

1 **HOME INSPECTION STANDARDS**

2 2006 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Scott D. McCoy**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill creates requirements for home inspections and inspectors.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ describes home inspection requirements;
- 14 ▶ prohibits certain conduct by inspectors and others;
- 15 ▶ limits the time in which an action may be brought for a violation of inspection

16 standards and other provisions; and

17 ▶ requires an associate home inspector to use the term "associate home inspector" on
18 various materials, including inspection reports and advertising.

19 **Monies Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 ENACTS:

25 **57-25-101**, Utah Code Annotated 1953

26 **57-25-102**, Utah Code Annotated 1953

27 **57-25-201**, Utah Code Annotated 1953



- 28 **57-25-202**, Utah Code Annotated 1953
- 29 **57-25-203**, Utah Code Annotated 1953
- 30 **57-25-204**, Utah Code Annotated 1953
- 31 **57-25-301**, Utah Code Annotated 1953



33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **57-25-101** is enacted to read:

35 **CHAPTER 25. UTAH HOME INSPECTION TRADE PRACTICES**

36 **Part 1. General Provisions**

37 **57-25-101. Title.**

38 This chapter is known as "Utah Home Inspection Trade Practices."

39 Section 2. Section **57-25-102** is enacted to read:

40 **57-25-102. Definitions.**

41 As used in this chapter:

42 (1) "Associate home inspector" means an inspector who:

43 (a) has performed fewer than 200 home inspections for a fee;

44 (b) performs a home inspection in accordance with this chapter; and

45 (c) is a member in good standing of a home inspector association.

46 (2) "Home inspection" means a limited, visual, noninvasive examination, performed
47 for a fee, of the readily accessible components of a residential dwelling, including:

48 (a) any mechanical system, such as plumbing, electrical, heating, or cooling;

49 (b) the dwelling's structure; or

50 (c) any other of the dwelling's essential components.

51 (3) "Home inspection report" means a written report prepared for a fee that is issued
52 after a home inspection:

53 (a) describing and identifying any inspected mechanical system, structure, or other
54 components;

55 (b) describing any material defects identified during the home inspection;

56 (c) describing any recommendation concerning the conditions observed by the
57 inspector; and

58 (d) making any recommendation for further evaluation by an appropriate professional.

90 (c) excluding a system or component from the home inspection if the inspector's client
91 requests the exclusion.

92 (3) A person may not perform a home inspection unless the person is a home inspector
93 or an associate home inspector.

94 Section 4. Section **57-25-202** is enacted to read:

95 **57-25-202. Prohibited conduct -- Exceptions.**

96 (1) An inspector, an inspector's employer, or a person with a financial interest in a
97 business employing an inspector shall not:

98 (a) inspect or allow an employee to inspect, for a fee any property in which the
99 inspector or the inspector's employer has a financial interest or an interest in the property's
100 transfer;

101 (b) offer or deliver any compensation, inducement, or reward to the owner of the
102 inspected property or a broker or agent for the referral of any business to the inspector or the
103 inspector's employer;

104 (c) accept an engagement to make a home inspection or to prepare a home inspection
105 report if the employment or fee for the inspection is contingent upon the conclusions of the
106 home inspection report; or

107 (d) perform, or offer to perform, for an additional fee any repairs covered by a home
108 inspector association's standards of practice within 12 months after the date of a home
109 inspection performed by that inspector, or that inspector's employer.

110 (2) (a) A person providing warranty-type home protection services that is affiliated
111 with, or that employs, an inspector does not violate this section if the person performs repairs
112 based on a claim made on a contract for warranty-type home protection services.

113 (b) A structural pest control operator may perform repairs without violating this
114 chapter.

115 Section 5. Section **57-25-203** is enacted to read:

116 **57-25-203. Limitation of action.**

117 A person damaged by an inspector's, or other person's, violation of this chapter shall
118 commence an action under this chapter no later than one year after the day on which the home
119 inspection was performed.

120 Section 6. Section **57-25-204** is enacted to read:

121 **57-25-204. Associate home inspectors' advertising.**
122 An associate home inspector shall use the term "associate home inspector" on:
123 (1) any inspection contract;
124 (2) the signature found on the home inspection report;
125 (3) all business correspondence; and
126 (4) all advertising materials, including the associate home inspector's Internet site.

127 Section 7. Section **57-25-301** is enacted to read:

128 **Part 3. Violations**

129 **57-25-301. Violation -- Penalty.**

130 A person who violates any provision of this chapter is guilty of a class C misdemeanor.

Legislative Review Note
as of 12-9-05 11:36 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0044

Home Inspection Standards

18-Jan-06

5:07 PM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst