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SB-484 Home inspections: sewer lateral repairs. (2021-2022)

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Senate Bill No. 484

CHAPTER 545

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

[Approved by Governor October 05, 2021. Filed with Secretary of State October 05, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 484, 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 inspection of a sewer lateral pipe connecting a residence or business to a sewer system if the consumer is provided a specified disclosure before authorizing the home inspection.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7197 of the Business and Professions Code is amended to read:

7197. (a) 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 do any of the following:

- (1) To perform or offer 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.
- (2) Inspect for a fee any property in which the inspector, or the inspector's company, has any financial interest or any interest in the transfer of the property.
- (3) To offer or deliver any compensation, inducement, or reward to the owner of the inspected property, the broker, or agent, for the referral of any business to the inspector or the inspection company.

(4) Accept an engagement to make an inspection or to prepare a report in which the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, preestablished findings, or the close of escrow.

(b) A home protection company that is affiliated with or that retains the home inspector does not violate this section if it performs repairs pursuant to claims made under the home protection contract.

(c) This section shall not affect the ability of a structural pest control operator to perform repairs pursuant to Section 8505 as a result of a structural pest control inspection.

(d) Paragraph (1) of subdivision (a) shall not affect the ability of a roofing contractor who holds a C-39 license, as defined in Section 832.39 of Title 16 of the California Code of Regulations, to perform repairs pursuant to the contractor's inspection of a roof for the specific purpose of providing a roof certification if all of the following conditions are met:

(1) Different employees perform the home inspection and the roof inspection.

(2) The roof inspection is ordered prior to, or at the same time as, the home inspection, or the roof inspection is completed before the commencement of the home inspection.

(3) The consumer is provided a consumer disclosure before the consumer authorizes the home inspection that includes all of the following:

(A) The same company that performs the roof inspection and roof repairs will perform the home inspection on the same property.

(B) Any repairs that are authorized by the consumer are for the repairs identified in the roofing contractor's roof inspection report and no repairs identified in the home inspection are authorized or allowed as specified in the roof inspection.

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

(4) For purposes of this subdivision, "roof certification" means a written statement by a licensed C-39 Roofing Contractor who has performed a roof inspection, made any necessary repairs, and warrants that the roof is free of leaks at the time that the certification is issued and should perform as designed for the specified term of the certification.

(e) Paragraph (1) of subdivision (a) shall not affect the ability of a plumbing contractor who holds a C-36 license, as defined in Section 832.36 of Title 16 of the California Code of Regulations, to perform repairs pursuant to the inspection of a sewer lateral pipe connecting a residence or business to a sewer system if the consumer is provided a consumer disclosure before the consumer authorizes the home inspection that includes all of the following notifications:

(1) The same company that performs the sewer lateral inspection and the sewer lateral repairs will perform the home inspection on the same property.

(2) Any repairs that are authorized by the consumer are for the repairs identified in the sewer lateral inspection report and no repairs identified in the home inspection report are authorized or allowed except as specified in the sewer lateral inspection report.

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