

# 45:8-62

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2005 **CHAPTER:** 201

**NJSA:** 45:8-62 (Changes licensing requirements for home inspectors)

**BILL NO:** A3983 (Substituted for S2503)

**SPONSOR(S):** Prieto and others

**DATE INTRODUCED:** May 2, 2005

**COMMITTEE:** **ASSEMBLY:** Regulated Professions and Independent Authorities  
**SENATE:**

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:** **ASSEMBLY:** June 23, 2005

**SENATE:** June 23, 2005

**DATE OF APPROVAL:** August 18, 2005

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (2<sup>nd</sup> reprint enacted)

### A3983

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** [ASSEMBLY:](#) [Yes](#)

**SENATE:** No

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

**LEGISLATIVE FISCAL ESTIMATE:** No

### S2503

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

IS 9/17/07

§§6-9 -  
C.45:8-78 to  
45:8-81  
§10 - C.45:8-76.1  
§11 - C.45:8-72.1  
§12 - Repealer  
§13 - Note to §§1-12

P.L. 2005, CHAPTER 201, *approved August 18, 2005*  
Assembly, No. 3983 (*Second Reprint*)

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

3

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

6

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

9 2. As used in this act:

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

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

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

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

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

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

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

34 (cf: P.L.1997, c.323, s.2)

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ARP committee amendments adopted May 12, 2005.

<sup>2</sup> Assembly floor amendments adopted June 20, 2005.

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

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

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

5       b. Issue and renew licenses to home inspectors [and associate  
6 home inspectors] pursuant to the provisions of this act;

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

10       d. Establish standards for the continuing education of home  
11 inspectors;

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

14       f. Prescribe or change the charges for examinations, licensures,  
15 renewals and other services performed pursuant to P.L.1974, c.46  
16 (C.45:1-3.1 et seq.).

17 (cf: P.L.1997, c.323, s.6)

18

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

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

23       a. Be of good moral character; and

24       b. Have successfully completed high school or its equivalent; and

25       c. (1) Have [been engaged as a licensed associate home inspector  
26 for no less than one year, and have performed not less than 250 home  
27 inspections for compensation] successfully completed an approved  
28 course of study of <sup>1</sup>[not less than 140] 180<sup>1</sup> hours, as prescribed by  
29 the board, after consultation with the State Department of Education,  
30 which shall include not less than 40 hours of unpaid field-based  
31 inspections in the presence of and under the direct supervision of a  
32 licensed home inspector <sup>1</sup>[who oversees and takes full responsibility  
33 for the inspection and any report produced]<sup>1 2</sup>, which inspections  
34 shall be provided by the school providing the approved course of  
35 study<sup>2</sup>; [and] or

36       (2) Have performed not less than 250 fee-paid home inspections in  
37 the presence of and under the direct supervision of a licensed home  
38 inspector who oversees and takes full responsibility for the inspection  
39 and any report produced; and

40       d. Have passed [the] an examination [offered by the American  
41 Society of Home Inspectors (ASHI)] administered or approved by the  
42 committee. The examination may have been passed before the  
43 effective date of this act.

44 (cf: P.L.1997, c.323, s.8)

45

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

1 as follows:

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

7 a. <sup>2</sup>Disclosed<sup>2</sup>any information concerning the results of the home  
8 inspection without the approval of a client or the client's  
9 representatives;

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

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

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

18 (cf: P.L.1997, c.323, s.14)

19

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

22 16. a. Every licensed home inspector [and associate home  
23 inspector] who is engaged in home inspection shall secure, maintain  
24 and 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 provide that cancellation or nonrenewal of  
29 the policy shall not be effective unless and until at least 10 days' notice  
30 of intention to cancel or nonrenew has been received in writing by the  
31 board.

32 (cf: P.L.1997, c.323, s.16)

33

34 6. (New section) The State Board of Professional Engineers and  
35 Land Surveyors shall require each home inspector, as a condition for  
36 biennial license renewal pursuant to section 13 of P.L.1997, c.323  
37 (C.45:8-73), to complete 40 credit hours of continuing education  
38 requirements imposed by the Home Inspection Advisory Committee  
39 pursuant to sections 7 through 9 of P.L. , c. (C. ) (now before  
40 the Legislature as this bill).

41

42 7. (New section) a. The committee shall:

43 (1) Establish standards for continued home inspection education,  
44 including the subject matter and content of courses of study and the  
45 selection of instructors;

46 (2) Approve educational programs offering continuing education

1 credits; and

2 (3) Approve other equivalent educational programs and establish  
3 procedures for the issuance of credit upon satisfactory proof of the  
4 completion of these programs.

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

7

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

12

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

17

18 10. (New section) An action for an error or omission in the  
19 performance of a home inspection contract with respect to a home  
20 inspector licensed pursuant to P.L.1997, c.323 (C.45:8-61 et seq.),  
21 shall be commenced within <sup>1</sup>[one year] four years<sup>1</sup> of the date of the  
22 home inspection.

23

24 11. (New section) <sup>1</sup>a.<sup>1</sup> During the first 180 days after the  
25 enactment date of this amendatory and supplementary act, the  
26 committee shall, upon application, issue a home inspector license to  
27 any person who at any time prior to or during that 180-day period held  
28 a license as an associate home inspector, provided that the applicant:  
29 <sup>1</sup>[a.] (1)<sup>1</sup> had been engaged in the practice of home inspections for  
30 compensation for not less than three years prior to December 30, 2005  
31 and had performed not less than 300 home inspections for  
32 compensation prior to December 30, 2005; or <sup>1</sup>[b.] (2)<sup>1</sup> had  
33 performed not less than 400 home inspections for compensation prior  
34 to December 30, 2005.

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

44

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

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

2

3

4

5

6       Changes licensing requirements for home inspectors.

# ASSEMBLY, No. 3983

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 2, 2005

**Sponsored by:**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**SYNOPSIS**

Changes licensing requirements for home inspectors.

**CURRENT VERSION OF TEXT**

As introduced.





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

3  
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5 of New Jersey:

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

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

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

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

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

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

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

34 (cf: P.L.1997, c.323, s.2)

35  
36 2. Section 6 of P.L.1997, c.323 (C.45:8-66) is amended to read as  
37 follows:

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

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

40 b. Issue and renew licenses to home inspectors [and associate  
41 home inspectors] pursuant to the provisions of this act;

42 c. Suspend, revoke or fail to renew the license of a home inspector

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 [or an associate home inspector] pursuant to the provisions of  
2 P.L.1978, c.73 (C.45:1-14 et seq.);

3 d. Establish standards for the continuing education of home  
4 inspectors;

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

7 f. Prescribe or change the charges for examinations, licensures,  
8 renewals and other services performed pursuant to P.L.1974, c.46  
9 (C.45:1-3.1 et seq.).

10 (cf: P.L.1997, c.323, s.6)

11

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

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

16 a. Be of good moral character; and

17 b. Have successfully completed high school or its equivalent; and

18 c. (1) Have [been engaged as a licensed associate home inspector  
19 for no less than one year, and have performed not less than 250 home  
20 inspections for compensation] successfully completed an approved  
21 course of study of not less than 140 hours, as prescribed by the board,  
22 after consultation with the State Department of Education, which shall  
23 include not less than 40 hours of unpaid field-based inspections in the  
24 presence of and under the direct supervision of a licensed home  
25 inspector who oversees and takes full responsibility for the inspection  
26 and any report produced; [and] or

27 (2) Have performed not less than 250 fee-paid home inspections in  
28 the presence of and under the direct supervision of a licensed home  
29 inspector who oversees and takes full responsibility for the inspection  
30 and any report produced; and

31 d. Have passed [the] an examination [offered by the American  
32 Society of Home Inspectors (ASHI)] administered or approved by the  
33 committee. The examination may have been passed before the  
34 effective date of this act.

35 (cf: P.L.1997, c.323, s.8)

36

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

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

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

46 b. Accepted compensation from more than one interested party for

1 the same service without the consent of all interested parties;

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

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

8 (cf: P.L.1997, c.323, s.14)

9

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

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

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

22 (cf: P.L.1997, c.323, s.16)

23

24 6. (New section) The State Board of Professional Engineers and  
25 Land Surveyors shall require each home inspector, as a condition for  
26 biennial license renewal pursuant to section 13 of P.L.1997, c.323  
27 (C.45:8-73), to complete 40 credit hours of continuing education  
28 requirements imposed by the Home Inspection Advisory Committee  
29 pursuant to sections 7 through 9 of P.L. , c. (C. ) (now before  
30 the Legislature as this bill).

31

32 7. (New section) a. The committee shall:

33 (1) Establish standards for continued home inspection education,  
34 including the subject matter and content of courses of study and the  
35 selection of instructors;

36 (2) Approve educational programs offering continuing education  
37 credits; and

38 (3) Approve other equivalent educational programs and establish  
39 procedures for the issuance of credit upon satisfactory proof of the  
40 completion of these programs.

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

43

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

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

5  
6 10. (New section) An action for an error or omission in the  
7 performance of a home inspection contract with respect to a home  
8 inspector licensed pursuant to P.L.1997, c.323 (C.45:8-61 et seq.),  
9 shall be commenced within one year of the date of the home  
10 inspection.

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

22  
23 12. Section 9 of P.L.1997, c.323 (C.45:8-69) is repealed.

24  
25 13. This act shall take effect on the 180th day following enactment.  
26  
27

28 STATEMENT  
29

30 This bill amends and supplements the "Home Inspection  
31 Professional Licensing Act," P.L.1997, c.323 (C.45:8-61 et seq.).

32 Current law requires an applicant seeking licensure as a home  
33 inspector to have been engaged as a licensed associate home inspector  
34 for not less than one year, and have performed not less than 250 home  
35 inspections for compensation. This bill eliminates the classification of  
36 associate home inspector and the licensing of associate home  
37 inspectors. The bill provides that in order to satisfy the requirements  
38 for licensure as a home inspector, an applicant may: successfully  
39 complete an approved course of study of not less than 140 hours, as  
40 prescribed by the board, after consultation with the State Department  
41 of Education, which shall include not less than 40 hours of unpaid  
42 field-based inspections in the presence of and under the direct  
43 supervision of a licensed home inspector who oversees and takes full  
44 responsibility for the inspection and any report produced; or (2)  
45 perform not less than 250 fee-paid home inspections in the presence  
46 of and under the direct supervision of a licensed home inspector who

1 oversees and takes full responsibility for the inspection and any report  
2 produced.

3 Under current law, to be eligible for licensure as a home inspector  
4 an applicant is required to pass the examination offered by the  
5 American Society of Home Inspectors (ASHI). As provided in the  
6 bill, to be eligible to be licensed an individual would have to pass an  
7 examination administered or approved by the Home Inspection  
8 Advisory Committee.

9 Current law also requires every licensed home inspector who is  
10 engaged in home inspection to secure, maintain and file with the State  
11 Board of Professional Engineers and Land Surveyors proof of a  
12 certificate of an error and omissions policy, which shall be in a  
13 minimum amount of \$500,000 per occurrence. This bill provides that  
14 an action for an error or omission in the performance of a home  
15 inspection contract by a licensed home inspector shall be commenced  
16 within one year of the date of the home inspection.

17 In addition, the bill stipulates that as a condition for biennial license  
18 renewal as a home inspector, an individual shall complete 40 credit  
19 hours of continuing education. The advisory committee shall establish  
20 standards for continuing home inspection education, including the  
21 subject matter and content of courses of study and the selection of  
22 instructors, and approve programs offering continuing education  
23 credits.

24 Furthermore, the bill stipulates that during the first 180 days after  
25 the bill's enactment, the Home Inspection Advisory Committee shall,  
26 upon application, issue a home inspector license to any person who at  
27 any time prior to or during that 180-day period held a license as an  
28 associate home inspector, provided that the applicant: a. had been  
29 engaged in the practice of home inspections for compensation for not  
30 less than three years prior to December 30, 2005 and had performed  
31 not less than 300 home inspections for compensation prior to  
32 December 30, 2005; or b. had performed not less than 400 home  
33 inspections for compensation prior to December 30, 2005.

ASSEMBLY REGULATED PROFESSIONS AND  
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3983**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 12, 2005

The Assembly Regulated Professions and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 3983.

As amended, this bill amends and supplements the "Home Inspection Professional Licensing Act," P.L.1997, c.323 (C.45:8-61 et seq.).

Current law requires an applicant seeking licensure as a home inspector to have been engaged as a licensed associate home inspector for not less than one year, and have performed not less than 250 home inspections for compensation. This bill eliminates the classification of associate home inspector and the licensing of associate home inspectors. The bill provides that in order to satisfy the requirements for licensure as a home inspector, an applicant may: successfully complete 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; or (2) perform 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.

Under current law, to be eligible for licensure as a home inspector an applicant is required to pass the examination offered by the American Society of Home Inspectors (ASHI). As provided in the bill, to be eligible to be licensed an individual would have to pass an examination administered or approved by the Home Inspection Advisory Committee.

Current law also requires every licensed home inspector who is engaged in home inspection to secure, maintain and file with the State Board of Professional Engineers and Land Surveyors proof of a certificate of an error and omissions policy, which shall be in a minimum amount of \$500,000 per occurrence. This bill provides that an action for an error or omission in the performance of a home

inspection contract by a licensed home inspector shall be commenced within four years of the date of the home inspection.

In addition, the bill stipulates that as a condition for biennial license renewal as a home inspector, an individual shall complete 40 credit hours of continuing education. The advisory committee shall establish standards for continuing home inspection education, including the subject matter and content of courses of study and the selection of instructors, and approve programs offering continuing education credits.

Furthermore, the bill stipulates that during the first 180 days after the bill's enactment, the Home Inspection Advisory 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. The bill also stipulates that during the first 180 days after the enactment date of this bill, the Home Inspection Advisory 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.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to provide that in order to satisfy the requirements for licensure as a home inspector, an applicant may successfully complete an approved course of study of 180 hours, rather than a course of study of not less than 140 hours. The amendments also remove the provision that a licensed home inspector supervising the 40 hours of unpaid field-based inspections for an applicant as a home inspector oversee and take full responsibility for any such inspection and any report produced.

The amendments also add provisions stipulating that during the first 180 days after the enactment date of this bill, the Home Inspection Advisory 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.

In addition, the amendments provide that an action for an error or omission in the performance of a home inspection contract with respect to a licensed home inspector shall be commenced within four years of the date of the home inspection, rather than one year from the date of the home inspection, as originally stated in the bill.



STATEMENT TO  
[First Reprint]  
**ASSEMBLY, No. 3983**

with Assembly Floor Amendments  
(Proposed By Assemblymen PRIETO, COHEN and VAS)

ADOPTED: JUNE 20, 2005

This bill provides that in order to satisfy the requirements for licensure as a home inspector, an applicant may successfully complete an approved course of study of 180 hours, as prescribed by the State Board of Professional Engineers and Land Surveyors, 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. The amendments stipulate that these inspections shall be provided by the school providing the approved course of study.

**SENATE, No. 2503**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED MAY 12, 2005

**Sponsored by:**

**Senator PAUL SARLO**

**District 36 (Bergen, Essex and Passaic)**

**Senator GERALD CARDINALE**

**District 39 (Bergen)**

**SYNOPSIS**

Changes licensing requirements for home inspectors.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/17/2005)**

S2503 SARLO, CARDINALE

2

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

3

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

6

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

9 2. As used in this act:

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

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

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

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

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

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

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

34 (cf: P.L.1997, c.323, s.2)

35

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

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

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

40 b. Issue and renew licenses to home inspectors [and associate  
41 home inspectors] pursuant to the provisions of this act;

42 c. Suspend, revoke or fail to renew the license of a home inspector

**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.**

1 [or an associate home inspector] pursuant to the provisions of  
2 P.L.1978, c.73 (C.45:1-14 et seq.);

3 d. Establish standards for the continuing education of home  
4 inspectors;

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

7 f. Prescribe or change the charges for examinations, licensures,  
8 renewals and other services performed pursuant to P.L.1974, c.46  
9 (C.45:1-3.1 et seq.).

10 (cf: P.L.1997, c.323, s.6)

11

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

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

16 a. Be of good moral character; and

17 b. Have successfully completed high school or its equivalent; and

18 c. (1) Have [been engaged as a licensed associate home inspector  
19 for no less than one year, and have performed not less than 250 home  
20 inspections for compensation] successfully completed an approved  
21 course of study of not less than 140 hours, as prescribed by the board,  
22 after consultation with the State Department of Education, which shall  
23 include not less than 40 hours of unpaid field-based inspections in the  
24 presence of and under the direct supervision of a licensed home  
25 inspector who oversees and takes full responsibility for the inspection  
26 and any report produced; [and] or

27 (2) Have performed not less than 250 fee-paid home inspections in  
28 the presence of and under the direct supervision of a licensed home  
29 inspector who oversees and takes full responsibility for the inspection  
30 and any report produced; and

31 d. Have passed [the] an examination [offered by the American  
32 Society of Home Inspectors (ASHI)] administered or approved by the  
33 committee. The examination may have been passed before the  
34 effective date of this act.

35 (cf: P.L.1997, c.323, s.8)

36

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

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

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

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

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

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

9 (cf: P.L.1997, c.323, s.14)

10

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

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

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

23 (cf: P.L.1997, c.323, s.16)

24

25 6. (New section) The State Board of Professional Engineers and  
26 Land Surveyors shall require each home inspector, as a condition for  
27 biennial license renewal pursuant to section 13 of P.L.1997, c.323  
28 (C.45:8-73), to complete 40 credit hours of continuing education  
29 requirements imposed by the Home Inspection Advisory Committee  
30 pursuant to sections 7 through 9 of P.L. , c. (C. ) (now before  
31 the Legislature as this bill).

32

33 7. (New section) a. The committee shall:

34 (1) Establish standards for continued home inspection education,  
35 including the subject matter and content of courses of study and the  
36 selection of instructors;

37 (2) Approve educational programs offering continuing education  
38 credits; and

39 (3) Approve other equivalent educational programs and establish  
40 procedures for the issuance of credit upon satisfactory proof of the  
41 completion of these programs.

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

44

45 8. (New section) The committee may, in its discretion, waive  
46 requirements for continuing education on an individual basis for

1 reasons of hardship such as illness or disability, retirement of a license,  
2 or other good cause.

3

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

8

9 10. (New section) An action for an error or omission in the  
10 performance of a home inspection contract with respect to a home  
11 inspector licensed pursuant to P.L.1997, c.323 (C.45:8-61 et seq.),  
12 shall be commenced within one year of the date of the home  
13 inspection.

14

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

25

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

27

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

29

30

31

#### STATEMENT

32

33 This bill amends and supplements the "Home Inspection  
34 Professional Licensing Act," P.L.1997, c.323 (C.45:8-61 et seq.).

35 Current law requires an applicant seeking licensure as a home  
36 inspector to have been engaged as a licensed associate home inspector  
37 for not less than one year, and have performed not less than 250 home  
38 inspections for compensation. This bill eliminates the classification of  
39 associate home inspector and the licensing of associate home  
40 inspectors. The bill provides that in order to satisfy the requirements  
41 for licensure as a home inspector, an applicant may: successfully  
42 complete an approved course of study of not less than 140 hours, as  
43 prescribed by the board, after consultation with the State Department  
44 of Education, which shall include not less than 40 hours of unpaid  
45 field-based inspections in the presence of and under the direct  
46 supervision of a licensed home inspector who oversees and takes full

1 responsibility for the inspection and any report produced; or (2)  
2 perform not less than 250 fee-paid home inspections in the presence  
3 of and under the direct supervision of a licensed home inspector who  
4 oversees and takes full responsibility for the inspection and any report  
5 produced.

6 Under current law, to be eligible for licensure as a home inspector  
7 an applicant is required to pass the examination offered by the  
8 American Society of Home Inspectors (ASHI). As provided in the  
9 bill, to be eligible to be licensed an individual would have to pass an  
10 examination administered or approved by the Home Inspection  
11 Advisory Committee.

12 Current law also requires every licensed home inspector who is  
13 engaged in home inspection to secure, maintain and file with the State  
14 Board of Professional Engineers and Land Surveyors proof of a  
15 certificate of an error and omissions policy, which shall be in a  
16 minimum amount of \$500,000 per occurrence. This bill provides that  
17 an action for an error or omission in the performance of a home  
18 inspection contract by a licensed home inspector shall be commenced  
19 within one year of the date of the home inspection.

20 In addition, the bill stipulates that as a condition for biennial license  
21 renewal as a home inspector, an individual shall complete 40 credit  
22 hours of continuing education. The advisory committee shall establish  
23 standards for continuing home inspection education, including the  
24 subject matter and content of courses of study and the selection of  
25 instructors, and approve programs offering continuing education  
26 credits.

27 Furthermore, the bill stipulates that during the first 180 days after  
28 the bill's enactment, the Home Inspection Advisory Committee shall,  
29 upon application, issue a home inspector license to any person who at  
30 any time prior to or during that 180-day period held a license as an  
31 associate home inspector, provided that the applicant: a. had been  
32 engaged in the practice of home inspections for compensation for not  
33 less than three years prior to December 30, 2005 and had performed  
34 not less than 300 home inspections for compensation prior to  
35 December 30, 2005; or b. had performed not less than 400 home  
36 inspections for compensation prior to December 30, 2005.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### **SENATE, No. 2503**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 16, 2005

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2503.

This bill amends and supplements the "Home Inspection Professional Licensing Act," P.L.1997, c.323 (C.45:8-61 et seq.) to revise certain licensing requirements and to require continuing education for renewal of a license. Current law requires an applicant seeking licensure as a home inspector to have been engaged as a licensed associate home inspector for not less than one year, and have performed not less than 250 home inspections for compensation. This bill eliminates the classification of associate home inspector and the licensing of associate home inspectors.

As amended, the bill provides that in order to satisfy the requirements for licensure as a home inspector, an applicant may: successfully complete 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) perform 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.

Under current law, to be eligible for licensure as a home inspector an applicant is required to pass the examination offered by the American Society of Home Inspectors (ASHI). As provided in the bill, to be eligible to be licensed an individual would have to pass an examination administered or approved by the Home Inspection Advisory Committee.

Current law also requires every licensed home inspector who is engaged in home inspection to secure, maintain and file with the State Board of Professional Engineers and Land Surveyors proof of a certificate of an error and omissions policy, which shall be in a minimum amount of \$500,000 per occurrence. As amended, this bill



provides that an action for an error or omission in the performance of a home inspection contract by a licensed home inspector shall be commenced within four years of the date of the home inspection.

In addition, the bill stipulates, as a condition for biennial license renewal, that an individual complete 40 credit hours of continuing education. The advisory committee shall establish standards for continuing home inspection education, including the subject matter and content of courses of study and the selection of instructors, and approve programs offering continuing education credits.

Furthermore, the bill stipulates that during the first 180 days after the bill's enactment, the Home Inspection Advisory 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.

As amended the bill also stipulates that during the first 180 days after the enactment, the Home Inspection Advisory 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.

The committee's amendments to the bill provide that in order to satisfy the requirements for licensure as a home inspector, an applicant may successfully complete an approved course of study of 180 hours, rather than a course of study of not less than 140 hours. The amendments also remove the provision that a licensed home inspector supervising the 40 hours of unpaid field-based inspections for an applicant as a home inspector oversee and take full responsibility for any such inspection and any report produced but require that the school providing the approved course of study must provide those 40 inspections.

The amendments also add the provision stipulating that during the first 180 days after the enactment date of this bill, the Home Inspection Advisory 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.

In addition, the amendments provide that an action for an error or omission in the performance of a home inspection contract with respect to a licensed home inspector shall be commenced within four years of the date of the home inspection, rather than one year from the date of the home inspection, as introduced.