

Assembly Bill No. 1574

CHAPTER 773

An act to amend Section 7195 of the Business and Professions Code, and to add Sections 25401.5 and 25401.7 to the Public Resources Code, relating to energy resources.

[Approved by Governor October 11, 2001. Filed
with Secretary of State October 12, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1574, Lowenthal. Energy conservation: building standards: inspections.

(1) Existing law defines terms related to paid home inspections, establishes a standard of care for home inspectors, and prohibits certain inspections in which the inspector or the inspector's employer, as specified, has a financial interest.

This bill would include within the definition of home inspection for those purposes an inspection of energy efficiency. The bill would specify energy efficiency items to be inspected.

(2) Existing law requires the State Energy Resources Conservation and Development Commission to adopt regulations concerning energy conservation standards for lighting, insulation, climate control systems, and other building design and construction standards for new residential and new nonresidential buildings.

This bill would authorize the commission to develop and disseminate measures that would enhance energy efficiency in single-family residential dwellings that were built prior to the development of the current energy efficiency standards.

The bill would require a home inspector, as defined, to provide specified energy efficiency information if, at the time a single-family residential dwelling is sold, a buyer or seller requests the information.

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

SECTION 1. The Legislature finds and declares that energy costs represent a significant proportion of consumers' discretionary expenses and that energy efficiency measures are available for residential dwellings in existence on the effective date of this act.

SEC. 2. Section 7195 of the Business and Professions Code is amended to read:

7195. For purposes of this chapter, the following definitions apply:



(a) (1) “Home inspection” is a noninvasive, physical examination, performed for a fee in connection with a transfer, as defined in subdivision (e), of real property, of the mechanical, electrical, or plumbing systems or the structural and essential components of a residential dwelling of one to four units designed to identify material defects in those systems, structures and components. “Home inspection” includes any consultation regarding the property that is represented to be a home inspection or any confusingly similar term.

(2) “Home inspection,” if requested by the client, may include an inspection of energy efficiency . Energy efficiency items to be inspected may include the following:

(A) A noninvasive inspection of insulation R-values in attics, roofs, walls, floors, and ducts.

(B) The number of window glass panes and frame types.

(C) The heating and cooling equipment and water heating systems.

(D) The age and fuel type of major appliances.

(E) The exhaust and cooling fans.

(F) The type of thermostat and other systems.

(G) The general integrity and potential leakage areas of walls, window areas, doors, and duct systems.

(H) The solar control efficiency of existing windows.

(b) A “material defect” is a condition that significantly affects the value, desirability, habitability, or safety of the dwelling. Style or aesthetics shall not be considered in determining whether a system, structure, or component is defective.

(c) A “home inspection report” is a written report prepared for a fee and issued after a home inspection. The report clearly describes and identifies the inspected systems, structures, or components of the dwelling, any material defects identified, and any recommendations regarding the conditions observed or recommendations for evaluation by appropriate persons.

(d) A “home inspector” is any individual who performs a home inspection.

(e) “Transfer” is a transfer by sale, exchange, installment land sales contract, as defined in Section 2985 of the Civil Code, lease with an option to purchase, any other option to purchase, or ground lease coupled with improvements, of real property or residential stock cooperative, improved with or consisting of not less than one nor more than four dwelling units.

SEC. 3. Section 25401.5 is added to the Public Resources Code, to read:

25401.5. For the purpose of reducing electrical and natural gas energy consumption, the commission may develop and disseminate



measures that would enhance energy efficiency for single-family residential dwellings that were built prior to the development of the current energy efficiency standards. The measures, if developed and disseminated, shall provide a homeowner with information to improve the energy efficiency of a single-family residential dwelling. The commission may comply with this section by posting the measures on the commission's Internet Web site or by making the measures available to the public, upon request.

SEC. 4. Section 25401.7 is added to the Public Resources Code, to read:

25401.7. At the time a single-family residential dwelling is sold, a buyer or seller may request a home inspection, as defined in subdivision (a) of Section 7195 of the Business and Professions Code, and a home inspector, as defined in subdivision (d) of Section 7195 of the Business and Professions Code, shall provide, contact information for one or more of the following entities that provide home energy information:

- (a) A nonprofit organization.
- (b) A provider to the residential dwelling of electrical service, or gas service, or both.
- (c) A government agency, including, but not limited to, the commission.

