

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE, No. 335

STATE OF NEW JERSEY

ADOPTED DECEMBER 11, 1997

Sponsored by Senator MARTIN

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:

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

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

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

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

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

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

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

33  
34       6. The committee shall have the following powers and duties:

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

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

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

41       d. Establish standards for the continuing education of home  
42 inspectors;

43       e. Adopt and publish a code of ethics and standards of practice for  
44 licensed home inspectors; and

45       f. Prescribe or change the charges for examinations, licensures,

1 renewals and other services performed pursuant to P.L.1974, c.46  
2 (C.45:1-3.1 et seq.).

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

7

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

10 a. Be of good moral character;

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

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

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

18

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

21 a. Be of good moral character;

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

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

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

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

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

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

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

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

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

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

45 f. Any person certified or registered as a pesticide applicator  
46 pursuant to subchapters 6 or 8 of chapter 30 of Title 7 of the New

1 Jersey Administrative Code who is acting within the scope of the  
2 practice for which he is certified or registered; or

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

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

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

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

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

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

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

46 a. Disclosed any information concerning the results of the home

1 inspection without the approval of a client or the client's  
2 representatives;

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

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

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

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

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16 16. a. Every licensed home inspector and associate home inspector  
17 who is engaged in home inspection shall secure, maintain and file with  
18 the board proof of a certificate of an error and omissions policy, which  
19 shall be in a minimum amount of \$500,000 per occurrence.

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

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

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

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"Home Inspection Professional Licensing Act."