block access must be explained in the inspection report. The report  
3 must state that inaccessible substructure crawl space areas may be vulnerable to  
4 infestation by wood-destroying organisms and should be made accessible for  
5 inspection.

6 ~~NEW SECTION. Sec. 24. EXEMPTION FROM LICENSING. Any person~~  
7 ~~licensed by the department of agriculture as a pesticide applicator or operator~~  
8 ~~under chapter 17.21 RCW, or as a structural pest inspector under chapter 15.58~~  
9 ~~RCW who performs only wood destroying organism inspections, is exempt from~~  
10 ~~the licensing provisions of this chapter.~~

11 **NEW SECTION. Sec. 25. EXEMPTION FROM LICENSING.** 1) The  
12 following persons shall be exempt from the licensing requirements of this act:

13 a. Persons licensed by the state as professional engineers when acting  
14 within the scope of their license;

15 b. Persons licensed by the state as architects when acting within the  
16 scope of their license;

17 c. Persons licensed by the state or any political subdivision as  
18 electricians when acting within the scope of their license;

19 d. Persons licensed by the state or any political subdivision as  
20 plumbers when acting within the scope of their license;

21 e. Persons licensed by the state or any political subdivision as heating  
22 and air conditioning technicians when acting within the scope of their license;

23 f. Persons licensed by the state as real estate brokers or real estate  
24 sales persons when acting within the scope of their license;

25 g. Persons licensed by the state as real estate appraisers, certified  
26 general appraisers, or residential real estate appraisers when acting within the  
27 scope of their license;

28 h. Persons licensed by the state as pest control operators or structural  
29 pest inspectors when acting within the scope of their license;

30 i. Persons regulated by the state as insurance adjusters when acting  
31 within the scope of their profession;

32 j. Persons who are employed as code enforcement officials by the state  
33 or any political subdivision when acting within the scope of their employment by  
34 such governmental entity;

1 k. Persons licensed by the state or any political subdivision as  
2 contractors when acting within the scope of their license;

3 l. Persons who perform warranty evaluations of components, systems,  
4 or appliances within resale residential buildings for the purpose of issuance of a  
5 home warranty agreement, provided that the warranty evaluation report includes a  
6 statement that the warranty evaluation performed is not a home inspection and  
7 does not meet the standards of a home inspection under Washington law. No home  
8 warranty company shall refer to a warranty evaluation as a home inspection in any  
9 written materials provided by the home warranty company.

10 2) Any person licensed by the Washington State Department of Licensing as  
11 a home inspector under this act, shall be exempt from having to carry a structural  
12 pest license.

13 NEW SECTION. **Sec. 26.** Sections 1 through 20 of this act constitute a  
14 new chapter in Title 18 RCW.

15 NEW SECTION. **Sec. 27.** Captions used in this act are not any part of the  
16 law.”