

§§1-17  
C. 45:8-61  
To  
45:8-77  
§18  
Note To §§1-17

P.L. 1997, CHAPTER 323, *approved January 8, 1998*  
Assembly, No. 3014 (*First Reprint*)

1 **AN ACT** providing for the licensing and regulation of home inspectors  
2 and supplementing chapter 8 of Title 45 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the "Home  
8 Inspection Professional Licensing Act."

9

10 2. As used in this act:

11 "Associate home inspector" means a person who is employed by a  
12 licensed home inspector to conduct a home inspection of a residential  
13 building under the direct supervision of the licensed home inspector  
14 and is licensed pursuant to the provisions of this act.

15 "Board" means the State Board of Professional Engineers and Land  
16 Surveyors.

17 "Client" means any person who engages, or seeks to engage, the  
18 services of a home inspector for the purpose of obtaining inspection  
19 of and written report upon the condition of a residential building.

20 "Committee" means the Home Inspection Advisory Committee  
21 established pursuant to section 3 of this act.

22 "Home inspector" means any person licensed as a home inspector  
23 pursuant to the provisions of this act.

24 "Home inspection" means an inspection and written evaluation of  
25 the following components of a residential building: heating system,  
26 cooling system, plumbing system, electrical system, structural  
27 components, foundation, roof, masonry structure, exterior and interior  
28 components or any other related residential housing component as  
29 determined by the board by regulation.

30 "Residential building" means a structure consisting of from one to  
31 four family dwelling units that has been occupied as such prior to the

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ACP committee amendments adopted November 6, 1997.

1 time when a home inspection is requested or contracted for in  
2 accordance with this act, but shall not include any such structure  
3 newly constructed and not previously occupied.

4  
5 3. a. There is created within the Division of Consumer Affairs in  
6 the Department of Law and Public Safety, under the State Board of  
7 Professional Engineers and Land Surveyors, a Home Inspection  
8 Advisory Committee. The committee shall consist of five members  
9 who are residents of the State and are licensed home inspectors who  
10 have been actively engaged in the practice of home inspection in this  
11 State for at least five years immediately preceding their appointment.

12 b. For a period of one year after the effective date of this act, and  
13 notwithstanding any other provisions of this act to the contrary, the  
14 first five home inspectors appointed as members of the committee shall  
15 not be required, at the time of their first appointment, to be licensed  
16 to practice home inspection.

17 c. The Governor shall appoint each committee member for a term  
18 of three years, except that of the members first appointed, two shall  
19 serve for terms of three years, two shall serve for terms of two years  
20 and one shall serve for a term of one year. Each member shall hold  
21 office until his successor has been qualified. Any vacancy in the  
22 membership of the committee shall be filled for the unexpired term in  
23 the manner provided for the original appointment. No member of the  
24 committee may serve more than two successive terms in addition to  
25 any unexpired term to which he has been appointed.

26  
27 4. Members of the committee shall be compensated and reimbursed  
28 for expenses and provided with office and meeting facilities and  
29 personnel required for the proper conduct of the committee's business.

30  
31 5. The committee shall annually elect from among its members a  
32 chairman and a vice-chairman and may appoint a secretary, who need  
33 not be a member of the committee. The committee shall meet at least  
34 twice a year and may hold additional meetings as necessary to  
35 discharge its duties.

36  
37 6. The committee shall have the following powers and duties:

38 a. Administer and enforce the provisions of this act;

39 b. Issue and renew licenses to home inspectors and associate home  
40 inspectors pursuant to the provisions of this act;

41 c. Suspend, revoke or fail to renew the license of a home inspector  
42 or an associate home inspector pursuant to the provisions of P.L.1978,  
43 c.73 (C.45:1-14 et seq.);

44 d. Establish standards for the continuing education of home  
45 inspectors;

46 e. Adopt and publish a code of ethics and standards of practice for

1 licensed home inspectors; and

2 f. Prescribe or change the charges for examinations, licensures,  
3 renewals and other services performed pursuant to P.L.1974, c.46  
4 (C.45:1-3.1 et seq.).

5

6 7. No person shall provide, nor present, call or represent himself  
7 as able to provide a home inspection for compensation unless licensed  
8 in accordance with the provisions of this act.

9

10 8. To be eligible for licensure as a home inspector, an applicant  
11 shall fulfill the following requirements:

12 a. Be of good moral character;

13 b. Have successfully completed high school or its equivalent;

14 c. Have been engaged as a licensed associate home inspector for  
15 no less than one year, and have performed not less than 250 home  
16 inspections for compensation; and

17 d. Have passed the examination offered by the American Society  
18 of Home Inspectors (ASHI). The examination may have been passed  
19 before the effective date of this act.

20

21 9. To be eligible for licensure as an associate home inspector, an  
22 applicant shall fulfill the following requirements:

23 a. Be of good moral character;

24 b. Have successfully completed high school or its equivalent;

25 c. Have passed an approved course of study, as prescribed by the  
26 board;

27 d. Have performed not less than 50 home inspections in the  
28 presence of a licensed home inspector; and

29 e. Have passed the examination offered by the American Society of  
30 Home Inspectors (ASHI). The examination may have been passed  
31 before the effective date of this act.

32

33 10. The provisions of this act shall not apply to:

34 a. Any person who is employed as a code enforcement official by  
35 the State or a political subdivision thereof when acting within the  
36 scope of that government employment;

37 b. Any person regulated by the State as an architect, professional  
38 engineer, electrical contractor or master plumber, who is acting within  
39 the scope of practice of his profession or occupation;

40 c. Any real estate broker, broker-salesperson, or salesperson who  
41 is licensed by the State when acting within the scope of his profession;

42 d. Any State licensed real estate appraiser or certified general or  
43 residential real estate appraiser, who is acting within the scope of his  
44 profession;

45 e. Any person regulated by the State as an insurance adjuster, who  
46 is acting within the scope of his profession;

1 f. Any person certified or registered as a pesticide applicator  
2 pursuant to subchapters 6 or 8 of chapter 30 of Title 7 of the New  
3 Jersey Administrative Code <sup>1</sup>who is acting within the scope of the  
4 practice for which he is certified or registered<sup>1</sup>; or

5 g. Any person making home inspections under the supervision of  
6 a licensed home inspector for the purpose of meeting the requirements  
7 of subsection d. of section 9 of this act to qualify for licensure as an  
8 associate home inspector.

9  
10 11. Upon payment to the board of a fee and the submission of a  
11 written application provided by the board, the committee shall issue a  
12 home inspector license to any person who <sup>1</sup>[:

13 a. Holds] holds<sup>1</sup> a valid license issued by another state or  
14 possession of the United States or the District of Columbia which has  
15 standards substantially equivalent to those of this State, as determined  
16 by the committee <sup>1</sup>[: or

17 b. Is licensed in this State to practice architecture or professional  
18 engineering, or both, as the case may be, provided that the person  
19 meets the requirements set forth in subsections a., b., and d. of section  
20 8 of this act]<sup>1</sup>.

21  
22 12. During the first 360 days after the effective date of this act, the  
23 committee shall issue to any individual upon application a home  
24 inspector license, provided that the applicant meets the requirements  
25 of subsections a., b., and d. of section 8 of this act and has been  
26 engaged in the practice of home inspections for compensation for not  
27 less than three years prior to the effective date of this act and has  
28 performed not less than 300 home inspections for compensation.

29  
30 13. a. The board shall by rule or regulation establish, prescribe or  
31 change the fees for licenses, renewals of licenses or other services  
32 provided by the board or the committee pursuant to the provisions of  
33 this act. Licenses shall be issued for a period of two years and be  
34 biennially renewable, except that the board may, in order to stagger  
35 the expiration dates thereof, provide that those licenses first issued or  
36 renewed after the effective date of this act shall expire or become void  
37 on a date fixed by the board, not sooner than six months nor later than  
38 29 months after the date of issue.

39 b. Fees shall be established, prescribed or changed by the  
40 committee to the extent necessary to defray all proper expenses  
41 incurred by the board or the committee, and any staff employed to  
42 administer this act, except that fees shall not be fixed at a level that  
43 will raise amounts in excess of the amount estimated to be so required.

44 c. All fees and any fines imposed by the board shall be paid to the  
45 board and shall be forwarded to the State Treasurer and become part  
46 of the General Fund.

1 14. In addition to the provisions of section 8 of P.L.1978, c.73  
2 (C.45:1-21), the committee may refuse to grant or may suspend or  
3 revoke a home inspector license or an associate home inspector license  
4 upon proof to the satisfaction of the committee that the holder thereof  
5 has:

6 a. Disclosed any information concerning the results of the home  
7 inspection without the approval of a client or the client's  
8 representatives;

9 b. Accepted compensation from more than one interested party for  
10 the same service without the consent of all interested parties;

11 c. Accepted commissions or allowances, directly or indirectly, from  
12 other parties dealing with their client in connection with work for  
13 which the licensee is responsible; or

14 d. Failed to disclose promptly to a client information about any  
15 business interest of the licensee which may affect the client in  
16 connection with the home inspection.

17  
18 <sup>1</sup>15. No person licensed as a home inspector pursuant to this act  
19 shall engage in the practice of architecture or the practice of  
20 professional engineering.<sup>1</sup>

21  
22 <sup>1</sup>[15.] 16.<sup>1</sup> a. Every licensed home inspector and associate home  
23 inspector who is engaged in home inspection shall secure, maintain and  
24 file with the board proof of a certificate of an error and omissions  
25 policy, which shall be in a minimum amount of \$500,000 per  
26 occurrence.

27 b. Every proof of an errors and omissions policy required to be  
28 filed with the board shall <sup>1</sup>provide that cancellation or nonrenewal of  
29 the policy shall<sup>1</sup> not be effective unless and until at least 10 days'  
30 notice of intention to cancel or nonrenew has been received in writing  
31 by the board.

32  
33 <sup>1</sup>[16.] 17.<sup>1</sup> The board, after consultation with the committee, shall  
34 adopt rules and regulations pursuant to the "Administrative Procedure  
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the  
36 purposes of this act.

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38 <sup>1</sup>[17.] 18.<sup>1</sup> This act shall take effect on the 180th day following  
39 enactment.

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41  
42 \_\_\_\_\_  
43  
44 "Home Inspection Professional Licensing Act."