

CHAPTER 201

AN ACT concerning home inspectors and amending and supplementing P.L.1997, c.323, and repealing section 9 of P.L.1997, c.323.

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

1. Section 2 of P.L.1997, c.323 (C.45:8-62) is amended to read as follows:

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

2. As used in 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.

2. Section 6 of P.L.1997, c.323 (C.45:8-66) is amended to read as follows:

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 pursuant to the provisions of this act;
- c. Suspend, revoke or fail to renew the license of a 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.).

3. Section 8 of P.L.1997, c.323 (C.45:8-68) is amended to read as follows:

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; and
- b. Have successfully completed high school or its equivalent; and
- c. (1) Have successfully completed an approved course of study of 180 hours, as prescribed by the board, after consultation with the State Department of Education, which shall include not less than 40 hours of unpaid field-based inspections in the presence of and under the direct supervision of a licensed home inspector, which inspections shall be provided by the school providing the approved course of study; or
(2) Have performed not less than 250 fee-paid home inspections in the presence of and under the direct supervision of a licensed home inspector who oversees and takes full responsibility for the inspection and any report produced; and
- d. Have passed an examination administered or approved by the committee. The examination may have been passed before the effective date of this act.

4. Section 14 of P.L.1997, c.323 (C.45:8-74) is amended to read as follows:

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 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.

5. Section 16 of P.L.1997, c.323 (C.45:8-76) is amended to read as follows:

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

16. a. Every licensed 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.45:8-78 Continuing education requirement.

6. The State Board of Professional Engineers and Land Surveyors shall require each home inspector, as a condition for biennial license renewal pursuant to section 13 of P.L.1997, c.323 (C.45:8-73), to complete 40 credit hours of continuing education requirements imposed by the Home Inspection Advisory Committee pursuant to sections 7 through 9 of P.L.2005, c.201 (C.45:8-79 through C.45:8-81).

C.45:8-79 Standards for continuing education.

7. a. The committee shall:

- (1) Establish standards for continuing home inspection education, including the subject matter and content of courses of study and the selection of instructors;
- (2) Approve educational programs offering continuing education credits; and
- (3) Approve other equivalent educational programs and establish procedures for the issuance of credit upon satisfactory proof of the completion of these programs.

b. In the case of education courses and programs, each hour of instruction shall be equivalent to one credit.

C.45:8-80 Waiving of requirements on continuing education.

8. The committee may, in its discretion, waive requirements for continuing education on an individual basis for reasons of hardship such as illness or disability, retirement of a license, or other good cause.

C.45:8-81 Time for completion of continuing education.

9. The committee shall require completion of continuing education credits on a pro rata basis for any registration periods commencing more than 12 but less than 24 months following the effective date of this amendatory and supplementary act.

C.45:8-76.1 Action, commencement within four years.

10. An action for an error or omission in the performance of a home inspection contract with respect to a home inspector licensed pursuant to P.L.1997, c.323 (C.45:8-61 et seq.), shall be

commenced within four years of the date of the home inspection.

C.45:8-72.1 Issuance of home inspector license based on associate home inspector license or experience, certain.

11. a. During the first 180 days after the enactment date of this amendatory and supplementary act, the committee shall, upon application, issue a home inspector license to any person who at any time prior to or during that 180-day period held a license as an associate home inspector, provided that the applicant: (1) had been engaged in the practice of home inspections for compensation for not less than three years prior to December 30, 2005 and had performed not less than 300 home inspections for compensation prior to December 30, 2005; or (2) had performed not less than 400 home inspections for compensation prior to December 30, 2005.

b. During the first 180 days after the enactment date of this amendatory and supplementary act, the committee shall, upon application, issue a home inspector license to any individual: (1) whose application for an associate home inspector license had been approved by the committee prior to December 30, 2005; or (2) who had satisfied the requirements set forth in section 9 of P.L.1997, c.323 (C.45:8-69) and had completed not less than 40 hours of unpaid field-based inspections in the presence of and under the direct supervision of a licensed home inspector prior to December 30, 2005.

Repealer.

12. Section 9 of P.L.1997, c.323 (C.45:8-69) is repealed.

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

Approved August 18, 2005.