

Required Home Inspections Before Residential Home Sales

By: Alex Reger, Principal Analyst September 15, 2023 | 2023-R-0228

Issue

Identify (1) bills in other states similar to Massachusetts's proposed <u>Senate Bill 197</u> (2023), which regulates the right to inspections in residential home sales, and (2) any states that require home inspections prior to completing a residential home sale.

Summary

Massachusetts <u>S.197</u>, and its companion bill <u>H.245</u>, generally prohibit a residential home seller from (1) conditioning the sale on the potential buyer waiving or limiting an inspection or (2) accepting an offer if they have been informed in advance that the prospective buyer intends to waive their right to an inspection. We identified only one similar bill, which was proposed this past legislative session in Connecticut (<u>H.B. 5235</u> (2023)). The bill would have required a home inspection prior to a residential home sale. It was referred to the Insurance and Real Estate Committee, which took no action.

It does not appear that any states require a home inspection as a condition of a residential home sale. However, federal law generally requires sellers of houses built before 1978 to allow prospective buyers to test for lead-based paint or paint hazards, among other things. More information, including on a seller's right to waive an inspection in Connecticut, is available in OLR Report <u>2023-R-0200</u>.

Massachusetts Bills

Both the Senate and House bills also (1) require an offer to purchase a residential home to include a disclosure that a buyer has 10 days to have a home inspection done and (2) makes a seller violating the bill's provisions liable for certain related damages as well as a civil penalty of the greater of 4% of the home sale or \$10,000. The bill makes certain exceptions to its provisions, such as for sales to family members.

Although the bills grant purchasers the right to a home inspection, they do not require that one be completed. Both bills were referred to the Consumer Protection and Professional Licensure Committee, which scheduled a hearing on them for June 21, 2023, but has taken no further action on the bills to date.

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