

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 458:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to
2 residential and commercial general contractors, so as to provide for licensure of home
3 inspectors; to provide for reciprocity of licensure; to provide for licensure of companies
4 performing home inspections; to provide for minimum requirements to apply for licensure;
5 to provide for requirements to maintain license; to require home inspectors to maintain
6 insurance; to provide for standards of practice and unfair trade practices; to provide for
7 exceptions; to provide for definitions; to provide for a short title; to provide for a legislative
8 purpose; to provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Home Inspector Licensing Act of
12 Georgia."

36 or single-family dwelling or the grounds, roof, exterior surface, garage or carport,
37 structure, attic, basement or crawl space, electrical system, heating system,
38 air-conditioning system, plumbing, on-site sewerage disposal, pool or hot tub, fireplace,
39 kitchen, appliances, or any combination thereof for a prospective purchaser or seller.

40 (5) 'Standards of practice' means the minimum standards for home inspections
41 established by the board.

42 (6) 'Unfair trade practices' means practices that violate the code of conduct that governs
43 home inspectors as established by the board.

44 43-41-21.

45 (a) Home inspectors shall be licensed by the board beginning January 1, 2028.

46 (b) The residential contractor division shall have jurisdiction and authority over home
47 inspectors.

48 (c) The board shall provide by regulation for reciprocity with other states or territories of
49 the United States in the licensing of home inspectors, provided that such other states have
50 requirements substantially equal to the requirements in force in this state for registration,
51 licensure, or certification, and that any such home inspector holding a current and valid
52 license, certificate, or registration from another state or territory seeking licensure by way
53 of reciprocity shall demonstrate that such applicant meets the qualifications, requirements,
54 and criteria set forth in this article and that such applicant is otherwise in compliance with
55 all requirements of this state for the transaction of such business; provided, further, that a
56 similar privilege is offered to residents of this state by such other state or territory.

57 43-41-22.

58 (a) An applicant for a home inspector license shall:

59 (1) Be at least 18 years of age;

- 60 (2) Possess a high school diploma, or its equivalent, or ten years of experience in the
61 home inspection or residential contractor industry;
62 (3) Pass a criminal background check; and
63 (4) Submit a complete application with all required documentation and fees.
64 (b) Applicants shall pass an examination approved by the board.
65 (c) Such licenses shall be renewable every four years by birth month of the licensee.

66 43-41-23.

67 Applicants and home inspectors shall maintain:

- 68 (1) A minimum of \$250,000.00 per occurrence and \$500,000.00 aggregate general
69 liability insurance for third-party claims for bodily injury or property damage; and
70 (2) A minimum of \$250,000.00 per occurrence and \$500,000.00 aggregate errors and
71 omissions insurance for claims of professional mistakes, oversights, or negligence. Such
72 errors and omissions insurance shall include coverage for liability arising from referrals.

73 43-41-24.

74 To maintain licensure, home inspectors shall maintain competency in the current standards
75 of practice and residential building codes.

76 43-41-25.

- 77 (a) Companies that perform home inspections shall be licensed by the board beginning
78 January 1, 2028.
79 (b) To be licensed by the board, companies that perform home inspections shall:
80 (1) Register with the board;
81 (2) Provide the board a list of all licensed home inspectors employed or contracted by
82 the company;
83 (3) Ensure all home inspections are performed by individuals holding active licenses;

- 84 (4) Maintain records of all inspections performed, including, but not limited to, home
85 inspection reports and client information; and
86 (5) Be subject to audit and disciplinary action by the board.

87 43-41-26.

88 (a) The board shall adopt and periodically update comprehensive standards of practice and
89 unfair trade practices that all licensed home inspectors shall comply with. Such standards
90 shall define the scope of a home inspection, include what is and is not required to be
91 inspected, and establish a baseline for the protection of public interest.

92 (b) Licensed home inspectors shall provide clients with a written disclosure of the current
93 standards of practice and unfair trade practices, a written disclosure of any ancillary
94 services to be performed, and a sample home inspection report prior to commencing an
95 inspection.

96 43-41-27.

97 (a) The board shall open an investigation when there is:

98 (1) A sworn written complaint from a client who hired a home inspector or company that
99 performs home inspections;

100 (2) A referral from another licensing entity; or

101 (3) Probable cause established in the course of another investigation, or that is available
102 in the public domain, that the home inspector or company that performs home inspections
103 violated the standards of practice or engaged in unfair trade practices.

104 (b) If an investigation finds a violation of this article, the board may:

105 (1) Issue cease and desist orders to home inspectors or companies performing home
106 inspections;

107 (2) Impose fines;

108 (3) Suspend or revoke licenses;

109 (4) Require additional education or training;

110 (5) File a criminal complaint with the Attorney General; or

111 (6) Any combination thereof.

112 (c) Before imposing penalties for violations of this article, such violations shall be heard

113 and determined by the residential contractor division in accordance with the provisions of

114 Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

115 43-41-28.

116 The board shall establish reasonable fees for applications, examinations, licenses, license

117 renewals, and other administrative services. All such fees collected shall be used to fund

118 the operations and enforcement activities of the board.

119 43-41-29.

120 This article shall not apply to:

121 (1) A real estate appraiser licensed pursuant to Chapter 39A of this title;

122 (2) A real estate broker or salesperson licensed pursuant to Chapter 40 of this title;

123 (3) A residential contractor licensed pursuant to Article 1 of this chapter; or

124 (4) Any officer or employee of a government agency conducting official duties.

125 43-41-30.

126 Beginning July 1, 2027, current home inspectors may apply to the board for licensure

127 without meeting the initial education requirements if they pass the National Home

128 Inspector Examination or meet an equivalent competency measure as approved by the

129 board."

130

SECTION 5.

131 All laws and parts of laws in conflict with this Act are repealed.