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3 HOUSE STATE GOVERNMENT COMMITTEE SUBSTITUTE FOR HB401
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8 SYNOPSIS: This bill would also clarify that it is not
9 the intent of the Legislature, in requiring home
10 inspectors to obtain certificates of liability and
11 property insurance, to disfavor contracts limiting
12 the liability of home inspectors.
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14 A BILL
15 TO BE ENTITLED
16 AN ACT
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18 Relating to home inspectors; to amend Section
19 34-14B-3, Code of Alabama 1975, to provide Legislative intent
20 relating to the liability of home inspectors.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Section 34-14B-3, Code of Alabama 1975,
23 is amended to read as follows:

24 "§34-14B-3.

25 "(a) An applicant for licensure as a home inspector
26 shall submit an application, under oath, upon a form to be
27 prescribed by the Building Commission which shall include, as

1 a minimum, the following information pertaining to the
2 applicant:

3 "(1) Social Security number for natural persons or
4 employer identification number for other entities.

5 "(2) The name and address under which the applicant
6 conducts business, if an individual proprietorship; the name
7 and address of each partner or venturer, if the applicant is a
8 partnership or joint venture; or the name and address of the
9 corporate officers and statutory agent for service, if the
10 applicant is a corporation.

11 "(3) A certificate issued by an insurance company
12 licensed to do business in the State of Alabama that the
13 applicant has procured public liability and property damage
14 insurance covering the applicant's home inspection operations
15 in the sum of not less than twenty thousand dollars (\$20,000)
16 for injury or damage to property; and fifty thousand dollars
17 (\$50,000) for injury or damage, including death, to any one
18 person; and one hundred thousand dollars (\$100,000) for injury
19 or damage, including death, to more than one person; or at any
20 greater limits of liability prescribed by the Building
21 Commission; and, in addition, evidence of insurance against
22 the errors and omissions of the home inspector in an amount
23 and form to be prescribed by the Building Commission. The
24 Legislature does not intend by the inclusion of the foregoing
25 requirement to express public policy disfavoring contractual
26 limitations of liability between home inspectors and their
27 customers.

1 "(4) Evidence of one of the following professional
2 qualifications:

3 "a. Membership in and adherence to the ethical
4 standards of the American Society of Home Inspectors, Inc.
5 (ASHI) or an equivalent professional body as determined by the
6 Building Commission.

7 "b. Approval or certification by one of the
8 following agencies to inspect residential construction:

9 "1. The United States Veterans Administration.

10 "2. The United States Department of Housing and
11 Urban Development.

12 "3. The Southern Building Code Congress
13 International.

14 "4. The Council of American Building Officials.

15 "c. A high school diploma or its equivalent, work
16 experience for at least one year as a home inspector, and
17 completion of at least 100 home inspections for compensation.

18 "d. Licensure on or after January 1, 1998, in
19 Alabama as a general contractor, registered professional
20 architect, registered professional engineer, or residential
21 home builder. Renewals of licensure previously supported by
22 evidence of an acceptable license shall not require the
23 applicant to repeat proof of such licensing.

24 "(5) Any and all other information prescribed and
25 required by the Building Commission.

1 "(b) The information contained in an application
2 shall be a matter of public record and open to public
3 inspection."

4 Section 2. This act shall become effective on the
5 first day of the third month following its passage and
6 approval by the Governor, or its otherwise becoming law.