

**No. 136. An act relating to licensing and regulating property inspectors.**

(H.227)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

An Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be appointed by the Secretary of State and shall be an exempt employee. The following boards or professions are attached to the Office of Professional Regulation:

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(42) Landscape Architects

(43) Property Inspectors.

Sec. 2. 26 V.S.A. chapter 19 is added to read:

CHAPTER 19. PROPERTY INSPECTORS

Subchapter 1. General Provisions

§ 1051. PURPOSE AND EFFECT

In order to safeguard the life and health of the people of this State, no person shall practice, or offer to practice, property inspecting unless currently licensed under this chapter.

§ 1052. DEFINITIONS

As used in this chapter:

(1) “Director” means the Director of the Office of Professional Regulation.

(2) “License” means a current authorization granted by the Director permitting the practice of property inspecting.

(3) “Practice of property inspecting” means performing or offering to perform for the public for a fee or other compensation services involving the physical inspection of real property structures and other improvements in order to evaluate the condition of the property, including any safety issues or material defects.

(4) “Property inspector” means a person who is licensed under this chapter to engage in the practice of property inspecting.

§ 1053. PROHIBITIONS; OFFENSES

(a) It shall be a violation of this chapter for any person to:

(1) sell or fraudulently obtain or furnish any property inspector degree, diploma, certificate of registration, license, or any other related document or record or to aid or abet in so doing;

(2) practice property inspecting under cover of any degree, diploma, registration, license, or related document or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice property inspecting unless currently licensed to do so under the provisions of this chapter;

(4) represent himself or herself as being licensed by this State to practice property inspecting or use in connection with a name any words, letters, signs, or figures that imply that a person is a property inspector when not licensed or otherwise authorized under this chapter; or

(5) practice property inspecting during the time a license or authorization issued under this chapter is suspended or revoked.

(b) Any person violating this section shall be subject to the penalties provided in 3 V.S.A. § 127.

#### § 1054. EXCEPTIONS

This chapter does not prohibit:

(1) the practice of property inspection that is incidental to his or her program of study by a person enrolled in a property inspection training program approved by the Director; or

(2) the practice of any other occupation or profession by a person duly licensed or otherwise authorized under the laws of this State.

#### Subchapter 2. Administration

#### § 1071. DUTIES OF THE DIRECTOR

(a) The Director shall:

(1) provide general information to applicants for licensure as property inspectors;

(2) receive applications for licensure and issue licenses to applicants qualified under this chapter;

(3) administer fees as established by law;

(4) refer all disciplinary matters to an administrative law officer;

(5) renew, revoke, and reinstate licenses as ordered by an administrative law officer; and

(6) explain appeal procedures to licensed property inspectors and to applicants, and complaint procedures to the public.

(b) The Director may adopt rules necessary to perform his or her duties under this section, and may adopt rules establishing standards of practice for the profession.

#### § 1072. ADVISOR APPOINTEES

(a) The Secretary of State shall appoint two property inspectors for five-year staggered terms to serve at the Secretary's pleasure as advisors in matters relating to property inspection. One of the initial appointments may be for less than a five-year term.

(b) An appointee shall have not less than five years' experience as a property inspector immediately preceding appointment; shall be licensed as a property inspector in Vermont; and shall be actively engaged in the practice of property inspecting in this State during incumbency.

(c) The Director shall seek the advice of the property inspector advisors in carrying out the provisions of this chapter.

Subchapter 3. Licenses

§ 1091. ELIGIBILITY FOR LICENSURE

Each applicant for licensure as a property inspector shall meet the following minimum requirements:

(1) Be at least 18 years of age and have successfully completed high school or its equivalent.

(2) Complete no less than 80 hours of education approved by the Director covering all of the following real property core components:

(A) heating systems;

(B) cooling systems;

(C) plumbing systems;

(D) electrical systems;

(E) structural components;

(F) foundations;

(G) roof coverings;

(H) exterior and interior components; and

(I) site aspects as they affect the building.

(3) Pass an examination required for licensure. The Director shall identify by rule an eligibility examination required for licensure that is an independent, nationally recognized proctored examination.

(4) Complete a minimum number of property inspections incidental to a program of study in a property inspection training program administered by an independent, nationally recognized organization. The Director shall identify by rule the minimum number of inspections and acceptable organizations required by this subdivision (4).

(5) Provide proof of certification issued by an independent, nationally recognized organization that provides certification for property inspectors. The Director shall identify by rule acceptable organizations for certification.

§ 1092. LICENSE RENEWAL

(a) A license shall be renewed every two years on a schedule determined by the Director upon application and payment of the required fee. Failure to comply with the provisions of this section shall result in suspension of all privileges granted to the licensee, beginning on the expiration date of the license.

(b) A license that has lapsed may be renewed upon payment of the biennial renewal fee and the late renewal penalty.

(c) The Director may adopt rules necessary for the protection of the public to assure the Director that an applicant whose license has lapsed or who has not worked for more than five years as a property inspector is professionally qualified for license renewal. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

§ 1093. APPLICATIONS

Applications for licensure and license renewal shall be on forms provided by the Director. Each application shall contain a statement under oath showing the applicant's education, experience, and other pertinent information and shall be accompanied by the required fee.

§ 1094. LICENSURE GENERALLY

The Director shall issue a license or renew a license, upon payment of the fees required under this chapter, to an applicant or licensee who has satisfactorily met all the requirements of this chapter.

§ 1095. FEES

Applicants and persons regulated under this chapter shall pay those fees set forth in 3 V.S.A. § 125.

## Sec. 3. TRANSITIONAL PROVISIONS

(a) Notwithstanding the provision of Sec. 2 of this act, 26 V.S.A. § 1072(b) (advisor appointees; qualifications), that requires an advisor appointee to be licensed as a property inspector in Vermont, an initial advisor appointee may be in the process of applying for licensure if he or she otherwise meets the requirements for licensure as a property inspector and the other requirements of Sec. 2 of this act, 26 V.S.A. chapter 19.

(b) A person who has been actively engaged in the business of property inspection in this State as the primary means of his or her livelihood for at least five years preceding the effective date of this subsection shall be eligible for

licensure without completion of the licensure eligibility requirements of Sec. 2 of this act, 26 V.S.A. § 1091(2)–(5) (eligibility for licensure). Such an applicant shall be issued a license by providing evidence satisfactory to the Director of the knowledge and experience equivalent to the licensure eligibility requirements of Sec. 2 of this act, 26 V.S.A. chapter 19. All applicants shall pay an initial fee and fulfill all other license application requirements.

(c) Effective on July 1, 2016, all applicants for initial licensure or renewal shall meet the licensure eligibility requirements of Sec. 2 of this act, 26 V.S.A. § 1091.

(d) The Director of the Office of Professional Regulation may adopt rules necessary to perform his or her duties under Sec. 2 of this act, 26 V.S.A. chapter 19, prior to the effective date of that section.

#### Sec. 4. EFFECTIVE DATES

This act shall take effect on July 1, 2014 except this section and Sec. 3 (transitional provisions), which shall take effect on passage.

Date Governor signed bill: May 22, 2014