

# HOUSE BILL No. 1817

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 25-1; IC 25-20.2; IC 34-30-98.8.

**Synopsis:** Home inspector licensure. Establishes the Indiana home inspectors licensing board to regulate home inspectors and associate home inspectors in Indiana. Sets the qualifications for licensed home inspectors and associate home inspectors. Provides that a person who performs home inspections for compensation without a license commits a Class B infraction. Requires that a civil action based upon the professional services of a licensed home inspector in Indiana must be filed within two years from the date of the act or omission that is the subject of the complaint. Makes certain other changes.

**Effective:** July 1, 1999; January 1, 2000.

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**Hasler**

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January 26, 1999, read first time and referred to Committee on Commerce and Economic Development.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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## HOUSE BILL No. 1817

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A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 25-1-2-2.1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2.1. Rather than  
3 being issued annually, the following permits, licenses, certificates of  
4 registration, or evidences of authority granted by a state agency must  
5 be issued for a period of two (2) years or for the period specified in the  
6 article under which the permit, license, certificate of registration, or  
7 evidence of authority is issued if the period specified in the article is  
8 longer than two (2) years:  
9 (1) Certified public accountants, public accountants, and account-  
10 ing practitioners.  
11 (2) Architects and landscape architects.  
12 (3) Dry cleaners.  
13 (4) Professional engineers.  
14 (5) Land surveyors.  
15 (6) Real estate brokers.



- 1 (7) Real estate agents.  
 2 (8) Security dealers' licenses issued by the securities  
 3 commissioner.  
 4 (9) Dental hygienists.  
 5 (10) Dentists.  
 6 (11) Veterinarians.  
 7 (12) Physicians.  
 8 (13) Chiropractors.  
 9 (14) Physical therapists.  
 10 (15) Optometrists.  
 11 (16) Pharmacists and assistants, drugstores or pharmacies.  
 12 (17) Motels and mobile home park licenses.  
 13 (18) Nurses.  
 14 (19) Podiatrists.  
 15 (20) Occupational therapists and occupational therapy assistants.  
 16 (21) Respiratory care practitioners.  
 17 (22) Social workers, marriage and family therapists, and mental  
 18 health counselors.  
 19 (23) Real estate appraiser licenses and certificates issued by the  
 20 real estate appraiser licensure and certification board.  
 21 (24) Wholesale legend drug distributors.  
 22 (25) Physician assistants.  
 23 (26) Dietitians.  
 24 (27) Hypnotists.  
 25 **(28) Home inspectors and associate home inspectors.**  
 26 SECTION 2. IC 25-1-2-6 IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JANUARY 1, 2000]: Sec. 6. (a) As used in this section,  
 28 "license" includes all occupational and professional licenses,  
 29 registrations, permits, and certificates issued under the Indiana Code,  
 30 and "licensee" includes all occupational and professional licensees,  
 31 registrants, permittees, and certificate holders regulated under the  
 32 Indiana Code.  
 33 (b) This section applies to the following entities that regulate  
 34 occupations or professions under the Indiana Code:  
 35 (1) Indiana board of accountancy.  
 36 (2) Indiana grain buyers and warehouse licensing agency.  
 37 (3) Indiana auctioneer commission.  
 38 (4) Board of registration for architects.  
 39 (5) State board of barber examiners.  
 40 (6) State board of cosmetology examiners.  
 41 (7) Medical licensing board of Indiana.  
 42 (8) Secretary of state.



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- 1 (9) State board of dental examiners.  
 2 (10) State board of funeral and cemetery service.  
 3 (11) Worker's compensation board of Indiana.  
 4 (12) Indiana state board of health facility administrators.  
 5 (13) Committee of hearing aid dealer examiners.  
 6 (14) Indiana state board of nursing.  
 7 (15) Indiana optometry board.  
 8 (16) Indiana board of pharmacy.  
 9 (17) Indiana plumbing commission.  
 10 (18) Board of podiatric medicine.  
 11 (19) Private detectives licensing board.  
 12 (20) State board of registration for professional engineers.  
 13 (21) Board of environmental health specialists.  
 14 (22) State psychology board.  
 15 (23) Indiana real estate commission.  
 16 (24) Speech-language pathology and audiology board.  
 17 (25) Department of natural resources.  
 18 (26) State boxing commission.  
 19 (27) Board of chiropractic examiners.  
 20 (28) Mining board.  
 21 (29) Indiana board of veterinary medical examiners.  
 22 (30) State department of health.  
 23 (31) Indiana physical therapy committee.  
 24 (32) Respiratory care committee.  
 25 (33) Occupational therapy committee.  
 26 (34) Social worker, marriage and family therapist, and mental  
 27 health counselor board.  
 28 (35) Real estate appraiser licensure and certification board.  
 29 (36) State board of registration for land surveyors.  
 30 (37) Physician assistant committee.  
 31 (38) Indiana dietitians certification board.  
 32 (39) Indiana hypnotist committee.  
 33 **(40) Indiana home inspectors licensing board.**  
 34 ~~(40)~~ **(41)** Any other occupational or professional agency created  
 35 after June 30, 1981.

36 (c) Notwithstanding any other law, the entities included in  
 37 subsection (b) shall send a notice of the upcoming expiration of a  
 38 license to each licensee at least sixty (60) days prior to the expiration  
 39 of the license. The notice must inform the licensee of the need to renew  
 40 and the requirement of payment of the renewal fee. If this notice of  
 41 expiration is not sent by the entity, the licensee is not subject to a  
 42 sanction for failure to renew if, once notice is received from the entity,



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1 the license is renewed within forty-five (45) days of the receipt of the  
2 notice.

3 SECTION 3. IC 25-1-6-3 IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) There is established the  
5 Indiana professional licensing agency. The licensing agency shall  
6 perform all administrative functions, duties, and responsibilities  
7 assigned by law or rule to the executive director, secretary, or other  
8 statutory administrator of the following:

- 9 (1) Indiana board of accountancy (IC 25-2.1-2-1).
- 10 (2) Board of registration for architects (IC 25-4-1-2).
- 11 (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- 12 (4) State board of barber examiners (IC 25-7-5-1).
- 13 (5) State boxing commission (IC 25-9-1).
- 14 (6) State board of cosmetology examiners (IC 25-8-3-1).
- 15 (7) State board of funeral and cemetery service (IC 25-15-9).
- 16 (8) State board of registration for professional engineers (IC  
17 25-31-1-3).
- 18 (9) Indiana plumbing commission (IC 25-28.5-1-3).
- 19 (10) Indiana real estate commission (IC 25-34.1).
- 20 (11) Until July 1, 1996, Indiana State board of television and  
21 radio service examiners (IC 25-36-1-4).
- 22 (12) Real estate appraiser licensure and certification board (IC  
23 25-34.1-8-1).
- 24 (13) Private detectives licensing board (IC 25-30-1-5.1).
- 25 (14) State board of registration for land surveyors (IC  
26 25-21.5-2-1).

27 **(15) Indiana home inspectors licensing board (IC 25-20.2-2-1).**

28 (b) Nothing in this chapter may be construed to give the licensing  
29 agency policy making authority, which remains with each board.

30 SECTION 4. IC 25-1-7-1 IS AMENDED TO READ AS FOLLOWS  
31 [EFFECTIVE JANUARY 1, 2000]: Sec. 1. As used in this chapter:

32 "Board" means the appropriate agency listed in the definition of  
33 regulated occupation in this section.

34 "Director" refers to the director of the division of consumer  
35 protection.

36 "Division" refers to the division of consumer protection, office of  
37 the attorney general.

38 "Licensee" means a person who is:

- 39 (1) licensed, certified, or registered by a board listed in this  
40 section; and
- 41 (2) the subject of a complaint filed with the division.

42 "Person" means an individual, a partnership, a limited liability

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- 1 company, or a corporation.
- 2 "Regulated occupation" means an occupation in which a person is
- 3 licensed, certified, or registered by one (1) of the following:
- 4 (1) Indiana board of accountancy (IC 25-2.1-2-1).
- 5 (2) Board of registration for architects (IC 25-4-1-2).
- 6 (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- 7 (4) State board of barber examiners (IC 25-7-5-1).
- 8 (5) State boxing commission (IC 25-9-1).
- 9 (6) Board of chiropractic examiners (IC 25-10-1).
- 10 (7) State board of cosmetology examiners (IC 25-8-3-1).
- 11 (8) State board of dental examiners (IC 25-14-1).
- 12 (9) State board of funeral and cemetery service (IC 25-15-9).
- 13 (10) State board of registration for professional engineers (IC
- 14 25-31-1-3).
- 15 (11) Indiana state board of health facility administrators (IC
- 16 25-19-1).
- 17 (12) Medical licensing board of Indiana (IC 25-22.5-2).
- 18 (13) Indiana state board of nursing (IC 25-23-1).
- 19 (14) Indiana optometry board (IC 25-24).
- 20 (15) Indiana board of pharmacy (IC 25-26).
- 21 (16) Indiana plumbing commission (IC 25-28.5-1-3).
- 22 (17) Board of podiatric medicine (IC 25-29-2-1).
- 23 (18) Board of environmental health specialists (IC 25-32-1).
- 24 (19) State psychology board (IC 25-33).
- 25 (20) Speech-language pathology and audiology board (IC
- 26 25-35.6-2).
- 27 (21) Indiana real estate commission (IC 25-34.1-2).
- 28 (22) Indiana board of veterinary medical examiners (IC 15-5-1.1).
- 29 (23) Department of natural resources for purposes of licensing
- 30 water well drillers under IC 25-39-3.
- 31 (24) Respiratory care committee (IC 25-34.5).
- 32 (25) Private detectives licensing board (IC 25-30-1-5.1).
- 33 (26) Occupational therapy committee (IC 25-23.5).
- 34 (27) Social worker, marriage and family therapist, and mental
- 35 health counselor board (IC 25-23.6).
- 36 (28) Real estate appraiser licensure and certification board (IC
- 37 25-34.1-8).
- 38 (29) State board of registration for land surveyors (IC
- 39 25-21.5-2-1).
- 40 (30) Physician assistant committee (IC 25-27.5).
- 41 (31) Indiana athletic trainers board (IC 25-5.1-2-1).
- 42 (32) Indiana dietitians certification board (IC 25-14.5-2-1).



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- 1 (33) Indiana hypnotist committee (IC 25-20.5-1-7).  
 2 (34) Indiana physical therapy committee (IC 25-27).  
 3 **(35) Indiana home inspectors licensing board (IC 25-20.2-2-1).**  
 4 ~~(35)~~ **(36)** Any other occupational or professional agency created  
 5 after June 30, 1981.  
 6 SECTION 5. IC 25-1-8-1 IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JANUARY 1, 2000]: Sec. 1. As used in this chapter,  
 8 "board" means any of the following:  
 9 (1) Indiana board of accountancy (IC 25-2.1-2-1).  
 10 (2) Board of registration for architects (IC 25-4-1-2).  
 11 (3) Indiana auctioneer commission (IC 25-6.1-2-1).  
 12 (4) State board of barber examiners (IC 25-7-5-1).  
 13 (5) State boxing commission (IC 25-9-1).  
 14 (6) Board of chiropractic examiners (IC 25-10-1).  
 15 (7) State board of cosmetology examiners (IC 25-8-3-1).  
 16 (8) State board of dental examiners (IC 25-14-1).  
 17 (9) State board of funeral and cemetery service (IC 25-15).  
 18 (10) State board of registration for professional engineers (IC  
 19 25-31-1-3).  
 20 (11) Indiana state board of health facility administrators (IC  
 21 25-19-1).  
 22 (12) Medical licensing board of Indiana (IC 25-22.5-2).  
 23 (13) Mining board (IC 22-10-1.5-2).  
 24 (14) Indiana state board of nursing (IC 25-23-1).  
 25 (15) Indiana optometry board (IC 25-24).  
 26 (16) Indiana board of pharmacy (IC 25-26).  
 27 (17) Indiana plumbing commission (IC 25-28.5-1-3).  
 28 (18) Board of environmental health specialists (IC 25-32-1).  
 29 (19) State psychology board (IC 25-33).  
 30 (20) Speech-language pathology and audiology board (IC  
 31 25-35.6-2).  
 32 (21) Indiana real estate commission (IC 25-34.1-2-1).  
 33 (22) Indiana board of veterinary medical examiners (IC  
 34 15-5-1.1-3).  
 35 (23) Department of insurance (IC 27-1).  
 36 (24) State police department (IC 10-1-1-1), for purposes of  
 37 certifying polygraph examiners under IC 25-30-2.  
 38 (25) Department of natural resources for purposes of licensing  
 39 water well drillers under IC 25-39-3.  
 40 (26) Private detectives licensing board (IC 25-30-1-5.1).  
 41 (27) Occupational therapy committee (IC 25-23.5-2-1).  
 42 (28) Social worker, marriage and family therapist, and mental

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- 1 health counselor board (IC 25-23.6-2-1).  
 2 (29) Real estate appraiser licensure and certification board (IC  
 3 25-34.1-8).  
 4 (30) State board of registration for land surveyors (IC  
 5 25-21.5-2-1).  
 6 (31) Physician assistant committee (IC 25-27.5).  
 7 (32) Indiana athletic trainers board (IC 25-5.1-2-1).  
 8 (33) Board of podiatric medicine (IC 25-29-2-1).  
 9 (34) Indiana dietitians certification board (IC 25-14.5-2-1).  
 10 (35) Indiana physical therapy committee (IC 25-27).  
 11 **(36) Indiana home inspectors licensing board (IC 25-20.2-2-1).**  
 12 ~~(36)~~ **(37)** Any other occupational or professional agency created  
 13 after June 30, 1981.

14 SECTION 6. IC 25-20.2 IS ADDED TO THE INDIANA CODE AS  
 15 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE  
 16 JANUARY 1, 2000]:

17 **ARTICLE 20.2. HOME INSPECTIONS**

18 **Chapter 1. Short Title and Definitions**

19 **Sec. 1. This article may be cited as the "Indiana Home**  
 20 **Inspectors Licensing Act".**

21 **Sec. 2. The definitions in this chapter apply throughout this**  
 22 **article.**

23 **Sec. 3. "Agency" refers to the Indiana professional licensing**  
 24 **agency established by IC 25-1-6-3.**

25 **Sec. 4. "Board" refers to the Indiana home inspectors licensing**  
 26 **board established by IC 25-20.2-2-1.**

27 **Sec. 5. "Client" means any person who hires or seeks to hire a**  
 28 **licensed home inspector or a licensed associate home inspector for**  
 29 **the purpose of obtaining an inspection of and a written report on**  
 30 **the condition of a residential building.**

31 **Sec. 6. "Home inspection" means a noninvasive, physical**  
 32 **examination that is performed on real property and that:**

33 **(1) examines, through visual means and normal user controls,**  
 34 **without the use of mathematical sciences, the:**

35 **(A) mechanical, electrical, or plumbing systems; or**

36 **(B) structural or other essential components;**

37 **or both, of a residential dwelling; and**

38 **(2) is designed to identify visible defects in and the current**  
 39 **conditions of the systems, structures, and components**  
 40 **described in subdivision (1).**

41 **The term does not include a code compliance inspection.**

42 **Sec. 7. "Home inspection report" means a written report**

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1 prepared and issued after a home inspection.

2 **Sec. 8. "Licensed associate home inspector" means a person**  
3 **who:**

- 4 (1) has not fulfilled the requirements for a home inspector  
5 license;  
6 (2) is licensed as an associate home inspector under this  
7 article; and  
8 (3) performs home inspections under the supervision of a  
9 licensed home inspector.

10 **Sec. 9. "Licensed home inspector" means a person who:**

- 11 (1) performs home inspections; and  
12 (2) is licensed as a home inspector under this article.

13 **Sec. 10. "Licensee" means a person who performs home**  
14 **inspections and who is licensed under this article as a home**  
15 **inspector or an associate home inspector.**

16 **Sec. 11. "Residential dwelling" means a structure consisting of**  
17 **at least one (1) but not more than five (5) dwelling units, whether**  
18 **occupied or unoccupied.**

19 **Chapter 2. Indiana Home Inspectors Licensing Board**

20 **Sec. 1. The Indiana home inspectors licensing board is**  
21 **established.**

22 **Sec. 2. The board is composed of seven (7) members, all of**  
23 **whom must be Indiana residents, appointed by the governor as**  
24 **follows:**

- 25 (1) Four (4) members who:  
26 (A) are licensed home inspectors;  
27 (B) are recommended by the Indiana chapter of the  
28 American Society of Home Inspectors; and  
29 (C) have been actively engaged in the practice of  
30 performing home inspections in Indiana for at least five (5)  
31 years before their appointment to the board.  
32 (2) One (1) member who:  
33 (A) is a home builder;  
34 (B) is recommended by the Indiana Builders Association;  
35 and  
36 (C) has been actively engaged in the practice of home  
37 building in Indiana for at least five (5) years before the  
38 member's appointment to the board.  
39 (3) One (1) member who:  
40 (A) is a licensed real estate salesperson under  
41 IC 25-34.1-3-3.1 or a licensed real estate broker under  
42 IC 25-34.1-3-4.1;



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- 1           **(B)** is recommended by the Indiana Association of  
 2           **Realtors; and**  
 3           **(C)** has been actively engaged in the practice of residential  
 4           real estate sales in Indiana for at least five (5) years before  
 5           the member's appointment to the board.  
 6           **(4)** One (1) member who represents the general public and is  
 7           not associated with the real estate business in any way other  
 8           than as a consumer.
- 9           **Sec. 3. (a)** Except as provided in subsection (b), the term of  
 10          office for each member of the board is three (3) years.  
 11          **(b)** A member shall hold office until a successor is appointed and  
 12          qualified.  
 13          **(c)** If a vacancy occurs on the board, the governor shall appoint  
 14          an individual, recommended by the appropriate agency under  
 15          section 2 of this chapter, to serve the unexpired term of the  
 16          previous member or until a successor is appointed and qualified.  
 17          **(d)** A member may not serve on the board for more than six (6)  
 18          consecutive years.
- 19          **Sec. 4. (a)** The board shall elect from its membership a  
 20          chairperson and a vice chairperson. The chairperson and the vice  
 21          chairperson shall serve in that capacity for one (1) year and until  
 22          a successor is elected. However, the chairperson and the vice  
 23          chairperson may not serve in that capacity for more than two (2)  
 24          consecutive years.  
 25          **(b)** The chairperson shall preside at all meetings. The vice  
 26          chairperson shall preside at meetings in the absence of the  
 27          chairperson and shall perform other duties as the chairperson may  
 28          direct.
- 29          **Sec. 5.** The agency shall provide to the board an executive  
 30          director. The executive director shall:  
 31                  **(1)** provide reasonable notice to the board members of the  
 32                  time and place of each meeting;  
 33                  **(2)** keep a record of all:  
 34                          **(A)** meetings;  
 35                          **(B)** votes taken by the board; and  
 36                          **(C)** other proceedings, transactions, communications,  
 37                          official acts, and records of the board;  
 38                  **(3)** keep a current file of all licenses and licensees; and  
 39                  **(4)** perform any other duties that the board may prescribe.
- 40          **Sec. 6. (a)** The board shall meet at least two (2) times each  
 41          calendar year upon the call of the chairperson or the written  
 42          request of a majority of the members of the board.



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- 1           **(b) The chairperson shall establish the time and place for each**
- 2 **meeting.**
- 3           **(c) A majority of the current members of the board constitutes**
- 4 **a quorum for the purpose of transacting business at a meeting. The**
- 5 **board may take action only upon the affirmative vote of a majority**
- 6 **of the members appointed to the board.**
- 7           **Sec. 7. (a) Each member of the board is entitled to the minimum**
- 8 **salary per diem as provided by IC 4-10-11-2.1(b).**
- 9           **(b) Each member of the board is entitled to reimbursement for**
- 10 **traveling expenses as provided under IC 4-13-1-4 and other**
- 11 **expenses actually incurred in connection with the member's duties,**
- 12 **as provided in the state policies and procedures established by the**
- 13 **Indiana department of administration and approved by the budget**
- 14 **agency.**
- 15           **(c) The compensation and expenses of the board members and**
- 16 **the expenses of the board shall be paid out of the state general**
- 17 **fund.**
- 18           **Sec. 8. The board may:**
- 19           **(1) administer and enforce the provisions of this article;**
- 20           **(2) adopt rules in accordance with IC 4-22-2 and prescribe**
- 21 **forms for licenses, applications, and other documents that are**
- 22 **necessary or appropriate for the administration and**
- 23 **enforcement of this article;**
- 24           **(3) issue, deny, suspend, and revoke licenses in accordance**
- 25 **with this article, which licenses shall remain the property of**
- 26 **the board;**
- 27           **(4) subject to IC 25-1-7, investigate complaints concerning**
- 28 **licensees or persons the board has reason to believe should be**
- 29 **licensees, including complaints respecting failure to comply**
- 30 **with this article or the rules, and, when appropriate, take**
- 31 **action under IC 25-20.2-4;**
- 32           **(5) bring actions, in the name of the state of Indiana, in an**
- 33 **appropriate circuit court in order to enforce compliance with**
- 34 **this article or the rules adopted under this article;**
- 35           **(6) inspect the records of a licensee in accordance with the**
- 36 **rules and standards prescribed by the board;**
- 37           **(7) conduct, or designate a member or other representative to**
- 38 **conduct, public hearings on any matter for which a hearing is**
- 39 **required under this article and exercise all powers granted**
- 40 **under IC 4-21.5;**
- 41           **(8) adopt a seal containing the words "Indiana Home**
- 42 **Inspectors Licensing Board" and, through its executive**

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- 1           **director, certify copies and authenticate all acts of the board;**
- 2           **(9) use counsel, consultants, and other persons who are**
- 3           **necessary or appropriate to administer and enforce this**
- 4           **article and the rules adopted under this article;**
- 5           **(10) enter into contracts and authorize expenditures that are**
- 6           **necessary or appropriate, subject to IC 25-1-6, to administer**
- 7           **and enforce this article and the rules;**
- 8           **(11) maintain the board's office, files, records, and property**
- 9           **in the city of Indianapolis;**
- 10          **(12) establish continuing education requirements of not more**
- 11          **than twenty (20) hours per year for licensed home inspectors;**
- 12          **(13) grant, deny, suspend, and revoke approval of**
- 13          **examinations and courses of study;**
- 14          **(14) adopt rules to establish, prescribe, or change fees for**
- 15          **licenses, renewal licenses, examinations, sanctions, penalties,**
- 16          **or other services provided under this article;**
- 17          **(15) issue probationary licenses under any terms and**
- 18          **conditions the board considers necessary to ensure**
- 19          **compliance with this article and the rules and standards**
- 20          **established by the board;**
- 21          **(16) establish standards for licensed home inspectors who**
- 22          **serve as supervisors for licensed associate home inspectors**
- 23          **under IC 25-20.2-3-4(e); and**
- 24          **(17) exercise other specific powers conferred on the board by**
- 25          **this article.**

26           **Sec. 9. The board shall adopt rules establishing:**

- 27           **(1) standards for the competent practice of home inspections;**
- 28           **(2) a code of ethics for licensed home inspectors and licensed**
- 29           **associate home inspectors; and**
- 30           **(3) report writing standards for licensed home inspectors and**
- 31           **licensed associate home inspectors.**

32           **Sec. 10. All funds collected under this article shall, at the end of**  
33           **each month, be reported to the auditor of state and deposited with**  
34           **the treasurer of state for deposit in the state general fund. All**  
35           **expenses incurred in the administration of this article shall be paid**  
36           **from the state general fund.**

37           **Chapter 3. Licensing**

38           **Sec. 1. An agency or political subdivision of the state (other than**  
39           **the board) may not impose any registration or license requirement**  
40           **or any license or employment fee or charge on licensees on account**  
41           **of activities defined in IC 25-20.2.**

42           **Sec. 2. (a) Except as provided in subsection (b), a person may**

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1 not conduct a home inspection for compensation in Indiana  
 2 without a license as a home inspector or an associate home  
 3 inspector under this article.

4 (b) This article does not apply to:

5 (1) a person who is employed as a code enforcement official by  
 6 the state or a political subdivision and who acts within the  
 7 scope of the person's employment;

8 (2) a person who is:

9 (A) registered as an architect under IC 25-4-1;

10 (B) registered as a professional engineer under IC 25-31;  
 11 or

12 (C) licensed as a plumbing contractor or journeyman  
 13 plumber under IC 25-28.5;

14 and who acts within the scope of the person's registration or  
 15 license;

16 (3) a person who is licensed under IC 25-34.1 as a real estate  
 17 broker, broker-salesperson, or salesperson and who acts  
 18 within the scope of the person's license;

19 (4) a person who is:

20 (A) licensed as a real estate appraiser; or

21 (B) certified as a general or residential real estate  
 22 appraiser;

23 under IC 25-34.1 and who acts within the scope of the  
 24 person's license or certificate;

25 (5) a person who is regulated by the state as an insurance  
 26 adjuster and who acts within the scope of the person's  
 27 profession;

28 (6) a person who is certified or registered as a pesticide  
 29 applicator or a wood destroying pest inspector and who acts  
 30 within the scope of the practice for which the person is  
 31 certified or registered;

32 (7) a person who makes home inspections under the  
 33 supervision of a licensed home inspector for the purpose of  
 34 meeting the requirements of this article for licensure as a  
 35 home inspector or an associate home inspector; or

36 (8) a tradesperson or home builder who holds a license from  
 37 a political subdivision and who acts within the scope of the  
 38 person's license.

39 Sec. 3. (a) To obtain a home inspector license, an individual  
 40 must:

41 (1) be at least eighteen (18) years of age;

42 (2) have graduated from high school or earned a state of

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1 **Indiana general educational development (GED) diploma;**

2 **(3) not have a conviction for:**

3 **(A) an act that would constitute a ground for disciplinary**  
4 **sanction under IC 25-1-11; or**

5 **(B) a crime that has a direct bearing on the individual's**  
6 **ability to practice competently;**

7 **(4) not be listed on a national or state registry of sex**  
8 **offenders;**

9 **(5) pay the fee established by the board;**

10 **(6) pass a written examination prepared and administered by**  
11 **the board or its duly appointed agent;**

12 **(7) secure, maintain, and file with the board a certificate of**  
13 **insurance that:**

14 **(A) provides for general liability coverage in an amount of**  
15 **not less than one hundred thousand dollars (\$100,000);**

16 **(B) lists the state as an additional insured; and**

17 **(C) is backed by a policy stating that cancellation and**  
18 **nonrenewal of the policy is not effective unless at least ten**  
19 **(10) days notice of the cancellation or nonrenewal has been**  
20 **received in writing by the board;**

21 **(8) have performed at least two hundred fifty (250) home**  
22 **inspections that were verified by the board and found to be in**  
23 **compliance with the home inspection standards established by**  
24 **the board; and**

25 **(9) have been licensed as an associate home inspector for not**  
26 **less than one (1) year.**

27 **(b) A license issued under subsection (a) expires two (2) years**  
28 **from the date of issuance of the license.**

29 **(c) A licensed home inspector may renew a license upon:**

30 **(1) paying the renewal fee established by the board; and**

31 **(2) completing the continuing education requirements**  
32 **established by the board.**

33 **Sec 4. (a) To obtain an associate home inspector license, an**  
34 **individual must:**

35 **(1) meet the requirements for licensure under section 3(a)(1)**  
36 **through 3(a)(7) of this chapter;**

37 **(2) become associated with a licensed home inspector who will**  
38 **supervise the home inspections required under section 3(a)(8)**  
39 **of this chapter for a home inspector license; and**

40 **(3) have completed a board approved training program or**  
41 **course of study and successfully passed an exit examination.**

42 **(b) An associate home inspector license expires one (1) year**

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1 after the date of issuance of the license.

2 (c) A licensed associate home inspector may renew an associate  
3 home inspector license upon:

- 4 (1) paying the renewal fee established by the board; and  
5 (2) completing the continuing education requirements  
6 established by the board.

7 (d) A person may not hold an associate home inspector license  
8 for more than five (5) years. If after holding an associate home  
9 inspector license for five (5) years, a licensed associate home  
10 inspector has not met all of the requirements to become a licensed  
11 home inspector, the person's associate home inspector's license  
12 expires. A person whose associate home inspector license has  
13 expired under this subsection may reapply for a new associate  
14 home inspector license under subsection (a).

15 (e) To meet the requirement in section 3(a)(8) of this chapter for  
16 licensure as a home inspector, a licensed associate home inspector  
17 must perform two hundred fifty (250) home inspections under the  
18 supervision of one (1) or more board approved licensed home  
19 inspectors under the following conditions:

20 (1) The licensed home inspector shall attend and supervise at  
21 least ten (10) home inspections performed by the licensed  
22 associate home inspector, at intervals determined by the  
23 board, and provide comments and guidance to ensure the  
24 licensed associate home inspector's compliance with the  
25 standards of practice, code of ethics, and report writing  
26 standards established by the board under IC 25-20.2-2-9.

27 (2) The licensed home inspector shall review at least two  
28 hundred forty (240) additional home inspection reports and  
29 provide comments and guidance to ensure the licensed  
30 associate home inspector's compliance with the standards of  
31 practice, code of ethics, and report writing standards  
32 established by the board under IC 25-20.2-2-9.

33 (3) The licensed associate home inspector and the licensed  
34 home inspector shall maintain separate logs of all supervised  
35 home inspections. The log must contain at least the following  
36 information:

- 37 (A) the client's name and address;  
38 (B) the address of the inspected property;  
39 (C) the date of the inspection;  
40 (D) the date the written report was reviewed by the  
41 licensed home inspector; and  
42 (E) any appropriate comments.



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(4) The supervising licensed home inspector may establish, with board approval, additional and appropriate training to advance the skills of the licensed associate home inspector.

(5) The supervising licensed home inspector may charge a fee for the person's service as a supervising inspector.

Sec. 5. (a) A resident of another state who substantially meets the requirements of this article may be licensed as a home inspector in Indiana.

(b) A nonresident home inspector described in subsection (a) shall file with the board a written consent stating that:

(1) an action arising out of the conduct of the licensee's business in Indiana may be commenced in the county in Indiana in which the cause of action accrues;

(2) service of process may be made upon the board as agent for the nonresident licensee; and

(3) service of process in accordance with the Indiana Rules of Trial Procedure subjects the licensee to the jurisdiction of the courts in the county in which the cause of action accrues.

Sec. 6. A licensee shall notify the board immediately of any change of:

(1) name;

(2) name under which the licensee conducts business; or

(3) business address.

**Chapter 4. Enforcement**

Sec. 1. (a) The board may discipline or impose sanctions on a licensee for any of the following violations:

(1) Disclosure of any information concerning the results of a home inspection without the approval of a client or the client's legal representative, except under a court order.

(2) Accepting compensation for the same service from more than one (1) interested party without the consent of all interested parties.

(3) Accepting commissions or allowances, directly or indirectly, from other parties dealing with the licensee's client in connection with work for which the licensee is responsible.

(4) Failing to disclose to a client information about any business interest of the licensee that may affect the client in connection with the home inspection.

(5) Knowingly making a false representation about the condition of the premises covered by an inspection or about the extent of the services to be performed.

(6) Committing a felony in the course of the practice of home

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1 inspection or committing any act constituting a violation of  
 2 IC 25-20.2-3-3(a)(3), IC 25-20.2-3-3(a)(4), or  
 3 IC 25-20.2-3-3(a)(5).  
 4 (7) Violating provisions of this article or the rules adopted by  
 5 the board under this article.  
 6 (8) Making a false or misleading representation:  
 7 (A) upon any application under this article; or  
 8 (B) in providing information requested by the board.  
 9 (9) Failing to pay any required fees or to maintain the  
 10 insurance required under this article.  
 11 (10) Communicating false or misleading advertising about the  
 12 type of license held.  
 13 (11) Engaging in a course of lewd or immoral conduct in  
 14 connection with the delivery of services to clients.  
 15 (12) Failing to complete the continuing education  
 16 requirements established by the board.  
 17 (b) The board may impose any of the following sanctions, singly  
 18 or in combination, when the board finds that a licensee is guilty of  
 19 any offense under subsection (a):  
 20 (1) Permanently revoke a licensee's license.  
 21 (2) Suspend a licensee's license.  
 22 (3) Censure a licensee.  
 23 (4) Issue a letter of reprimand.  
 24 (5) Place a licensee on probation and require the licensee to:  
 25 (A) report regularly to the board upon the matters that are  
 26 the basis of the probation; or  
 27 (B) continue or renew professional education under the  
 28 supervision of another licensee approved by the board  
 29 until a satisfactory degree of skill has been attained in  
 30 those areas that are the basis of the probation.  
 31 Sec. 2. (a) Except as provided in subsection (b), the board may  
 32 not impose disciplinary sanctions against a licensee until the  
 33 licensee has been provided with the following:  
 34 (1) Notice of the nature of the charges and allegations that  
 35 constitute a basis for discipline.  
 36 (2) The opportunity for a hearing before the board and notice  
 37 of the date and time of a hearing before the board.  
 38 (b) The board may summarily suspend a license for a period of  
 39 not more than ninety (90) days in advance of a final adjudication  
 40 or during an appeal of the board's determination if the board finds  
 41 that the licensee represents a clear and immediate danger to the  
 42 public's health, safety, or property if the licensee is allowed to

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1 continue to practice. The summary suspension may be renewed  
 2 upon a hearing before the board, and each renewal may be for a  
 3 period of not more than ninety (90) days.

4 **Sec. 3. (a)** A person who performs home inspections for  
 5 compensation without a license under this article as either a home  
 6 inspector or an associate home inspector commits a Class B  
 7 infraction. Upon conviction for an offense under this section, the  
 8 court shall add to any fine imposed the amount of any fee or other  
 9 compensation earned in the commission of the offense. Each  
 10 transaction constitutes a separate offense.

11 (b) In all actions for the collection of a fee or other  
 12 compensation for performing home inspections, the party seeking  
 13 relief must allege and prove that, at the time the cause of action  
 14 arose, the party seeking relief was not in violation of this section.

15 (c) The requirements of this section may be waived for  
 16 individuals moving to Indiana from other jurisdictions if the  
 17 following requirements are met:

18 (1) The other jurisdiction grants the same privileges to  
 19 licensees of this state.

20 (2) The individual is licensed in the other jurisdiction.

21 (3) The licensing requirements of the other jurisdiction are  
 22 substantially similar to the requirements of this article.

23 (4) The applicant states that the applicant has studied, is  
 24 familiar with, and will abide by this article and the rules  
 25 adopted by the board under this article.

#### 26 Chapter 5. Liability and Immunity from Liability

27 **Sec. 1. (a)** An action of any kind for damages, whether brought  
 28 in contract or tort or on any other basis, based upon professional  
 29 services that were rendered or that should have been rendered by  
 30 a licensed home inspector or a licensed associate home inspector  
 31 may not be brought, commenced, or maintained in any court in  
 32 Indiana unless the action is filed not later than two (2) years after  
 33 the date of the alleged act or omission.

34 (b) A licensed home inspector or a licensed associate home  
 35 inspector is not liable to a person for damages that arise from an  
 36 act or omission relating to a home inspection if that person is not  
 37 a party to the contract under which the home inspection is  
 38 conducted.

39 (c) A person who:

40 (1) is a professional licensed in Indiana;

41 (2) acts within the scope of the person's profession; and

42 (3) is not a licensed home inspector or a licensed associate



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1           home inspector;  
 2 is not liable for the findings, errors, or omissions of a home  
 3 inspection, unless the person has fraudulently provided or  
 4 concealed information that induced a licensed home inspector's or  
 5 a licensed associate home inspector's finding, error, or omission  
 6 that is the basis of the claim.

7           (d) A person who in good faith recommends or endorses a  
 8 licensed home inspector or a licensed associate home inspector  
 9 without compensation, remuneration, rebate, or other form of  
 10 consideration is not liable for the actions of the licensed home  
 11 inspector or licensed associate home inspector, including errors,  
 12 omissions, the failure to perform any contracted duties of a home  
 13 inspection, or the failure to meet the standards of practice, report  
 14 writing standards, or code of ethics established by the board under  
 15 IC 25-20.2-2-9.

16           Sec. 2. A licensed home inspector, acting as a supervisor of:

17           (1) a licensed associate home inspector under  
 18 IC 25-20.2-3-4(e); or

19           (2) a licensed home inspector or licensed associate home  
 20 inspector who has been put on probation under  
 21 IC 25-20.2-4-1(b);

22 without charging a fee, is not liable to any person for damages that  
 23 arise from an act or omission relating to a home inspection  
 24 performed by a licensed associate home inspector or by a licensed  
 25 home inspector or licensed associate home inspector who has been  
 26 but on probation.

27           SECTION 7. IC 34-30-98.8 IS ADDED TO THE INDIANA CODE  
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 29 JANUARY 1, 2000]: Sec. 98.8. IC 25-20.2-5-1 and IC 25-20.2-5-2  
 30 (Concerning home inspections).

31           SECTION 8. [EFFECTIVE JANUARY 1, 2000] (a) As used in this  
 32 SECTION, "board" refers to the Indiana home inspectors licensing  
 33 board established by IC 25-20.2-2-1, as added by this act.

34           (b) Notwithstanding IC 25-20.2-3-3(a)(9), as added by this act,  
 35 before December 31, 2000, the board may issue to an individual,  
 36 upon the individual's application and payment of fees, a home  
 37 inspector license if the individual:

38           (1) meets the requirements of IC 25-20.2-3-3(a)(1) through  
 39 IC 25-20.2-3-3(a)(7), as added by this act;

40           (2) has been engaged in the practice of home inspections for  
 41 not less than six (6) months; and

42           (3) has performed at least two hundred fifty (250) home



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inspections in Indiana.

(c) The board may consider and accept the successful completion of any equivalent licensing requirements in another state in lieu of one (1) or more of the requirements of IC 25-20.2-3-3(a)(1) through IC 25-20.2-3-3(a)(8), as added by this act.

(d) This SECTION expires December 31, 2000.

SECTION 9. [EFFECTIVE JULY 1, 1999] (a) As used in this SECTION, "board" refers to the Indiana home inspectors board established by IC 25-20.2-2-1, as added by this act.

(b) Notwithstanding IC 25-20.2-3-3(a)(9), as added by this act, an individual may be appointed to the board under IC 25-20.2-2-2(1), as added by this act, if the individual:

- (1) meets the requirements of IC 25-20.2-3-3 (a)(1) through IC 25-20.2-3-3(a)(7), as added by this act;
- (2) has been engaged in the practice of home inspections for not less than six (6) months; and
- (3) has performed at least two hundred fifty (250) home inspections in Indiana.

(c) Before January 1, 2000, the governor shall make the appointments required by this act. Notwithstanding IC 25-20.2-2-3(a), as added by this act, the initial appointments to the board made under IC 25-20.2-2-2, as added by this act, must be staggered so that:

- (1) three (3) of the initial appointments are for three (3) years;
- (2) two (2) of the initial appointments are for two (2) years; and
- (3) two (2) of the initial appointments are for one (1) year.

(d) This SECTION expires December 31, 2000.

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