

South Dakota Real Estate Commission Home Inspector Administrative Rules

CHAPTER 20:74:06

STANDARDS OF PRACTICE

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20:74:06:01. Standards of practice -- Applicability. Standards of practice for home inspectors are standards by which home inspectors operate their business, provide inspection guidelines, make public the services provided by private fee-paid inspectors, and define certain terms relating to home inspections. A home inspector shall employ the standards of practice as provided in this chapter. These standards are applicable to inspections of buildings with four or fewer dwelling units and their garages or carports.

20:74:06:02. Code of ethics. A home inspector shall adhere to the following guidelines of behavior:

(1) A home inspector shall:

- (a) Comply with all applicable state laws and regulations; and
- (b) Disclose promptly to a client information about any business interest of the inspector which may affect the client in connection with the home inspection;

(2) A home inspector may not:

- (a) Discriminate against any person on the basis of race, color, religion, national origin, sex, familial status, disability, or creed;
- (b) Disclose any information concerning the results of the home inspection without the approval of the client or the client's representative;
- (c) Accept compensation from more than one interested party for the same service without the written consent of all interested parties;
- (d) Accept compensation or allowances, directly or indirectly, from other parties dealing with the inspector's client for work for which the inspector is responsible;
- (e) Engage in false or misleading advertising or otherwise misrepresent any matter to the public; or
- (f) Bid on any recommendation for repair documented in the inspection report.

20:74:06:03. Written contract. Any contract for inspection shall be in writing and shall contain the following:

- (1) The signature of the client or the client's representative, and a representative of the inspection company;
- (2) A list of the general areas and components which will be inspected;
- (3) A list of general exclusions to the inspection;
- (4) The date;
- (5) The price of the inspection;
- (6) The identity of the client and inspection company with full name and address;

- (7) The address of the property to be inspected;
- (8) The person to whom the report will be provided; and
- (9) The license or registration number of the inspector.

20:74:06:04. Purpose and scope of inspections. Inspections performed to the standards of practice are intended to provide the client with a better understanding of the property condition as observed at the time of the inspection and inform the client about major deficiencies in the condition of the property. A home inspection is visual in nature and tests normal operating devices designed for day-to-day use. A home inspection does not include invasive procedures and is not technically exhaustive. A written report prepared for the client, either in narrative form, a checklist format, or a combination thereof, shall describe those components inspected in accordance with the standards of practice, and which of the components inspected were found to be in need of immediate major repair.

The standards of practice are not intended to limit inspectors from reporting observations and conditions in addition to those required by the standards of practice or from excluding systems and components from the inspection if requested by the client.

20:74:06:05. General exclusions and limitations. The following general exclusions and limitations apply to home inspectors:

(1) An inspector is not required to report on:

- (a) The life expectancy of any component or system;
- (b) The causes of the need for a major repair;
- (c) The methods, materials, and costs of a major repair;
- (d) The suitability of the property for any specialized use;
- (e) Compliance or noncompliance with applicable regulatory requirements;
- (f) The market value of the property or its marketability;
- (g) The advisability or inadvisability of purchase of the property;
- (h) Any component or system which was not observed;
- (i) The presence or absence of pests such as wood damaging organisms, rodents, or insects; or
- (j) Cosmetic items, underground items, or items not permanently installed;

(2) An inspector is not required to:

- (a) Offer to perform or perform any act or service contrary to law;
- (b) Offer warranties or guarantees of any kind;
- (c) Calculate the strength, adequacy, or efficiency of any system or component;
- (d) Enter any area or perform any procedure which may damage the property or its components, or be dangerous to the inspector or other persons;
- (e) Operate any system or component which is shut down or otherwise inoperable;
- (f) Operate any system or component which does not respond to normal operating conditions;
- (g) Disturb insulation, move personal items, furniture, equipment, plant life, soil, snow, ice, or debris, which obstructs access or visibility;
- (h) Determine the presence or absence of any suspected hazardous substance, including, but not limited to toxins, carcinogens, noise, or contaminants in soil, water, and air;
- (i) Determine the effectiveness of any system installed to control or remove suspected hazardous conditions;
- (j) Predict future conditions, including but not limited to failure of components; or
- (k) Evaluate acoustical characteristics of any system or component.

20:74:06:06. Structural components for inspection -- Exclusions. A home inspector shall inspect structural components as follows:

(1) The inspector shall observe and report on the general appearance and condition of the following:

- (a) Foundations, foundation walls, other support and sub-structure components, including carrying beams, support columns, and piers;
- (b) Under-floor crawl spaces, basements, and attics;
- (c) Floors, basement floor slabs, grade slabs, first and subsequent floors (if the framing is visible);

- (d) Exterior walls for thickness and unusual conditions, such as excessive deflection;
- (e) Support columns;
- (f) Ceiling and floor structures;
- (g) Roof structures; and
- (h) Deck, balcony, and stairway supports and their method of attachment;

(2) The inspector shall report on noted indications of:

- (a) Water penetration;
- (b) Differential settlement and cracking indicating movement;
- (c) Harmful condensation;
- (d) Major moisture damage;
- (e) Visible damage by wood destroying organisms or insects or major areas of rot. (This is not to replace a thorough inspection by an appropriately credentialed or licensed wood destroying insect expert;

(3) The inspector is not required to:

- (a) Probe structural members if probing would damage the component or any finished surface;
- (b) Enter crawlspaces or attics if there is less than three feet of clearance, entry could damage the property, or dangerous or adverse situations are suspected; or
- (c) Provide engineering or architectural services.

20:74:06:07. Exterior components for inspection -- Exclusions. A home inspector shall inspect exterior components as follows:

(1) The inspector shall observe and report on the general appearance and condition of the following:

- (a) Exterior siding and trim work;
- (b) Eaves, soffit, and fascia;
- (c) Driveways, patios, and walkways;
- (d) Entry doors and a representative number of windows;
- (e) Garage door operators and reversing mechanisms;
- (f) Decks, balconies, stoops, steps, and porches, including railings; and
- (g) Grading, drainage, and retaining walls with respect to their effect on the condition of the building;

(2) The inspector is not required to observe:

- (a) Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories;
- (b) Fences;
- (c) Safety glazing;
- (d) Garage door operator remote control transmitters;
- (e) Geological and soil conditions;
- (f) Recreational facilities; or
- (g) Out-buildings other than garages and carports.

20:74:06:08. Roofing components for inspection. A home inspector shall inspect roofing components as follows:

(1) The inspector shall observe, when accessible, and report on the general appearance and condition of the following:

- (a) The type of roof covering materials;
- (b) Roof drainage systems (gutters, downspouts, etc.);
- (c) Flashings;
- (d) Skylights, chimneys, and roof penetrations; and
- (e) Chimney and liner material, lack of chimney liners, and chimney deterioration;

(2) The inspector shall also report the following;

- (a) The methods used to observe the roofing;
- (b) The apparent life of the roof covering;
- (c) Missing shingles, hail, and wind damage;
- (d) Loose or missing flashing and/or drip edging;
- (e) Leaking gutters, missing downspouts, splash blocks, and down spout extensions; and
- (f) Those sections of the roof not visible from the ground.

20:74:06:09. Interior components for inspection -- Exclusions. A home inspector shall inspect interior components as follows:

(1) The inspector shall observe and report on the general appearance and condition of the following:

(a) General interior:

- (i) Walls, ceilings, and floors;
- (ii) Doors, to include the operation of doors, missing or malfunctioning hardware, and proper fit;
- (iii) Windows, to include the operation of a representative number of windows, presence of double or single pane glass, evidence of leakage, visible entrapped moisture between seals on double pane windows, and broken window panes;
- (iv) Skylights, to include the condition of skylight glass, presence of condensation or leakage stains, and the operation of the skylight, if possible;
- (v) Stairways, to include the presence or absence of handrails;
- (vi) Balconies, to include the presence and condition of guardrails;
- (vii) Interior electrical/mechanical/heating, ventilation, and air conditioning systems;
- (viii) A representative number of electrical outlets for proper connection and grounding;
- (ix) All light switches;
- (x) All ceiling fans;
- (xi) Presence or absence of a heating source in each living area; and
- (xii) Functional operation of the heating source;

(b) Bathrooms:

- (i) Functional flow for each water source, including hot water at each hot water source;
- (ii) Functional drainage at each drain, the presence of an operating stop at each drain, and signs of leakage;
- (iii) Presence or absence of a ventilation fan, the operation of the fan, and discharge to outside, if possible; and
- (iv) Operating windows;

(c) Laundry:

- (i) Presence of a power source for a clothes dryer - gas or electric – and presence of a vent line; and
- (ii) Presence of hot and cold water connections, presence of a drain, and presence of 110 volt power;

(d) Kitchen:

- (i) Permanently installed cabinets and countertops;
- (ii) Stove/oven, to include the fuel type - electric, natural gas, or propane - and the operation of heating elements;
- (iii) Ventilation fan and light - operation - exhaust to outside or recirculating;
- (iv) Refrigerator - operation at time of inspection;
- (v) Dishwasher - operation at time of inspection, verify functional flow and drainage;
- (vi) Garbage disposal - verify functional operation;
- (vii) Compactor - verify functional operation; and
- (viii) Microwave (permanent) - verify presence;

(e) Safety devices:

- (i) Ground fault circuit interrupters -- breaker or outlet type, trip from test button, trip from external tester; and

(ii) Smoke detectors - hard wired or battery, test from test button on unit;

(2) The inspector is not required to:

- (a) Test minor functions of appliances;
- (b) Test minor appliances;
- (c) Operate every window;
- (d) Test every electrical outlet;
- (e) Observe paint, wallpaper, or other wall finish treatments;
- (f) Observe carpeting;
- (g) Observe draperies, blinds, or other window treatments;
- (h) Report on water filtering devices;
- (i) Evaluate shower pans for leakage;
- (j) Evaluate water softening or other conditioning systems;
- (k) Report on phone lines, cable lines, intercoms, alarms, or other low voltage signal systems;
- (l) Operate any plumbing or gas shut-off valves;
- (m) Report on condition of relay operated lights;
- (n) Determine adequacy of plumbing systems (including hot water capacity, pressure, and flow);
- (o) Test electrical timers;
- (p) Test Jacuzzi tubs or hot tubs; or
- (q) Test carbon monoxide detectors.

20:74:06:10. Electrical components for inspection -- Exclusions. A home inspector shall inspect electrical components as follows:

(1) The inspector shall observe and report on the general appearance and condition of the following:

- (a) Service entrance lines - whether underground or overhead and any obstructions;
- (b) Meter/mast - properly secured to house;
- (c) Main panel location, voltage/ampere rating;
- (i) Service entry conductor material - copper or aluminum;
- (ii) Disconnect/main breaker size - grounding line observed;
- (iii) Branch circuit protection - breakers or fuses;
- (iv) Presence of aluminum branch circuit wiring;
- (v) Presence of multiple-tapped breakers/fuses;
- (vi) Presence of melted insulation, signs of arcing or other signs of fire; or
- (vii) Presence of mismatched wire/circuit protection;
- (d) Location of any subpanel, voltage/ampere rating;
- (i) Branch circuit protection - breakers/fuses;
- (ii) Presence of aluminum branch circuit wiring;
- (iii) Presence of multiple-tapped breakers/fuses;
- (iv) Presence of melted insulation, signs of arcing or other signs of fire; or
- (v) Presence of mismatched wire/circuit protection;
- (e) Load management systems - note presence;

(2) The inspector is not required to:

- (a) Insert any tool, probe, or testing device inside the main panel or subpanels;
- (b) Dismantle any electrical device other than the covers on main panels and subpanels;
- (c) Activate or test components on branch circuits that are not energized;
- (d) Remove outlet covers or switch plates; or
- (e) Inspect low voltage systems.

20:74:06:11. Plumbing components for inspection -- Exclusions. A home inspector shall inspect plumbing components as follows:

(1) The inspector shall observe and report on the general appearance and condition of the following:

- (a) Material of incoming water supply - main valve location;
- (b) Interior water supply and distribution piping material;

- (c) Interior drain, waste, and vent system - drain, waste, and vent material;
- (d) Water heating system:
 - (i) Fuel type - electric, natural gas, or propane;
 - (ii) Flue and vent for gas system;
 - (iii) Capacity;
 - (iv) Age, if possible;
 - (v) Pressure/temperature relief valve with appropriate extension;
- (e) Water conditioning equipment; presence and location of:
 - (i) Water softening system;
 - (ii) Water filtering system;
- (f) Private well equipment; presence and location of:
 - (i) Cistern;
 - (ii) Wellhead;
 - (iii) Pump(s);
 - (iv) Pressure tank(s);
- (g) Sump pumps; presence:
 - (i) Automatic operation;
 - (ii) Operate from float valve;
 - (iii) Location of discharge, if possible;

(2) The inspector is not required to:

- (a) Observe or report on private waste disposal systems;
- (b) Observe the effectiveness of anti-siphon devices;
- (c) Determine whether water supply and waste disposal systems are public or private;
- (d) Operate automatic safety controls;
- (e) Operate shut off valves;
- (f) Observe sprinkler systems if winterized;
- (g) Evaluate effectiveness of conditioning systems;
- (h) Determine water quality or quantity;
- (i) Evaluate spas, except for flow and drainage; or
- (j) Evaluate well pumps or pressure tanks.

20:74:06:12. Central cooling components for inspection -- Exclusions. inspector shall inspect central cooling components as follows:

(1) The inspector shall observe and report on the following:

- (a) Type of unit (i.e., central air, heat pump, evaporative cooler);
- (b) Manufacturer (if visible);
- (c) Operation of the unit unless outside air temperature is less than 65 degrees Fahrenheit and verification of cooling of air;
- (d) Physical condition; and
- (e) Air flow within house;

(2) The inspector is not required to:

- (a) Test or evaluate wall or window mounted units;
- (b) Evaluate efficiency or adequacy of system;
- (c) Operate systems that are covered or otherwise shut down; or
- (d) Open panels other than those designed for routine homeowner maintenance.

20:74:06:13. Central heating components for inspection -- Exclusions. A home inspector shall inspect central heating components as follows:

(1) The inspector shall observe and report on the following:

- (a) Type of system (i.e., forced air, hot water baseboard, ceiling radiant, heat pump, etc.)

- (b) Fuel type (i.e., electric, natural gas, propane, oil, coal, wood, or other);
- (c) Manufacturer;
- (d) Estimated age (or age from data plate);
- (e) Functional operation from thermostat;
- (f) General condition of system;
- (g) Air flow at registers, if applicable - verify;
- (h) Positive pitch of flue pipes - verify;
- (i) General appearance of humidifiers;
- (j) Supplemental heat systems; and
- (k) Gas control valves and shutoff valves - check for leak;

(2) The inspector is not required to:

- (a) Verify or operate safety control devices;
- (b) Operate heat pumps if outside temperature is above 75 degrees Fahrenheit; or
- (c) Remove panels other than those designed to be removed for routine homeowner maintenance.

20:74:06:14. Stove and fireplace components for inspection -- Exclusions. A home inspector shall inspect stove and fireplace components as follows:

(1) The inspector shall observe and report on the following:

- (a) Fireplaces - fuel type, location, abnormal cracks or openings in visible portion of firebox, operation of damper, if accessible, existence of flue liner, type of venting for gas fireplace, presence and operation of blower;
- (b) Stoves - fuel types, location, distance from combustible surfaces/floor protection, connection to flue, existence of flue liner, operation of damper, if accessible, presence and operation of blower;

(2) The inspector is not required to:

- (a) Report on interior condition of liner;
- (b) Perform a smoke test;
- (c) Test blower if on a thermostat;
- (d) Operate gas appliances if gas is shut off;
- (e) Operate remote controls;
- (f) Determine adequacy of flue draft; or
- (g) Report on compliance with current regulatory codes.

20:74:06:15. Ventilation and insulation components for inspection -- Exclusions. A home inspector shall inspect ventilation and insulation components as follows:

(1) The inspector shall observe and report on the following:

- (a) Insulation - presence in attic and crawlspace, insulation material, thickness of insulation and approximate R-value, unusual conditions (dampness, etc.);
- (b) Ventilation - presence or absence in attic or crawlspace, presence of attic fan, presence and operation of whole house fan, presence and operation of bathroom ventilation fan, presence and operation of kitchen ventilation fan;

(2) The inspector is not required to:

- (a) Perform an energy audit;
- (b) Report on insulation and/or ventilation in concealed places; or
- (c) Report on ventilation that is internal to other household devices.