**Draft CREIA Amendments Dated March 3, 2021**

**SENATE BILL No. 484**

**Introduced by Senator Archuleta**

February 17, 2021

An act to amend Section 7197 of the Business and Professions Code, relating to home inspections.

legislative counsel’s digest

SB 484, as introduced, Archuleta. Home inspections: sewer lateral repairs.

Existing law defines a home inspection as a noninvasive, physical examination, performed for a fee in connection with a transfer of real property, of the mechanical, electrical, or plumbing systems or the structural and essential components of a residential dwelling, as specified. Existing law specifies that a home inspector is an individual who provides home inspections.

Under existing law, it is an unfair business practice for a home inspector, a company that employs the inspector, or a company that is controlled by a company that also has a financial interest in a company employing a home inspector, to perform specified acts, including performing or offering to perform for an additional fee, any repairs to a structure on which the inspector, or the inspector’s company, has prepared a home inspection report in the past 12 months.

This bill would declare that those provisions do not affect the ability of a plumbing contractor who holds a specified license to perform repairs pursuant to the contractor’s inspection of a sewer lateral connecting a residence or business to a municipal sewer system if the consumer is provided a specified disclosure before authorizing the home inspection.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7197 of the Business and Professions

2 Code is amended to read:

3 7197. (a) It is an unfair business practice for a home inspector,

4 a company that employs the inspector, or a company that is

5 controlled by a company that also has a financial interest in a

6 company employing a home inspector, to do any of the following:

7 (1) To perform or offer to perform, for an additional fee, any

8 repairs to a structure on which the inspector, or the inspector’s

9 company, has prepared a home inspection report in the past 12

10 months.

11 (2) Inspect for a fee any property in which the inspector, or the

12 inspector’s company, has any financial interest or any interest in

13 the transfer of the property.

14 (3) To offer or deliver any compensation, inducement, or reward

15 to the owner of the inspected property, the broker, or agent, for

16 the referral of any business to the inspector or the inspection

17 company.

18 (4) Accept an engagement to make an inspection or to prepare

19 a report in which the employment itself or the fee payable for the

20 inspection is contingent upon the conclusions in the report,

21 preestablished findings, or the close of escrow.

22 (b) A home protection company that is affiliated with or that

23 retains the home inspector does not violate this section if it

24 performs repairs pursuant to claims made under the home

25 protection contract.

26 (c) This section shall not affect the ability of a structural pest

27 control operator to perform repairs pursuant to Section 8505 as a

28 result of a structural pest control inspection.

29 (d) Paragraph (1) of subdivision (a) shall not affect the ability

30 of a roofing contractor who holds a C-39 license, as defined in

31 Section 832.39 of Title 16 of the California Code of Regulations,

32 to perform repairs pursuant to the contractor’s inspection of a roof

33 for the specific purpose of providing a roof certification if all of

34 the following conditions are met:

35 (1) Different employees perform the home inspection and the

36 roof inspection.

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1 (2) The roof inspection is ordered prior to, or at the same time

2 as, the home inspection, or the roof inspection is completed before

3 the commencement of the home inspection.

4 (3) The consumer is provided a consumer disclosure before ~~he~~

5 ~~or she~~ *the consumer* authorizes the home inspection that includes

6 all of the following:

7 (A) The same company that performs the roof inspection and

8 roof repairs will perform the home inspection on the same property.

9 (B) Any repairs that are authorized by the consumer are for the

10 repairs identified in the roofing contractor’s roof inspection report

11 and no repairs identified in the home inspection are authorized or

12 allowed as specified in the roof inspection.

13 (C) The consumer has the right to seek a second opinion.

14 (4) For purposes of this subdivision, “roof certification” means

15 a written statement by a licensed C-39 Roofing Contractor who

16 has performed a roof inspection, made any necessary repairs, and

17 warrants that the roof is free of leaks at the time that the

18 certification is issued and should perform as designed for the

19 specified term of the certification.

20 *(e) Paragraph (1) of subdivision (a) shall not affect the ability*

21 *of a plumbing contractor who holds a C-36 license, as defined in*

22 *Section 832.36 of Title 16 of the California Code of Regulations,*

23 *to perform repairs pursuant to the contractor’s inspection of a*

24 *sewer lateral pipe connecting a residence or business to a*

25 ***~~municipal~~*** *sewer system if the consumer is provided a consumer*

26 *disclosure before the consumer authorizes the home inspection*

27 *that includes all of the following notifications:*

28 *(1) The same company that performs the sewer* ***lateral*** *inspection and*

29 *the sewer* ***lateral*** *repairs will perform the home inspection on the same*

30 *property.*

31 *(2) Any repairs that are authorized by the consumer are for the*

32 *repairs identified in the* ***~~plumbing contractor’s~~*** *sewer lateral*

33 *inspection* report and no repairs identified in the home inspection ***report***

34 are authorized or allowed ***except*** as specified in the sewer lateral

35 inspection ***report***.

36 *(3) The consumer has the right to seek a second opinion* ***on the sewer lateral inspection****.*

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