

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 460	House Committee:	PASSED 4/2/25 (19-0)
Committee:	Commerce	House Floor:	PASSED 4/8/25 (96-0)
Floor Manager:	Rep. Judd Lawler	Senate Floor:	PASSED 3/26/25 (47-0)
Date:	April 18, 2025	Governor:	SIGNED 4/18/25
Staff:	Natalie Ginty (5-2063)		

Home Inspectors

- This bill outlines requirements for independent home inspectors including registration or licensure, written information provided to the customer, insurance coverage, and violations that constitute an unlawful practice.

Section by Section Analysis

Section 1 (Iowa Code 558A.4A) – New Section

Prohibits a person from issuing an independent home inspection unless the person is:

- A home inspector
- Holds a license or registration in good standing to perform home inspections in another state
- An architect
- Or a professional engineer

Home inspections must be done to a degree that a reasonably prudent home inspector would and be based on standards of practice and code of ethics of the national home inspectors association.

Violations of the following actions commits an unlawful practice:

- Performs repairs after providing a home inspection for a fee (except for radon remediation and wood-destroying insects). (Violations of this section include full refunds)
- Performs an inspection on any property they have financial interest in, unless the buyer signs a disclosure acknowledging receipt of disclosure
- Provides any financial support back to the seller of the property
- Places conclusions in the report prior to the inspection

Requires independent home inspections to be in writing and include:

- A description of the scope of the inspection
- A description of any material defects along with any recommendation for corrective action
- Specific statements listed in code (page 2, lines 32-page 3, lines 13).

Prohibits home inspectors from providing the report to anyone but the customer unless the customer provides consent. However, the seller has the right to receive a copy without charge from the customer.

Estimates of repair cannot be provided by the home inspector unless the source of the estimate is provided, it is a range of costs, and that the inspector recommends getting an estimate from a contractor.

Requires insurance coverage for home inspectors with certain coverage minimum and deductible limits.

Violations of certain provisions of this law include:

- First offense = simple misdemeanor
- Second or more offenses = serious misdemeanor

Defines “home inspection”, “home inspection report”, “home inspector”, and “national home inspectors association”.