

SECOND REGULAR SESSION

HOUSE BILL NO. 1832

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE VIOLET.

3910H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 339, RSMo, by adding thereto fourteen new sections relating to the licensing of home inspectors, with penalty provisions and a delayed effective date.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 339, RSMo, is amended by adding thereto fourteen new sections, to be known as sections 339.900, 339.903, 339.906, 339.909, 339.912, 339.915, 339.918, 339.921, 339.924, 339.927, 339.930, 339.933, 339.936, and 339.939, to read as follows:

339.900. As used in sections 339.900 to 339.939, the following terms mean:

(1) "Apprentice home inspector", an individual who desires to perform home inspections as an apprentice and complies with the apprenticeship rules established by the board;

(2) "Board", the Missouri home inspectors board;

(3) "Component", a part of a system, as defined in this section;

(4) "Division", the division of professional registration;

(5) "Home inspection", the process by which a home inspector, for payment, visually examines the readily accessible systems and components of a residential building and describes such systems in writing in accordance with the standards of practice established by the board;

(6) "Home inspection report", a written report on the home inspection to standards defined by the board;

(7) "Home inspector", an individual who is retained to perform a home inspection for compensation;

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (8) "Home inspector apprentice supervisor", an individual who is a licensed
17 home inspector and is approved by the board to supervise home inspector apprentices;

18 (9) "Readily accessible", available for visual inspection without requiring the
19 movement of personal property, dismantling, destructive measures, or any action that in
20 the opinion of the home inspector would likely involve risk of injury to the state-licensed
21 home inspector, another person, or property;

22 (10) "Residential building", a structure of one to four dwelling units;

23 (11) "State-licensed home inspector", an individual licensed by the board under
24 sections 339.900 to 339.939;

25 (12) "System", a combination of interacting or interdependent components, as
26 defined by the board, assembled to carry out one or more functions.

 339.903. 1. No person shall act as a home inspector, directly or indirectly engage
2 or assume to engage in the business of home inspection, or advertise or hold himself or
3 herself out as engaging in or conducting such business without first obtaining a license
4 issued by the board as provided in sections 339.900 to 339.939.

5 2. No license shall be issued under sections 339.900 to 339.939 to a partnership,
6 association, corporation, firm, limited liability company, or group.

7 3. Any person who is not a state-licensed home inspector under sections 339.900
8 to 339.939 may assist a state-licensed home inspector in the performance of a home
9 inspection, provided that the person is personally supervised by a state-licensed home
10 inspector and any home inspection report rendered in connection with the home
11 inspection is reviewed and signed by the state-licensed home inspector.

12 4. Sections 339.900 to 339.939 shall not be construed to require a license for:

13 (1) Any person, partnership, association, or corporation, or employee thereof,
14 who as owner performs inspections of residential property owned by such person,
15 partnership, association, or corporation;

16 (2) Any employee of a political subdivision, state, or federal agency who
17 performs inspection services within the scope of his or her employment;

18 (3) Any person providing the inspection of two or fewer of the following
19 components or systems in a residential building: heating system, cooling system,
20 electrical system, plumbing system, foundation, siding, roofing, masonry chimney, or the
21 structural frame or other essential components or systems of a residential dwelling;

22 (4) A real estate broker, real estate salesperson, real estate appraiser, architect,
23 or engineer acting within the scope of his or her license;

24 (5) Any person acting on behalf of the Federal Housing Administration (FHA) in
25 the capacity of an approved FHA fee inspector;

26 **(6) Any person employed by or acting on behalf of a licensed insurance company**
27 **doing business in this state; or**

28 **(7) Any person employed or retained by a residential home builder to inspect or**
29 **provide warranty services for such home builder with respect to any home built by such**
30 **builder.**

31 **5. A home inspection shall not be construed to include:**

32 **(1) A compliance inspection for any code or government regulation; or**

33 **(2) An examination for any of the following:**

34 **(a) The conditions and operation of kitchen-type appliances; laundry**
35 **equipment; onsite water supplies or wells; private waste systems; irrigation systems;**
36 **fire suppression systems; swimming pools and heaters; hot tubs, saunas, or spas;**
37 **exterior cooking equipment; and low-voltage systems;**

38 **(b) The determination of the presence of wood-destroying organisms or pests;**

39 **(c) The determination of the presence of fungi, mold, bacteria, asbestos, lead-**
40 **based paint, gases, or conditions of air quality;**

41 **(d) Acoustics; and**

42 **(e) Other components or conditions as identified by the board.**

339.906. 1. There is hereby created within the division of professional
2 **registration the "Missouri Home Inspectors Board", which shall consist of five members**
3 **appointed by the governor with the advice and consent of the senate. Each member**
4 **shall be a citizen of the United States, a resident of this state, and a registered voter for a**
5 **period of one year prior to the person's appointment. Four members shall be licensed**
6 **home inspectors, and one member shall be a public member. The public member or his**
7 **or her spouse shall have never been engaged in the business of home inspections, real**
8 **estate appraisal, real estate sales, or making loans secured by real estate. The board**
9 **shall elect from its membership a chair and vice chair, both of whom shall be elected at**
10 **the times and serve for the terms as are determined by the board.**

11 **2. The home inspector members initially appointed by the governor shall have**
12 **home inspection experience in the state of Missouri for not less than five years preceding**
13 **their initial appointment, have completed at least one thousand home inspections for**
14 **compensation, and be members in good standing of a nationally recognized home**
15 **inspector association requiring psychometrically valid and legally defensible**
16 **examination. The governor shall not exclude a state-licensed home inspector from**
17 **appointment as a successor inspector member of the board by virtue of membership or**
18 **lack of membership in any particular home inspector association.**

19 **3. Of the initial members appointed, two members shall be appointed for two-**
20 **year terms, two members for three-year terms, and one member for a four-year term.**

21 All successor members shall be appointed for four-year terms. All members shall serve
22 until their successors have been appointed and qualified. Vacancies occurring in the
23 membership of the board for any reason shall be filled by appointment by the governor
24 for the unexpired term. The governor may remove a member for cause. An executive
25 director for the board shall be employed by the division of professional registration.

26 4. The board shall meet at least once each year to conduct its business. The
27 board may hold such additional meetings as may be required in the performance of its
28 duties. A quorum of the board shall consist of a majority of its voting members.

29 5. Each member of the board shall be entitled to a per diem allowance of up to
30 seventy dollars for each meeting day or part of a day of the board at which the member
31 is present and shall be entitled to reimbursement of the member's actual and necessary
32 expenses incurred in the discharge of the member's official duties.

339.909. 1. The board shall have the following powers and duties and shall
2 adopt rules in accordance with the provisions of chapter 536 to establish:

3 (1) Qualifications for the licensing of home inspectors as the board deems
4 necessary for the public interest;

5 (2) Rules that prescribe and define the curriculum related to home inspection
6 that shall satisfy the qualification requirements for licensure;

7 (3) Approved courses of instruction that prescribe and define the curriculum
8 related to home inspection that shall satisfy the qualification requirements for licensure;

9 (4) Rules describing the minimum uniform standards of practice for a home
10 inspection;

11 (5) Rules establishing the criteria for the supervision and training of home
12 inspector apprentices;

13 (6) An application process and administrative procedures for processing
14 applications, issuing home inspector licenses, and conducting disciplinary proceedings
15 under the provisions of sections 339.900 to 339.939;

16 (7) Procedures by which the board may issue a license on a reciprocal basis with
17 other states without examination to a nonresident who is licensed or certified and in
18 good standing in another state under standards that are substantially equal to those
19 established by the board and in sections 339.900 to 339.939;

20 (8) Standards related to acceptable knowledge and competence necessary to
21 perform inspections of residential real estate as required by sections 339.900 to 339.939;

22 (9) Standards of professional and ethical conduct for home inspectors;

23 (10) Continuing education requirements for the renewal of licensure that shall
24 meet the requirements of sections 339.900 to 339.939;

25 (11) Rules that define systems and items that are outside the scope of a home
26 inspection and that are not otherwise included in sections 339.900 to 339.939; and

27 (12) Reasonable rules as deemed necessary or desirable by the board to carry
28 out and enforce the provisions of sections 339.900 to 339.939.

29 2. The board:

30 (1) Shall prescribe the form and content of examinations to determine the
31 qualifications of persons who apply for licenses to engage in home inspection;

32 (2) Shall establish a list of approved education program providers and may
33 approve courses of instruction in an accredited college or university related to the
34 inspection of homes and such other areas deemed relevant by the board;

35 (3) May contract with a testing service to provide and conduct such
36 examinations;

37 (4) Shall have authority to determine who meets the criteria for licensure;

38 (5) Shall investigate to verify an applicant's qualifications. If the results of the
39 investigation are satisfactory to the board and the applicant is otherwise qualified, the
40 board shall issue to the applicant a license authorizing the applicant to act as a state-
41 licensed home inspector in Missouri;

42 (6) Shall set the amount of fees authorized by sections 339.900 to 339.939 and
43 required by rules promulgated under section 536.021. The fees shall be set at a level to
44 produce revenue that does not substantially exceed the cost and expense of
45 administering sections 339.900 to 339.939; and

46 (7) Shall perform such other functions and duties as may be necessary to carry
47 out the provisions of sections 339.900 to 339.939.

48 3. Any rule or portion of a rule, as that term is defined in section 536.010, that is
49 created under the authority delegated in this section shall become effective only if it
50 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
51 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
52 vested with the general assembly pursuant to chapter 536 to review, to delay the
53 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
54 then the grant of rulemaking authority and any rule proposed or adopted after January
55 1, 2027, shall be invalid and void.

339.912. 1. There is hereby created in the state treasury the "Missouri Home
2 Inspectors Fund", which shall consist of moneys collected under sections 339.900 to
3 339.939. The state treasurer shall be custodian of the fund. In accordance with sections
4 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a
5 dedicated fund and, upon appropriation, moneys in this fund shall be used solely for the
6 administration of sections 339.900 to 339.939.

7 **2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
8 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
9 **general revenue fund until the amount in the fund at the end of the biennium exceeds**
10 **either two times the amount of the appropriation from the board's funds for the**
11 **preceding fiscal year or, if the board requires by rule license renewal less frequently**
12 **than yearly, three times the appropriation from the board's fund for the preceding fiscal**
13 **year. The amount, if any, in the fund that shall lapse is that amount in the fund that**
14 **exceeds the appropriate multiple of the appropriations from the board's funds for the**
15 **preceding fiscal year.**

16 **3. The state treasurer shall invest moneys in the fund in the same manner as**
17 **other funds are invested. Any interest and moneys earned on such investments shall be**
18 **credited to the fund.**

339.915. 1. Applications for licensure as a home inspector shall be submitted to
2 **the board on forms prescribed by the board and furnished to the applicant. The**
3 **application shall contain the applicant's statements showing the applicant's education,**
4 **experience, and such other information as the board may require. Each application**
5 **shall contain a statement that it is made under oath or affirmation and that the**
6 **information contained therein is true and correct to the best knowledge and belief of the**
7 **applicant, subject to the penalties provided for making a false affidavit or declaration.**
8 **Each application shall be accompanied by the fees required by the board.**

9 **2. Each applicant for licensure shall:**

10 **(1) Demonstrate the knowledge and competence necessary to perform**
11 **inspections of residential real estate as prescribed by rule;**

12 **(2) Be of good moral character;**

13 **(3) Have successfully completed a board-approved training program of at least**
14 **eighty classroom hours, a board-approved apprenticeship program, or a board-**
15 **approved program consisting of a combination of classroom hours and apprenticeship**
16 **field training hours;**

17 **(4) Have passed an examination approved by the board; and**

18 **(5) Pay the appropriate fee set by the board.**

19 **3. If an applicant is not licensed within three years after passing an examination**
20 **given under sections 339.900 to 339.939, the applicant shall be required to retake the**
21 **examination prior to state licensure.**

22 **4. An applicant who fails an examination taken under sections 339.900 to**
23 **339.939 may apply for reexamination as specified by board rule.**

339.918. 1. Any person desiring to practice as an apprentice home inspector in
2 **this state shall apply to the board, pay the appropriate fee, and comply with the**

3 apprenticeship rules established by the board. A home inspector apprentice license
4 shall be issued by the board before the person begins the apprenticeship program. To
5 satisfy requirements for licensure, the apprentice home inspector shall complete fifty
6 home inspections under the direct supervision of a licensed home inspector apprentice
7 supervisor and comply with other criteria determined by the board.

8 2. Any person desiring to act as a home inspector apprentice supervisor shall
9 have completed five hundred inspections for compensation, hold a current license with
10 the board, apply to the board for approval and receive a supervisor license, and pay the
11 appropriate fee. A home inspector apprentice supervisor license is required before
12 supervising apprentice home inspectors.

339.921. 1. The division shall mail a renewal notice to the last known address of
2 each licensee before the renewal date. Failure to provide the board with the information
3 required for renewal or to pay the renewal fee after such notice shall result in the license
4 expiring. The license shall be reinstated if, within two years of the renewal date, the
5 applicant submits the required documentation and pays the applicable fees as approved
6 by the board.

7 2. A new license to replace any lost, destroyed, or mutilated license may be
8 issued subject to the rules of the board.

9 3. The board is authorized to issue an inactive license to any licensee who applies
10 for such license on a form provided by the board and remits the fee for an inactive
11 license established by the board. An inactive license may be issued only to a person who
12 has previously been issued a license to practice as a home inspector in this state, who is
13 no longer regularly engaged in such practice, and who does not hold himself or herself
14 out to the public as being professionally engaged in such practice in this state. Each
15 inactive license shall be subject to all provisions of sections 339.900 to 339.939, except as
16 otherwise specifically provided. Each inactive license may be renewed by the board
17 subject to all provisions of this section and all other provisions of sections 339.900 to
18 339.939. An inactive licensee may apply for a license to regularly engage in the practice
19 of home inspection upon filing a written application on a form provided by the board,
20 submitting the reactivation fee established by the board, and submitting satisfactory
21 proof of current competency as established by the board.

339.924. 1. Each educational provider shall apply for approval each calendar
2 year and shall record all attendance and satisfactory results for each program attendee.

3 2. In adopting rules under this section, the board shall approve courses of
4 instruction, seminars, and other home inspection education courses and programs
5 previously or hereafter developed by, or under the auspices of, professional home

6 inspection associations and utilized by those associations for purposes of designation
7 and renewal of certification of members of the association.

8 3. For purposes of licensure or renewal of licensure, the board shall establish or
9 approve credit for education that may include courses of instruction, programs,
10 teaching, program development, and preparation of textbooks, articles, or other
11 instructional materials.

339.927. 1. The board may refuse to issue or renew any license issued under
2 sections 339.900 to 339.939 for one or any combination of causes stated in subsection 2 of
3 this section. The board shall notify the applicant in writing of the reasons for the refusal
4 and shall advise the applicant of the right to file a complaint with the administrative
5 hearing commission as provided by chapter 621.

6 2. The board may cause a complaint to be filed with the administrative hearing
7 commission as provided by chapter 621 against any state-licensed home inspector or any
8 person who has failed to renew or has surrendered his or her license for any one or any
9 combination of the following causes:

10 (1) Procuring or attempting to procure a license under section 339.915 by
11 making a false statement, submitting false information, or refusing to provide complete
12 information in response to a question in an application for licensure or through any
13 form of fraud or misrepresentation;

14 (2) Failing to meet the minimum qualifications for licensure or renewal
15 established by sections 339.900 to 339.939;

16 (3) Paying moneys or other valuable consideration, other than as provided for by
17 section 339.915, to any member or employee of the board to procure a license under
18 sections 339.900 to 339.939;

19 (4) The person has been finally adjudicated and found guilty, or entered a plea of
20 guilty or nolo contendere, in a criminal prosecution under the laws of any state, of the
21 United States, or of any country for any offense directly related to the duties and
22 responsibilities of the occupation, as set forth in section 324.012, regardless of whether a
23 sentence is imposed;

24 (5) Incompetence, misconduct, dishonesty, fraud, or misrepresentation in the
25 performance of the functions or duties of any profession licensed or regulated by
26 sections 339.900 to 339.939;

27 (6) Failing to follow the minimum uniform standards of practice for a home
28 inspection established by the board;

29 (7) Violating or assisting or enabling any person to willfully disregard any of the
30 provisions of sections 339.900 to 339.939 or the rules of the board for the administration
31 and enforcement of the provisions of sections 339.900 to 339.939;

32 (8) Accepting an inspection assignment when the employment itself is contingent
33 upon the state-licensed home inspector's reporting a predetermined analysis or opinion
34 or if the fee to be paid for the performance of the home inspection is contingent upon the
35 opinion or conclusion reached or upon the consequences resulting from the home
36 inspection;

37 (9) Violating the confidential nature of records to which the person gained access
38 through employment or engagement to perform a home inspection;

39 (10) Violating any term or condition of a license issued by the board under the
40 authority of sections 339.900 to 339.939;

41 (11) Violating any professional trust or confidence;

42 (12) Obtaining or attempting to obtain any fee, charge, tuition, or other
43 compensation by fraud, deception, or misrepresentation;

44 (13) Using any advertisement or solicitation that is false, misleading, or
45 deceptive to either the general public or persons to whom the advertisement or
46 solicitation is primarily directed; or

47 (14) Disciplinary action taken against the holder of a license or other right to
48 practice any profession regulated under sections 339.900 to 339.939, or similar
49 professions, imposed by another state, territory, federal agency, or country upon
50 grounds for which revocation or suspension is authorized in this state.

51 3. After the filing of such complaint, the proceedings shall be conducted in
52 accordance with the provisions of chapter 621. Upon a finding by the administrative
53 hearing commission that the grounds provided in subsection 2 of this section for
54 disciplinary action are met, the board may, singly or in combination, publicly censure or
55 place the person named in the complaint on probation on such terms and conditions as
56 the board deems appropriate for a period not to exceed five years, suspend the license
57 for a period not to exceed three years, or revoke the license. The holder of a license
58 revoked under this section shall not apply for licensure as a state-licensed home
59 inspector or apprentice for at least five years after the date of revocation.

60 4. Applicants for relicensure or reinstatement after revocation shall be required
61 to successfully complete the examination for original licensure required by section
62 339.915 as a condition to reinstatement of licensure or relicensure subsequent to
63 revocation.

 339.930. State-licensed home inspectors shall retain originals or true copies of
2 contracts engaging an inspector's services for inspector assignments, inspection reports,
3 and supporting data assembled and formulated in preparing inspection reports for
4 three years and a day. The service period for retention of the records applicable to each
5 engagement of the services of the state-licensed home inspector shall begin on the date of

6 the home inspection report. Such records shall be made available by the state-licensed
7 home inspector for inspection and copying by the board on reasonable notice to the
8 state-licensed home inspector.

339.933. 1. Except as provided in subsection 2 of this section, sections 339.900 to
2 339.939 shall preempt any rule, regulation, or order adopted by a political subdivision of
3 the state relating to the licensing or regulation of home inspectors or home inspection
4 businesses.

5 2. Under section 324.016, no new licensing activity or other statutory
6 requirements shall become effective until expenditures or personnel are specifically
7 appropriated for the purpose of conducting the business as required and the initial rules
8 filed, if appropriate, have become effective.

339.936. Before January 1, 2028, the education, training, and experience
2 requirements of sections 339.900 to 339.939 shall be deemed established for an applicant
3 if the applicant:

4 (1) Has been a home inspector for two years before January 1, 2027;

5 (2) Has passed a psychometrically valid and legally defensible proctored home
6 inspection examination; and

7 (3) Provides evidence of completing one hundred home inspection reports for
8 which the individual was paid and can produce invoices for verification.

339.939. 1. An action to recover damages for any act or omission of a home
2 inspector relating to a home inspection that he or she conducts shall be commenced only
3 within one year after the date of the inspection report.

4 2. Any person or corporation who knowingly violates any provision of sections
5 339.900 to 339.939 is guilty of a class B misdemeanor. Any officer or agent of a
6 corporation, or member or agent of a partnership or association, limited liability
7 company, or group, who knowingly and personally participates in or is an accessory to
8 any violation of sections 339.900 to 339.939 is guilty of a class B misdemeanor. This
9 section shall not be construed to release any person from civil liability or criminal
10 prosecution under any other law of this state. The board may cause a complaint to be
11 filed for a violation of section 339.903 in any court of competent jurisdiction and
12 perform such other acts as may be necessary to enforce the provisions of sections
13 339.900 to 339.939.

Section B. The enactment of sections 339.900, 339.903, 339.906, 339.909, 339.912,
2 339.915, 339.918, 339.921, 339.924, 339.927, 339.930, 339.933, 339.936, and 339.939 of
3 this act shall become effective January 1, 2027.

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