

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

BY SENATOR MORRELL

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AN ACT

To amend and reenact R.S. 37:1473(5), 1474(B) and (D), 1479(D), and 1481(A)(2) and (3) and to enact R.S. 37:1477(B)(8) and (C)(6), relative to Louisiana State Board of Home Inspectors; to provide for definitions; to provide for board membership and membership terms; to provide relative to fees collected by the board; to provide for qualifications of home inspectors; to provide for insurance requirements for home inspectors; to provide certain terms and conditions relative to home inspectors; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:1473(5), 1474(B) and (D), 1479(D), and 1481(A)(2) and (3) are hereby amended and reenacted and R.S. 37:1477(B)(8) and (C)(6) are hereby enacted to read as follows:

§1473. Definitions

As used in this Chapter, the following words shall have the following meanings unless the context clearly indicates otherwise:

* * *

(5) "Home inspector" means 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~~ **and** who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

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

* * *

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

* * *

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

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

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§1477. Qualifications for licensure; application; fees

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

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

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

* * *

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

* * *

§1479. License issuance and renewal; appearance on documents

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

* * *

§1481. Insurance requirements

A.(1) * * *

~~(2) The board shall, by rule, establish or approve an association or associations for the purposes of availing licensees to the benefits of group insurance rates. The board shall establish the terms and conditions of **errors and omissions insurance** coverage, including but not limited to the permissible deductible, **limits of liability**, and permissible **exclusions**. exemptions. However, licensees shall have the option of obtaining errors and omissions insurance independently that complies with the coverage requirements established by the board. **Such terms and conditions shall be established by rule in accordance with the Administrative Procedure Act.**~~

~~(3) 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.~~

1 Each licensee who chooses not to participate in the group insurance program
 2 ~~administered by the board~~ shall file with the board a certificate of coverage showing
 3 compliance with the required terms and conditions of coverage by the annual license
 4 renewal date.

5 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____