

1 HB275
2 209931-2
3 By Representative Garrett
4 RFD: Commerce and Small Business
5 First Read: 08-FEB-22

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8 SYNOPSIS: Under existing law, an applicant for
9 licensure as a home inspector is required to submit
10 to the Construction Management Division within the
11 Department of Finance a certification that the
12 applicant has procured public liability and
13 property damage insurance covering the applicant's
14 home inspection operations.

15 This bill would clarify that it is not the
16 intent of the Legislature, in requiring home
17 inspectors to obtain certificates of liability and
18 property insurance, to disfavor contracts limiting
19 the liability of home inspectors.

20
21 A BILL
22 TO BE ENTITLED
23 AN ACT

24
25 Relating to home inspectors; to amend Section
26 34-14B-3, Code of Alabama 1975, to provide Legislative intent

1 relating to contractual limitations of liability of home
2 inspectors.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

6 "§34-14B-3.

7 "(a) An applicant for licensure as a home inspector
8 shall submit an application, under oath, upon a form to be
9 prescribed by the Building Commission which shall include, as
10 a minimum, the following information pertaining to the
11 applicant:

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

14 "(2) The name and address under which the applicant
15 conducts business, if an individual proprietorship; the name
16 and address of each partner or venturer, if the applicant is a
17 partnership or joint venture; or the name and address of the
18 corporate officers and statutory agent for service, if the
19 applicant is a corporation.

20 "(3) A certificate issued by an insurance company
21 licensed to do business in the State of Alabama that the
22 applicant has procured public liability and property damage
23 insurance covering the applicant's home inspection operations
24 in the sum of not less than twenty thousand dollars (\$20,000)
25 for injury or damage to property; and fifty thousand dollars
26 (\$50,000) for injury or damage, including death, to any one
27 person; and one hundred thousand dollars (\$100,000) for injury

1 or damage, including death, to more than one person; or at any
2 greater limits of liability prescribed by the Building
3 Commission; and, in addition, evidence of insurance against
4 the errors and omissions of the home inspector in an amount
5 and form to be prescribed by the Building Commission. The
6 Legislature does not intend by the inclusion of the foregoing
7 requirement to express public policy disfavoring contractual
8 limitations of liability between home inspectors and their
9 customers.

10 "(4) Evidence of one of the following professional
11 qualifications:

12 "a. Membership in and adherence to the ethical
13 standards of the American Society of Home Inspectors, Inc.
14 (ASHI) or an equivalent professional body as determined by the
15 Building Commission.

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

18 "1. The United States Veterans Administration.

19 "2. The United States Department of Housing and
20 Urban Development.

21 "3. The Southern Building Code Congress
22 International.

23 "4. The Council of American Building Officials.

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

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

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

9 "(b) The information contained in an application
10 shall be a matter of public record and open to public
11 inspection."

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