



MONTANA
ADMINISTRATIVE
REGISTER



DEPARTMENT OF LABOR AND INDUSTRY

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2025-146.1

Summary

Home inspector licensure

Hearing Date and Time

Thursday, November 6, 2025, at 9:00 a.m.

Virtual Hearing Information

A public hearing will be held via remote conferencing to consider the proposed changes to the agency's rules. There will be no in-person hearing. Interested parties may access the remote conferencing platform in the following ways:

Join Zoom Meeting: <https://mt-gov.zoom.us/j/87136812182>

Meeting ID: 871 3681 2182; Password: 8452069580

Dial by Telephone: +1 646 558 8656

Meeting ID: 871 3681 2182; Password: 8452069580

Comments

Concerned persons may present their data, views, or arguments at the hearing. Written data, views, or arguments may also be submitted at dli.mt.gov/rules or P.O. Box 1728, Helena, Montana 59624. Comments must be received by Friday, November 7, 2025, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Thursday, October 30, 2025, at 5:00 p.m.

Contact

Department of Labor and Industry
(406) 444-5466
laborlegal@mt.gov
Montana Relay: 711

General Reasonable Necessity Statement

House Bill (HB) 225 established home inspectors as licensees rather than registrants. This change reflects the need to ensure public safety and health are protected by establishing clearer licensing guidelines and vesting the department with authority to discipline licensees—thus keeping bad actors from doing further harm. This rulemaking is necessary to effectuate the requirements of HB 225 and to eliminate provisions from the rules which are no longer necessary due to the specific provisions of code applicable to licensees under Title 37, MCA. Because the bill has an effective date of January 1, 2026, these rules are proposed to take effect on that date.

Rulemaking Actions

TRANSFER AND AMEND

The rules proposed to be transferred and amended are as follows, stricken matter interlined, new matter underlined:

24.33.406 (24.152.XXX) FEE SCHEDULE

- (1) The following fees are charged by the department for home inspection businesses:
 - (a) initial application _ \$80.00
 - (b) renewal application _ 80.00
 - (c) ~~reinstatement of suspended registration 40.00~~
 - (d) ~~change of address no charge~~

- ~~(e) change of home inspection worker roster no charge~~
- (2) All fees are nonrefundable.

Authorizing statute(s): ~~39-9-103, MCA~~ [HB 225, Section 2]

Implementing statute(s): ~~39-9-206, MCA~~ [HB 225, Section 2]

Reasonable Necessity Statement

There is reasonable necessity to strike (1)(c) through (e) because it is not necessary to state that a licensee address change is free of charge. The reinstatement of a suspended registration is subject to disciplinary authority of the department, and thus cannot be specified in rule. Finally, worker rosters are no longer applicable. Because home inspection is a license, each inspector must be licensed individually, rather than working under a roster by a single registrant.

24.33.411 (24.152.XXX) ~~INITIAL AND RENEWAL APPLICATIONS~~ FOR HOME INSPECTION REGISTRATION INSPECTOR LICENSE

- (1) ~~In order to be registered by the department, a home inspection business shall complete a registration application and pay the registration fee as provided in ARM 24.33.406. Applicants for licensure must submit a complete application form provided by the department, including all required fees and documentation.~~
- (2) ~~An incomplete application will be deemed denied after 30 days. Within six months of the deemed denial, an applicant may submit the required information for consideration of the application. After six months, the applicant must reapply.~~
- (3) ~~Before a registration expires, a home inspection business may renew its registration by applying to the department and paying the required fee.~~
- (4) ~~Application contents are public record open to inspection, except for personally identifiable information protected from public disclosure.~~

Authorizing statute(s): ~~39-9-103, 39-9-212, MCA~~ [HB 225, Section 2]

Implementing statute(s): ~~39-9-212, MCA~~ [HB 225, Section 2, Section 3]

Reasonable Necessity Statement

Amendments are necessary to this rule because applications for licensure are subject to the general provisions of Title 37, MCA. As such, while it is necessary to specify that applications must be in the prescribed form and there is a required fee, the remainder of the rule is not necessary.

24.33.431 (24.152.XXX) HOME INSPECTOR EXAMINATIONS AND COMPREHENSIVE EDUCATION COURSES

- (1) Any organization wishing to be approved by the department for the purposes of offering ~~an examination for registration~~ comprehensive home inspection instruction must apply to the department for approval ~~of its examination~~. The organization must demonstrate that its ~~examination is psychometrically valid, and~~ instruction covers at least the following topics:
 - (a) roofing;
 - (b) exterior;
 - (c) interior;
 - (d) structural;
 - (e) electrical;
 - (f) plumbing;
 - (g) heating and cooling (HVAC);
 - (h) insulation;
 - (i) fireplace and chimney; and
 - (j) ethical business practices, professional standards, and reports.
- ~~(2) Any organization wishing to be approved by the department for the purposes of offering a comprehensive home inspection instruction for home inspectors consisting of at least 40 hours of instruction must apply to the department for recognition. The organization must demonstrate that its educational program is comprehensive and covers at least the topics required for examination in (1).~~
- ~~(3)~~(2) Any organization wishing to be approved by the department for the purposes of offering a comprehensive home inspection instruction for home inspectors must also demonstrate that it conducts a valid assessment of students' knowledge and understanding of the subject matter being taught in order to demonstrate successful completion. The organization shall describe in detail how the assessment is made, and the criteria by which a student is deemed to have successfully completed the educational program.

- (4) ~~A list of organizations approved by the department to offer home inspector examinations is available by contacting the department's home inspection program, and can also be found at the department's web site.~~
- (5)(3) A list of formal home inspection educational programs approved by the department is available by contacting the department's home inspection program, and can also be found at the department's web site.

Authorizing statute(s): ~~39-9-103, 39-9-212, MCA~~ [HB 225, Section 2]

Implementing statute(s): ~~39-9-212, MCA~~ [HB 225, Section 3]

Reasonable Necessity Statement

There is reasonable necessity to amend this rule because examination is no longer required for home inspector licensure. Instead, license applicants must have completed 40 hours of a department-approved training. To provide clarity to the public and potential trainers as to the requirements to obtain departmental approval, this rule is modified.

ADOPT

The rule proposed to be adopted is as follows:

NEW RULE 1 SUBSTANTIAL EQUIVALENCY

- (1) The department adopts and incorporates by reference the 2025 substantial equivalency list for the home inspectors publication. The publication is available on the program's website.
- (2) The department intends to review the publication annually. However, failure to review or adopt a new list does not change the effectiveness of the adoption in this rule.
- (3) License applications from individuals licensed in substantially equivalent states are routine applications as to the education, examination, and experience requirements for licensure. Applications may be nonroutine on other bases.

Authorizing statute(s): 37-1-131, MCA

Implementing statute(s): 37-1-304, MCA

Reasonable Necessity Statement

The 2025 Montana Legislature passed House Bill (HB) 246 which was signed by the Governor April 3, 2025, and will become effective October 1, 2025. The bill standardizes substantial equivalency determinations in professional licensing and eliminates duplicative statutory sections regarding equivalency and reciprocity.

While historically available to applicants licensed in other states or jurisdictions, licensure by substantial equivalency has never been consistent among the professional licensing boards and programs. HB 246 creates a standard definition for determining substantial equivalency to be uniformly utilized by all the boards and programs when processing endorsement applications. This will create overall efficiencies in processing endorsement applications and reduce licensing wait times for applicants and employers.

To implement the legislation and further the endorsement licensing process, the program is proposing to adopt NEW RULE 1. The program has compared current licensure standards of the fifty United States for licensees and determined those that are substantially equivalent per the definition in 37-1-302, MCA. This new rule will adopt and incorporate by reference the program's initial approved list of states having substantially equivalent licensing standards. The list will be published on the program's website. The department will analyze other states' licensing standards annually, and update the published list as needed.

REPEAL

The rules proposed to be repealed are as follows:

24.33.401 DEFINITIONS

Authorizing statute(s): 39-9-102, 39-9-212, MCA

Implementing statute(s): 39-9-212, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because no term specified remains necessary following the transfer of home inspector from registration to licensure, and many of the terms are no longer used in these rules.

24.33.416 APPROVAL OF APPLICATIONS

Authorizing statute(s): 39-9-103, 39-9-212, MCA

Implementing statute(s): 39-9-212, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because it is not necessary to specify the means of submission of license applications in rule. In addition, the period of licensure will be set forth, as with all license types, in ARM 24.101.413, which will be amended in a separate rulemaking.

24.33.421 REGISTRATION REQUIRED FOR SUBCONTRACTORS AND INDEPENDENT CONTRACTORS

Authorizing statute(s): 39-9-103, 39-9-212, 39-71-203, MCA

Implementing statute(s): 39-9-212, 39-71-417, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because it is no longer applicable. As an occupational license is required before an individual is able to perform home inspection work, it is not necessary to specify who must be on a roster or which individuals must have a license. As set forth in HB 225, section 3, "an individual may not practice home inspection without a home inspection license."

24.33.441 DUTY TO UPDATE ROSTER AND BUSINESS INFORMATION – SUSPENSION – REINSTATEMENT OF REGISTRATION

Authorizing statute(s): 39-9-103, 39-9-212, MCA

Implementing statute(s): 39-9-212, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because rosters of home inspectors will no longer exist, and address update timelines are specified in statute. Moreover, the specified penalties are no longer applicable.

24.33.461 RECOGNITION OF CONTINUING EDUCATION COURSES

Authorizing statute(s): 39-9-103, 39-9-212, MCA

Implementing statute(s): 39-9-212, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because continuing education is not required. Nonetheless, HB 225, Section 3(2)(b) requires licensees to maintain “membership in a national home inspection association.” As such, to the extent a national association requires continuing education to maintain membership, licensees may be required to complete education under the rules set forth by that organization.

24.33.471 PENALTIES – CIVIL FINES – INJUNCTIVE RELIEF

Authorizing statute(s): 39-9-103, 39-9-212, MCA

Implementing statute(s): 39-9-206, 39-9-212, 39-9-301, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because fines and unprofessional conduct are set forth in statute.

24.33.475 DISPUTE RESOLUTION PROCESS

Authorizing statute(s): 2-4-201, 39-9-103, 39-9-212, MCA

Implementing statute(s): 2-4-603, 39-9-212, MCA

Reasonable Necessity Statement

There is reasonable necessity to repeal this rule because the appeals process is spelled out in Title 37, chapter 1, part 4, MCA, and need not be repeated in rule.

Small Business Impact

The department anticipates that current home inspector registrants, and businesses employing them, will be impacted by this rulemaking implementing HB 225. The primary effects on these individuals and businesses are from the legislation itself, rather than from this proposed rule amendment. The department additionally anticipates that the public will benefit from the consumer protection aspects of licensure, which will allow the department to consider and impose disciplinary action against licenses where appropriate.

Bill Sponsor Notification

The primary sponsor was contacted on April 18, 2025, by electronic mail.

Interested Persons

The agency maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by the agency. Persons wishing to have their name added to the list may sign up at dli.mt.gov/rules or by sending a letter to P.O. Box 1728, Helena, Montana 59624 and indicating the program or programs about which they wish to receive notices.

Rule Reviewer

Quinlan L. O'Connor

Approval

Sarah Swanson, Commissioner