

2017 Regular Session

SENATE BILL NO. 257 (Substitute of Senate Bill No. 205 by Senator Morrell)

BY SENATOR MORRELL

COMMERCIAL REGULATIONS. Provides relative to the Louisiana State Board of Home Inspectors. (8/1/17)

1 AN ACT

2 To amend and reenact R.S. 37:1473(5), 1474(B) and (D), 1479(D), and 1481(A)(2) and (3)

3 and to enact R.S. 37:1477(B)(8) and (C)(6), relative to Louisiana State Board of

4 Home Inspectors; to provide for definitions; to provide for board membership and

5 membership terms; to provide relative to fees collected by the board; to provide for

6 qualifications of home inspectors; to provide for insurance requirements for home

7 inspectors; to provide certain terms and conditions relative to home inspectors; and

8 to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 37:1473(5), 1474(B) and (D), 1479(D), and 1481(A)(2) and (3) are

11 hereby amended and reenacted and R.S. 37:1477(B)(8) and (C)(6) are hereby enacted to read

12 as follows:

13 §1473. Definitions

14 As used in this Chapter, the following words shall have the following

15 meanings unless the context clearly indicates otherwise:

16 * * *

17 (5) "Home inspector" means any person who, in accordance with the

1 provisions of this Chapter, holds himself out as a home inspector to the general
 2 public or engages in the business of performing home inspections on resale
 3 residential buildings for compensation ~~or~~ **and** who examines any component of a
 4 building, through visual means and through normal user controls, without the use of
 5 mathematical sciences.

6 * * *

7 §1474. Louisiana State Board of Home Inspectors; creation; qualifications;
 8 domicile; terms of office; confirmation; oath of office; compensation

9 * * *

10 B. The board shall be composed of one member from each congressional
 11 district **and one at-large member** appointed by the governor from a list of names
 12 submitted by the board of directors of the Louisiana Chapter of the American Society
 13 of Home Inspectors, the Louisiana Realtors Association, **and** the Louisiana
 14 ~~Homebuilders~~ **Home Builders** Association, ~~and the Louisiana Mortgage Lenders~~
 15 ~~Association~~. Each member of the board shall be a United States citizen and a resident
 16 of the state, and shall have been actively engaged in the home inspection business
 17 on a full-time basis for ~~one year~~ **three years** preceding the appointment. The initial
 18 board members shall be required to obtain a license in accordance with the
 19 provisions of this Chapter. Thereafter, each member of the board shall be a licensed
 20 home inspector.

21 * * *

22 D.(1) Initially, one member of the board shall be appointed for a two-year
 23 term, three members for four-year terms, and three members for six-year terms. No
 24 person shall be appointed for more than one full six-year term. ~~Thereafter~~ **On and**
 25 **after August 1, 2017**, all members shall be appointed for ~~six~~ **four** years. ~~Any~~
 26 **Except as provided in Paragraph (2) of this Subsection for the at-large member,**
 27 **any** vacancy on the board caused by death, resignation, or disability of a member
 28 shall be filled for the unexpired term by appointment by the governor from the
 29 congressional district where the vacancy occurred.

1 (2) On and after August 1, 2017, the board member from the Third
 2 Congressional District who was appointed to the board on July 27, 2012, is
 3 designated as the at-large member. Any vacancy of the at-large member
 4 caused by death, resignation, or disability shall be filled for the unexpired term
 5 by appointment by the governor.

6 * * *

7 §1477. Qualifications for licensure; application; fees

8 * * *

9 B. The board may charge and collect fees not in excess of the following:

10 * * *

11 (8) Credit card service fees not to exceed the amount charged to the
 12 board by the financial institution.

13 C. An applicant for licensure as a home inspector shall meet the following
14 requirements:

15 * * *

16 (6) Submission of a criminal background request form to the office of
 17 state police.

18 * * *

19 §1479. License issuance and renewal; appearance on documents

20 * * *

21 D. The term "licensed home inspector" or "L.H.I." along with the license
 22 number of the inspector, shall appear on all advertising, correspondence, reports,
 23 and documents incidental to a home inspection.

24 * * *

25 §1481. Insurance requirements

26 A.(1) * * *

27 ~~(2) The board shall, by rule, establish or approve an association or~~
 28 ~~associations for the purposes of availing licensees to the benefits of group insurance~~
 29 ~~rates.~~ The board shall establish the terms and conditions of errors and omissions

1 insurance coverage, including but not limited to the permissible deductible, limits
2 of liability, and permissible exclusions. ~~However, licensees shall have~~
3 ~~the option of obtaining errors and omissions insurance independently that complies~~
4 ~~with the coverage requirements established by the board. Such terms and~~
5 ~~conditions shall be established by rule in accordance with the Administrative~~
6 ~~Procedure Act.~~

7 (3) Each licensee ~~shall be notified of the required terms and conditions of~~
8 ~~coverage for the annual policy at least thirty days prior to the annual renewal date.~~
9 ~~Each licensee who chooses not to participate in the group insurance program~~
10 ~~administered by the board shall file with the board a certificate of coverage showing~~
11 ~~compliance with the required terms and conditions of coverage by the annual license~~
12 ~~renewal date.~~

13 * * *

The original instrument was prepared by Michelle D. Ridge. The following digest, which does not constitute a part of the legislative instrument, was prepared by J.W. Wiley.

DIGEST

SB 257 Reengrossed 2017 Regular Session Morrell

Present law provides relative to the La. Home Inspector Board.

Present law defines "home inspector" as any person who, in accordance with the provisions of this Chapter, holds himself out as a home inspector to the general public or engages in the business of performing home inspections on resale residential buildings for compensation or who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

Proposed law defines "home inspector" as any person who, in accordance with the provisions of this Chapter, holds himself out as a home inspector to the general public or engages in the business of performing home inspections on resale residential buildings for compensation and who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

Present law provides that board members shall be appointed by the governor from a list of names submitted by the board of directors of the La. Chapter of the American Society of Home Inspectors, the La. Realtors Association, the La. Home Builders Association, and the La. Mortgage Lenders Association.

Proposed law adds a member at-large to the board and removes the ability of the board of directors of the La. Mortgage Lenders Association to contribute to the list of names submitted to the governor for appointment consideration.

Present law provides that members shall be appointed for six years.

Proposed law reduces the length of the term from six years to four years.

Proposed law provides that the board member from the 3rd Congressional District who was appointed to the board on July 27, 2012, is designated as the at-large member. Further provides that any vacancy of the at-large member caused by death, resignation, or disability will be filled for the unexpired term by appointment by the governor.

Present law provides that the board may charge and collect fees not in excess of certain amounts.

Proposed law adds authorization for the board to collect credit card service fees not to exceed the amount charged to the board by the financial institution.

Present law requires home inspectors to satisfy certain criteria.

Proposed law retains present law and adds that applicant shall submit a criminal background request form to the office of state police.

Present law provides that the term "licensed home inspector" along with the license number shall appear on all advertising, correspondence, and documents incidental to a home inspection.

Proposed law retains present law and adds that the term "licensed home inspector" or "L.H.I" shall appear on reports.

Present law provides for insurance requirements for home inspectors.

Proposed law provides that the board shall establish terms and conditions of errors and omissions insurance coverage, including but not limited to the permissible deductible, limits of liability, and permissible exclusions. Such terms and conditions of errors shall be established by rule in accordance with the Administrative Procedure Act.

Present law provides that each licensee shall be notified of the required terms and conditions of coverage for the annual policy at least thirty days prior to the annual renewal date. Each licensee who chooses not to participate in the group insurance program administered by the board shall file with the board a certificate of coverage showing compliance with the required terms and conditions of coverage by the annual license renewal date.

Proposed law provides that each licensee shall file with the board a certificate of coverage showing compliance with the required terms and conditions of coverage by the annual license renewal date.

Effective August 1, 2017.

(Amends R.S. 37:1473(5), 1474(B) and (D), 1479(D), and 1481(A)(2) and (3); adds R.S. 37:1477(B)(8) and (C)(6))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes legislative bureau and bureau note technical changes.