

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2303

with committee amendments

STATE OF NEW JERSEY

DATED: AUGUST 15, 1996

The Assembly Consumer Affairs and Regulation Professions Committee reports favorably and with committee amendments Assembly Bill No.2303.

As amended, this bill provides for the licensing and regulation of persons engaged in the business of "home inspection," which includes the inspection of the condition of the structural and mechanical elements of residential buildings, the preparation of reports thereon for clients of the home inspector, and the providing of warranties as authorized in the bill.

The bill creates, within the Division of Consumer Affairs of the Department of Law and Public Safety, a Board of Home Inspectors, which shall determine the qualifications for a licensed inspector, receive applications for licensing, administer appropriate examinations, issue licenses and administer the regulation and disciplining of licensees.

The board would consist of the Director of the Division of Consumer Affairs, or his designee, as an ex officio member, and four persons appointed by the Governor with the advice and consent of the Senate. Of the appointed members, two would be engaged in the home inspection business, and two would be persons knowledgeable in home construction but not engaged in the inspection business; they would serve four-year terms, staggered so that one would expire each year, and would receive no compensation except reimbursement for expenses incurred in carrying out their duties. The Director of the Division of Consumer Affairs would appoint the board secretary, who would be a member of the permanent staff of the division.

The bill authorizes a licensed home inspector - and no one else - to issue a "certificate of condition" on a home inspected by the licensed inspector in accordance with the requirements of the act and of any applicable regulations made by the board in pursuance of the act. It also authorizes the inspector to give a warranty on the certificate so issued, and requires the board to set minimum insurance coverage which a licensed inspector must carry to secure such warranties and to

provide against other liabilities arising out of his inspection activity.

The bill also requires the board to adopt a code of ethical standards and practices for licensed inspectors, and authorizes it to punish violations of the code, by fines or by suspension or revocation of license. It also requires the board to: settle disputes arising between licensed inspectors and their clients, resolve complaints touching the competence or integrity of licensed inspectors, and administer any discipline of licensed inspectors in connection with such disputes or complaints.

The committee amended the bill to provide that nothing in the bill shall be construed to prevent licensed architects or engineers from practicing architecture or engineering when acting within the scope of their professions.