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# Wisconsin Legislative Council

## AMENDMENT MEMO

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### 2019 Assembly Bill 655

### Assembly Substitute Amendment 1 and Assembly Amendments 1, 2, and 3 to Assembly Substitute Amendment 1

## 2019 ASSEMBLY BILL 655

State law prohibits any person from providing home inspection services unless the person is registered as a “home inspector” with the Department of Safety and Professional Services (DSPS). 2019 Assembly Bill 655 modifies requirements related to regulation of home inspectors, as follows:

- Requires home inspectors to be licensed, rather than registered. Individuals will be automatically granted a license who were registered prior to the effective date.
- Requires that to be licensed as a home inspector, individuals (who were not registered prior to the effective date) must complete 120 hours of instruction and 40 hours of field training, as well as the requirements under current law for home inspector registration.
- Provides that no more than 60 hours of instruction may be satisfied through means that do not involve in-person, classroom instruction.
- Provides for reciprocal licensure of home inspectors licensed in other states with comparable or more stringent requirements.
- Adjusts the contents that a home inspection report is required to contain, including by requiring defects to be identified as such.
- Provides that individuals who are licensed as home inspectors must complete 40 hours of continuing education every two years for renewal of the license, except that no continuing education will be required for renewal of a license that expires on the first renewal date after the date on which the department initially granted the license.

## ASSEMBLY SUBSTITUTE AMENDMENT 1

2019 Assembly Substitute Amendment 1 modifies the provisions of the bill as follows:

- Retains the requirement that home inspectors be registered, as under current law.
- Requires that to be registered as a home inspector, individuals must complete 120 hours of instruction and 40 hours of field training, as well as the requirements under current law. This requirement does not apply to individuals who were registered prior to the effective date.
- Retains the restriction on hours of instruction through means that do not involve in-person, classroom instruction.
- Provides for reciprocal registration of home inspectors licensed in other states with comparable or more stringent requirements.

- Adjusts the contents that a home inspection report is required to contain, including by requiring conditions to be labeled as defects if the home inspector believes the condition satisfies the legal definition of defect.
- Provides that individuals who are registered as home inspectors must complete 40 hours of continuing education every two years for renewal of the registration, except that no continuing education will be required for renewal of a registration that expires on the first renewal date after the date on which the department initially granted the registration.

## **ASSEMBLY AMENDMENT 1 TO ASSEMBLY SUBSTITUTE AMENDMENT 1**

Under current state law, in lieu of any other investigation or enforcement proceeding against a Wisconsin registered home inspector, DSPS may place, in a registry information file, a copy of a complaint received against a Wisconsin registered home inspector, the inspector's response to the complaint and a copy of any records concerning the complaint. The records are made available for public inspection for at least two years from the date of the complaint, as specified in the statute.

Assembly Amendment 1 to Assembly Substitute Amendment 1 retains the changes made to the bill by the substitute amendment. Additionally, the amendment removes the provision in the statutes that allows DSPS to place certain information in a registry information file for a period of at least two years, as described above. All other options for investigation or enforcement proceedings are retained.

## **ASSEMBLY AMENDMENT 2 TO ASSEMBLY SUBSTITUTE AMENDMENT 1**

Current law prohibits the use of the term "defect" in a home inspection report unless the use is consistent with the statutory definition. The term "defect" is defined as a condition of any component of an improvement that would do either of the following:

- Significantly impair the health or safety of future occupants; or
- Significantly shorten or adversely affect the expected normal life of the component if not repaired, removed, or replaced.

Assembly Amendment 2 to Assembly Substitute Amendment 1 retains the changes made to the bill by the substitute amendment. Additionally, the amendment removes the provision in the statutes that prohibits the use of the term "defect" under the conditions described above. The amendment also modifies the first part of the definition of a "defect" to refer to significant impairment of "the health or safety of occupants" of the property, instead of future occupants of the property. The amendment further modifies the definition of a "defect" to apply only to a condition a home inspector believes meets the definition "on the basis of the home inspector's judgment on the day of the inspection."

## **ASSEMBLY AMENDMENT 3 TO ASSEMBLY SUBSTITUTE AMENDMENT 1**

Assembly Amendment 3 to Assembly Substitute Amendment 1 modifies the provisions of the substitute amendment as follows:

- Requires that to be registered as a home inspector, individuals must complete 40 hours of instruction, in addition to current requirements. This replaces the provision under the substitute amendment that stated an individual must complete 120 hours of instruction and 40 hours of field training, in addition to current requirements.
- Removes the restriction on hours of instruction through means that do not involve in-person, classroom instruction.

- Provides that no continuing education will be required for renewal of a registration that expires on the first or second renewal dates after the date on which DSPS initially granted the registration. This replaces the provision under the substitute amendment, which referred only to the first renewal date after the date on which DSPS initially granted the license.

## **BILL HISTORY**

2019 Assembly Bill 655 was introduced by Representative Brooks on December 5, 2019, and referred to the Assembly Committee on Regulatory Licensing Reform. On January 30, 2020, the committee held a hearing. On February 10 and 11, 2020, respectively, Representative Brooks offered Assembly Substitute Amendment 1 to the bill, and Representatives Stuck and Brooks offered Assembly Amendment 1 to the substitute amendment. On February 13, 2020, the committee recommended adoption of both of the amendments and passage of the bill, as amended, on votes of Ayes, 7; Noes, 0. On February 17 and 19, 2020, respectively, Representative Brooks offered Assembly Amendments 2 and 3 to the substitute amendment. On February 20, 2020, the Assembly adopted all four of the amendments and passed the bill, as amended, on voice votes.

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