

## AMENDMENT A06039 TO SENATE BILL 359 (HOME INSPECTORS)

- Amendment A06039 repeals the current law relating to home inspectors, Title 68, Chapter 75. The current law was enacted as 2000 Act 114 (sponsored by Senator Greenleaf) and at the time was considered a major step forward in regulating home inspectors and protecting consumers.
- Act 114 required home inspectors to belong to a national home inspectors association and provided certain other requirements relating to their contracts with consumers and their insurance coverage. However, because the current law does not include an effective enforcement mechanism, it is largely ignored which hurts both the profession and consumers. Many states have home inspection laws and Pennsylvania's law is now considered one of the weaker laws.
- Senate Bill 359, as originally introduced, provides for the licensing of home inspectors. However, it was drafted largely based on a proposal from a group of home inspectors. Amendment A06039 replaces the provisions of Senate Bill 359 with licensing provisions which are more consistent with the licensing provisions of other professions. The Senate Consumer Protection & Professional Licensure Committee staff worked with home inspectors and received input from other professions in developing this amendment.
- The Pennsylvania Board of Home Inspectors will be established in the Department of State. Amendment A06039 provides for membership, a chair, quorum and the frequency of meetings. The board's powers and duties are spelled out. They include:
  - Licensing of home inspectors.
  - Educational initiatives to protect consumers.
  - Issuing and enforcing regulations.
  - Submitting an annual report to legislative committees.
  - Examinations and courses of study necessary for licensure.
  - Continuing education requirements.
- Amendment A06039 establishes the qualifications for licensure, including being of good moral character, at least 18 years old, having successfully completed an approved examination, and payment of the licensure fee.
- The amendment describes what should be included in a home inspection report, the confidentiality of home inspection reports and prohibits the home inspector from giving repair estimates. The amendment includes insurance requirements.
- There are consumer remedies under the Unfair Trade Practices and Consumer Protection Law and there are civil and criminal penalties for violating provisions of this law or the regulations of the board. Licenses may be suspended or revoked.
- There is a grandfather clause for home inspectors who meet certain qualifications so they do not have to be licensed for the first year after the law takes effect.
- Assuming amendment A06039 is adopted and the bill is reported as amended, Senator Greenleaf and his staff will continue to work with the home inspectors and groups such as the Pennsylvania Association of Realtors to address any comments or concerns about the legislation as amended.