

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 335

STATE OF NEW JERSEY

DATED: OCTOBER 28, 1996

The Senate Community Affairs Committee reports favorably Senate Bill No. 335.

This bill provides for the licensing and regulation of persons engaged in the business of "home inspection"--i.e., the examination, on behalf of a prospective purchaser, of a previously occupied home in order to assure the new purchaser of its soundness and habitability.

The bill would create, within the Division of Consumer Affairs of the Department of Law and Public Safety, a Board of Home Inspectors, which would 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), ex officio, 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 would authorize a licensed home inspector to issue a "certificate of condition" on a home inspected by the inspector in accordance with the requirements of this bill and of any applicable regulations made by the board pursuant to the bill. It would also authorize the inspector to provide a warranty on the certificate, and would require the board to set minimum insurance coverage which a licensed inspector must carry to secure warranties and to protect against other liabilities arising out of inspection activity.

The bill would also require the board to adopt a code of ethical standards and practices for licensed inspectors, and would authorize the board to punish code violations by imposition of fines or by suspension or revocation of license. It would also require the board to settle disputes arising between licensed inspectors and their clients, to resolve complaints concerning the competence or integrity of

inspectors, and to administer any discipline of inspectors in connection with such disputes or complaints.

This bill was prefiled for introduction in the 1996 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.