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# Wisconsin Legislative Council

## ACT MEMO

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**2021 Wisconsin Act 17**  
[2021 Senate Bill 74]

**Regulation of Home Inspectors**

2021 Wisconsin Act 17 revises the educational requirements for the initial and renewed credentialing of a home inspector, creates a reciprocity provision for a home inspector credentialed in another state, modifies and adds certain requirements for a home inspection report, and addresses other aspects of the regulation of home inspectors.

### **EDUCATIONAL REQUIREMENTS**

The act requires completion of at least 40 hours of instruction for initial registration as a home inspector. Under prior law, completion of an educational program was not required for initial registration.

The act requires the Department of Safety and Professional Services (DSPS) to promulgate administrative rules for the standards of instruction, and the initial educational requirements apply to a person whose registration is granted or denied after those administrative rules have taken effect.

For a person who is required to satisfy the initial educational requirements, the act waives continuing education requirements until the person's third biennial renewal date after initial registration. For a person subject to prior administrative rules, continuing education requirements apply to the person's second biennial renewal date after initial registration.

### **RECIPROCITY**

The act specifies that a person who is registered or licensed in good standing as a home inspector in another state must be granted reciprocal registration as a home inspector in Wisconsin. The other state's credentialing requirements must meet or exceed Wisconsin's initial credentialing requirements.

To apply for a reciprocal license, a person must submit an application form and applicable fees, and must pass a home inspectors examination. The person must also submit evidence that the person is not subject to a pending criminal charge, or has not been convicted of a felony, misdemeanor, or other offense, the circumstances of which substantially relate to the practice of home inspection. The person is not required to have 40 hours of initial instruction in Wisconsin.

### **HOME INSPECTION REPORT**

The act specifies that a written home inspection report must use the term "defect" if the home inspector believes that a condition in the home meets the definition of a "defect." The act maintains the basic definition of a "defect" from prior law, as a condition that would significantly impair the health or safety of occupants, or a condition that would significantly shorten or adversely affect the normal life of a home component, but adds that the condition is determined on the basis of a home inspector's judgment on the day of inspection.

The act also specifies that in providing a written home inspection report, certain specific elements are required, including a summary page for the client and basic inspection information, such as the property address and the home inspector's name. The basic inspection information must also include the date of the home inspection, the names of the individuals who prepared the report, and the date the report was prepared or revised.

The summary page must include a list of conditions with references to where detailed information for those items may be found in the report. The list of conditions must include all items that are labeled as defects and all other items that may need repair, further evaluation, maintenance, or monitoring.

The summary page must also provide certain notices, including a statement that the summary page is not a substitute for the entire report, a note providing the statutory language for the definition of a "defect," and a note that the home inspector may not report on market value, marketability, or whether the property should or should not be purchased.

## **OTHER ASPECTS**

In addition, the act addresses certain other aspects of the oversight of home inspectors.

First, the act states that the Legislature does not intend the requirement to describe a defect in a home inspection report to modify the liability of a home inspector.

Second, the act removes an alternative disciplinary procedure. Under prior law, in lieu of an investigation and potential discipline of a home inspector, DSPS had been authorized to place a complaint and response in a "registry information file."

Lastly, the act grants emergency rulemaking authority to DSPS to implement the provisions of the act, without making a finding of emergency.

**Effective date:** The act takes effect on March 28, 2021, except the home inspection report requirements take effect on June 1, 2021.

MSK:mca;jal