

CHAPTER 323

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

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

C.45:8-61 Short title.

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

C.45:8-62 Definitions relative to home inspectors.

2. As used in this act:

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

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

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

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

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

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

"Residential building" means a structure consisting of from one to four family dwelling units that has been occupied as such prior to the time when a home inspection is requested or contracted for in accordance with this act, but shall not include any such structure newly constructed and not previously occupied.

C.45:8-63 Home Inspection Advisory Committee.

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

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

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

C.45:8-64 Compensation, reimbursement of members.

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

C.45:8-65 Elections of officers of committee.

5. The committee shall annually elect from among its members a chairman and a vice-chairman and may appoint a secretary, who need not be a member of the committee. The

committee shall meet at least twice a year and may hold additional meetings as necessary to discharge its duties.

C.45:8-66 Powers, duties of committee.

6. The committee shall have the following powers and duties:
 - a. Administer and enforce the provisions of this act;
 - b. Issue and renew licenses to home inspectors and associate home inspectors pursuant to the provisions of this act;
 - c. Suspend, revoke or fail to renew the license of a home inspector or an associate home inspector pursuant to the provisions of P.L.1978, c.73 (C.45:1-14 et seq.);
 - d. Establish standards for the continuing education of home inspectors;
 - e. Adopt and publish a code of ethics and standards of practice for licensed home inspectors; and
 - f. Prescribe or change the charges for examinations, licensures, renewals and other services performed pursuant to P.L.1974, c.46 (C.45:1-3.1 et seq.).

C.45:8-67 Licensing required for home inspectors.

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

C.45:8-68 Requirements for licensure as home inspector.

8. To be eligible for licensure as a home inspector, an applicant shall fulfill the following requirements:
 - a. Be of good moral character;
 - b. Have successfully completed high school or its equivalent;
 - c. Have been engaged as a licensed associate home inspector for no less than one year, and have performed not less than 250 home inspections for compensation; and
 - d. Have passed the examination offered by the American Society of Home Inspectors (ASHI). The examination may have been passed before the effective date of this act.

C.45:8-69 Eligibility for licensure as associate home inspector.

9. To be eligible for licensure as an associate home inspector, an applicant shall fulfill the following requirements:
 - a. Be of good moral character;
 - b. Have successfully completed high school or its equivalent;
 - c. Have passed an approved course of study, as prescribed by the board;
 - d. Have performed not less than 50 home inspections in the presence of a licensed home inspector; and
 - e. Have passed the examination offered by the American Society of Home Inspectors (ASHI). The examination may have been passed before the effective date of this act.

C.45:8-70 Noapplicability of act.

10. The provisions of this act shall not apply to:
 - a. Any person who is employed as a code enforcement official by the State or a political subdivision thereof when acting within the scope of that government employment;
 - b. Any person regulated by the State as an architect, professional engineer, electrical contractor or master plumber, who is acting within the scope of practice of his profession or occupation;
 - c. Any real estate broker, broker-salesperson, or salesperson who is licensed by the State when acting within the scope of his profession;
 - d. Any State licensed real estate appraiser or certified general or residential real estate appraiser, who is acting within the scope of his profession;
 - e. Any person regulated by the State as an insurance adjuster, who is acting within the scope of his profession;
 - f. Any person certified or registered as a pesticide applicator pursuant to subchapter 6 or

8 of chapter 30 of Title 7 of the New Jersey Administrative Code who is acting within the scope of the practice for which he is certified or registered; or

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

C.45:8-71 Issuance of reciprocal home inspector license; fee.

11. Upon payment to the board of a fee and the submission of a written application provided by the board, the committee shall issue a home inspector license to any person who holds a valid license issued by another state or possession of the United States or the District of Columbia which has standards substantially equivalent to those of this State, as determined by the committee.

C.45:8-72 Licensing of individuals currently engaged in practice of home inspection.

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

C.45:8-73 Establishment, prescription, change of fees for licenses.

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

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

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

C.45:8-74 Refusal to grant, suspension, revocation of license.

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

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

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

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

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

C.45:8-75 Licenses limited to home inspection.

15. No person licensed as a home inspector pursuant to this act shall engage in the practice of architecture or the practice of professional engineering.

C.45:8-76 Requirement of error and omissions policy.

16. a. Every licensed home inspector and associate home inspector who is engaged in home inspection shall secure, maintain and file with the board proof of a certificate of an error and

omissions policy, which shall be in a minimum amount of \$500,000 per occurrence.

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

C.45:8-77 Rules, regulations.

17. The board, after consultation with the committee, shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the purposes of this act.

18. This act shall take effect on the 180th day following enactment.

Approved January 8, 1998.