

§§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:

¹ 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 ¹who is acting within the scope of the
4 practice for which he is certified or registered¹; 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 ¹[:

13 a. Holds] holds¹ 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 ¹[: 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]¹.

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
18 ¹15. 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.¹

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22 ¹[15.] 16.¹ 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 ¹provide that cancellation or nonrenewal of
29 the policy shall¹ 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 ¹[16.] 17.¹ 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.

37
38 ¹[17.] 18.¹ This act shall take effect on the 180th day following
39 enactment.

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42 _____
43
44 "Home Inspection Professional Licensing Act."