

45:8-61 to 48:8-77

LEGISLATIVE HISTORY CHECKLIST
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(Home inspectors-licensing)

NJSA: 45:8-61 to 45:8-77

LAWS OF: 1997 CHAPTER: 323

BILL NO: A3014

SPONSOR(S): Impreveduto and Moran

DATE INTRODUCED: June 5, 1997

COMMITTEE: ASSEMBLY: Consumer Affairs

SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
First reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: December 4, 1997

SENATE: December 15, 1997

DATE OF APPROVAL: January 8, 1998

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings-attached:

"N.J. enacts controls on home inspectors," 1-9-98, Record.

"Bill lets state license all home inspectors," 12-16-97, Atlantic City Press.

Kraeutler, Thomas, "Inspecting home inspectors," 154 NJLJ 13 (10-5-98)

KBP:pp

§§1-17
C. 45:8-61
To
45:8-77
§18
Note To §§1-17

P.L. 1997, CHAPTER 323, *approved January 8, 1998*
Assembly, No. 3014 (*First Reprint*)

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:

6

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

9

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACP committee amendments adopted November 6, 1997.

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

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

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

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

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

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

36
37 6. The committee shall have the following powers and duties:
38 a. Administer and enforce the provisions of this act;
39 b. Issue and renew licenses to home inspectors and associate home
40 inspectors pursuant to the provisions of this act;
41 c. Suspend, revoke or fail to renew the license of a home inspector
42 or an associate home inspector pursuant to the provisions of P.L.1978,
43 c.73 (C.45:1-14 et seq.);
44 d. Establish standards for the continuing education of home
45 inspectors;
46 e. Adopt and publish a code of ethics and standards of practice for

1 licensed home inspectors; and

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

5

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

9

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

12 a. Be of good moral character;

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

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

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

20

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

23 a. Be of good moral character;

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

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

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

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

32

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

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

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

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

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

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

1 f. Any person certified or registered as a pesticide applicator
2 pursuant to subchapters 6 or 8 of chapter 30 of Title 7 of the New
3 Jersey Administrative Code who is acting within the scope of the
4 practice for which he is certified or registered¹; or

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

9

10 11. Upon payment to the board of a fee and the submission of a
11 written application provided by the board, the committee shall issue a
12 home inspector license to any person who ¹]:

13 a. Holds] holds¹ a valid license issued by another state or
14 possession of the United States or the District of Columbia which has
15 standards substantially equivalent to those of this State, as determined
16 by the committee ¹]; or

17 b. Is licensed in this State to practice architecture or professional
18 engineering, or both, as the case may be, provided that the person
19 meets the requirements set forth in subsections a., b., and d. of section
20 8 of this act]¹.

21

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

29

30 13. a. The board shall by rule or regulation establish, prescribe or
31 change the fees for licenses, renewals of licenses or other services
32 provided by the board or the committee pursuant to the provisions of
33 this act. Licenses shall be issued for a period of two years and be
34 biennially renewable, except that the board may, in order to stagger
35 the expiration dates thereof, provide that those licenses first issued or
36 renewed after the effective date of this act shall expire or become void
37 on a date fixed by the board, not sooner than six months nor later than
38 29 months after the date of issue.

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

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

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

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

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

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

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

17

18 ¹15. No person licensed as a home inspector pursuant to this act
19 shall engage in the practice of architecture or the practice of
20 professional engineering.¹

21

22 ¹[15.] 16.¹ a. Every licensed home inspector and associate home
23 inspector who is engaged in home inspection shall secure, maintain and
24 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 ¹provide that cancellation or nonrenewal of
29 the policy shall¹ not be effective unless and until at least 10 days'
30 notice of intention to cancel or nonrenew has been received in writing
31 by the board.

32

33 ¹[16.] 17.¹ The board, after consultation with the committee, shall
34 adopt rules and regulations pursuant to the "Administrative Procedure
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the
36 purposes of this act.

37

38 ¹[17.] 18.¹ This act shall take effect on the 180th day following
39 enactment.

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"Home Inspection Professional Licensing Act."

- 1 a. Disclosed any information concerning the results of the home
2 inspection without the approval of a client or the client's
3 representatives;
- 4 b. Accepted compensation from more than one interested party for
5 the same service without the consent of all interested parties;
- 6 c. Accepted commissions or allowances, directly or indirectly, from
7 other parties dealing with their client in connection with work for
8 which the licensee is responsible; or
- 9 d. Failed to disclose promptly to a client information about any
10 business interest of the licensee which may affect the client in
11 connection with the home inspection.

12

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

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

21

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

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

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29
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31

Sponsor's STATEMENT

32 This bill provides for the licensing of home inspectors and associate
33 home inspectors. It establishes a five-member "Home Inspection
34 Advisory Committee" under the jurisdiction of the State Board of
35 Professional Engineers and Land Surveyors in the Division of
36 Consumer Affairs in the Department of Law and Public Safety. The
37 committee is to consist of five members who are residents of the State
38 and are licensed home inspectors. The committee will establish
39 standards of practice, licensing qualifications and education programs.

40 To be eligible for a home inspector's license, an applicant must: be
41 of good moral character; have successfully completed high school or
42 its equivalent; have been engaged as a licensed associate home
43 inspector for no less than one year; have performed not less than 250
44 home inspections for compensation; and have passed the examination
45 offered by the American Society of Home Inspectors (ASHI). To be
46 eligible for an associate home inspector's license, an applicant must: be

1 of good moral character; have successfully completed high school or
2 its equivalent; have passed an approved course of study, as prescribed
3 by the board; have performed not less than 50 home inspections in the
4 presence of a licensed home inspector; and have passed the
5 examination offered by the American Society of Home Inspectors
6 (ASHI).

7 "Home inspection" is defined in the bill as an inspection and written
8 evaluation of the following components of a residential building:
9 heating system, cooling system, plumbing system, electrical system,
10 structural components, foundation, roof, masonry structure, exterior
11 and interior components or any other related residential housing
12 component as determined by the board by regulation.

13 The bill stipulates that no person shall provide, nor present, call or
14 represent himself as able to provide, a home inspection for
15 compensation unless licensed in accordance with the provisions of this
16 act.

17 In addition, the bill provides that every licensed home inspector and
18 associate home inspector who is engaged in home inspection shall
19 secure, maintain and file with the board proof of a certificate of an
20 error and omissions policy, which shall be in a minimum amount of
21 \$500,000 per occurrence.

22

23

24

25

26 "Home Inspection Professional Licensing Act."

[Passed Both Houses]

[First Reprint]

ASSEMBLY, No. 3014

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Assemblymen IMPREVEDUTO, MORAN
and 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:

6

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

9

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACP committee amendments adopted November 6, 1997.

1 components or any other related residential housing component as
2 determined by the board by regulation.

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

8

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

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

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

30

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

34

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

40

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

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

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

45 c. Suspend, revoke or fail to renew the license of a home inspector
46 or an associate home inspector pursuant to the provisions of P.L.1978,

1 c.73 (C.45:1-14 et seq.);

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

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

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

9

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

13

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;

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

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

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

24

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

27 a. Be of good moral character;

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

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

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

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

36

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

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

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

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

46 d. Any State licensed real estate appraiser or certified general or

1 residential real estate appraiser, who is acting within the scope of his
2 profession;

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

5 f. Any person certified or registered as a pesticide applicator
6 pursuant to subchapters 6 or 8 of chapter 30 of Title 7 of the New
7 Jersey Administrative Code ¹who is acting within the scope of the
8 practice for which he is certified or registered¹; or

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

13

14 11. Upon payment to the board of a fee and the submission of a
15 written application provided by the board, the committee shall issue a
16 home inspector license to any person who ¹]:

17 a. Holds] holds¹ a valid license issued by another state or
18 possession of the United States or the District of Columbia which has
19 standards substantially equivalent to those of this State, as determined
20 by the committee ¹]; or

21 b. Is licensed in this State to practice architecture or professional
22 engineering, or both, as the case may be, provided that the person
23 meets the requirements set forth in subsections a., b., and d. of section
24 8 of this act]¹.

25

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

33

34 13. a. The board shall by rule or regulation establish, prescribe or
35 change the fees for licenses, renewals of licenses or other services
36 provided by the board or the committee pursuant to the provisions of
37 this act. Licenses shall be issued for a period of two years and be
38 biennially renewable, except that the board may, in order to stagger
39 the expiration dates thereof, provide that those licenses first issued or
40 renewed after the effective date of this act shall expire or become void
41 on a date fixed by the board, not sooner than six months nor later than
42 29 months after the date of issue.

43 b. Fees shall be established, prescribed or changed by the
44 committee to the extent necessary to defray all proper expenses
45 incurred by the board or the committee, and any staff employed to
46 administer this act, except that fees shall not be fixed at a level that

1 will raise amounts in excess of the amount estimated to be so required.

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

5

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

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

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

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

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

22

23 ¹15. No person licensed as a home inspector pursuant to this act

24 shall engage in the practice of architecture or the practice of

25 professional engineering.¹

26

27 ¹~~15.~~ 16.¹ a. Every licensed home inspector and associate home
28 inspector who is engaged in home inspection shall secure, maintain and
29 file with the board proof of a certificate of an error and omissions
30 policy, which shall be in a minimum amount of \$500,000 per
31 occurrence.

32 b. Every proof of an errors and omissions policy required to be
33 filed with the board shall ¹provide that cancellation or nonrenewal of

34 the policy shall¹ not be effective unless and until at least 10 days'
35 notice of intention to cancel or nonrenew has been received in writing
36 by the board.

37

38 ¹~~16.~~ 17.¹ The board, after consultation with the committee, shall
39 adopt rules and regulations pursuant to the "Administrative Procedure
40 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the
41 purposes of this act.

42

43 ¹~~17.~~ 18.¹ This act shall take effect on the 180th day following
44 enactment.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3014

with committee amendments

STATE OF NEW JERSEY

DATED: AUGUST 14, 1997

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably and with committee amendments Assembly Bill No. 3014.

As amended, this bill provides for the licensing of home inspectors and associate home inspectors. It establishes a five-member "Home Inspection Advisory Committee" under the jurisdiction of the State Board of Professional Engineers and Land Surveyors in the Division of Consumer Affairs in the Department of Law and Public Safety. The committee is to consist of five members who are residents of the State and are licensed home inspectors. The committee will establish standards of practice, licensing qualifications and education programs.

To be eligible for a home inspector's license, an applicant must: be of good moral character; have successfully completed high school or its equivalent; have been engaged as a licensed associate home inspector for no less than one year; have performed not less than 250 home inspections for compensation; and have passed the examination offered by the American Society of Home Inspectors (ASHI). To be eligible for an associate home inspector's license, an applicant must: be of good moral character; have successfully completed high school or its equivalent; have passed an approved course of study, as prescribed by the board; have performed not less than 50 home inspections in the presence of a licensed home inspector; and have passed the examination offered by the American Society of Home Inspectors (ASHI).

"Home inspection" is defined in the bill as 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.,

The bill stipulates that 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 the

bill.

In addition, the bill provides that 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.

The committee amended the bill to state that no person licensed as a home inspector pursuant to the bill shall engage in the practice of architecture or the practice of professional engineering. Amendments were also adopted to eliminate a provision in the bill that would have allowed a licensed architect or engineer to receive a home inspector license by satisfying certain requirements but without being required to have previously been engaged as a licensed associate home inspector for not less than a year or to have performed not less than 250 home inspections for compensation.

In addition, the committee adopted amendments clarifying language in the bill, including one provision that stipulates that the provisions of the bill do not apply to persons certified or registered as pesticide applicators when those persons are acting within the scope of practice for which those persons are certified or registered.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
ASSEMBLY, No. 3014

STATE OF NEW JERSEY

DATED: DECEMBER 29, 1997

Assembly Bill No. 3014 (1R) of 1997 provides for the licensing of home inspectors and associate home inspectors by a Home Inspection Advisory Committee under the jurisdiction of the State Board of Professional Engineers and Land Surveyors in the Division of Consumer Affairs in the Department of Law and Public Safety.

The five-member committee would be appointed by the Governor and would be responsible for issuing licenses for home inspection, establishing standards for the continuing education of home inspectors and promulgating a code of ethics and standards of practice for licensed home inspectors. The committee would meet at least twice a year and members would be compensated and reimbursed for their expenses and provided with meeting and office facilities. Personnel necessary for the business of the committee would also be funded under the bill.

Candidates for licensing would be required to be of good moral character, to have a high school degree or its equivalent, to have completed a specified number of home inspections and to have passed an examination offered by the American Society of Home Inspectors. Licensees would also be required to maintain insurance against errors and omissions in the minimum amount of \$500,000 per occurrence.

The bill permits the board to establish fees for licensing and other services in an amount sufficient to defray proper administrative expenses in implementing the provisions of the bill. The General Fund would be the repository of all fees and fines imposed by the board under the bill.

An informal estimate by the department indicates approximately 400 home inspectors and 400 associate home inspectors would be subject to the provisions of the bill. The department estimates that the cost of the bill during the first year after enactment would total \$120,000. This figure includes \$39,000 for the salaries and fringe benefits of a part-time (10 percent) executive director, a part-time (50 percent) clerk and a part-time (50 percent) data entry operator; \$13,000 for supplies and maintenance; \$15,000 for data processing and other services; \$35,000 for legal purposes; \$12,000 for administrative overhead and \$6,000 for equipment. After adjusting for inflationary increases and certain one-time costs, the department estimates second and third-year costs to be \$105,000 and \$116,000, respectively.

To defray these administrative costs, the department estimates

home inspectors would be required to pay a \$125 initial application fee and a separate \$150 biennial registration fee. Associate home inspectors would be required to pay a \$75 initial application fee and a separate \$100 biennial registration fee. The department estimates that the total number of licensees will increase to 1,000 in the second year of the bill's enactment and 1,200 in the third year. Over the first three years, these fees would produce approximately \$375,000 in revenue, which would be sufficient to offset the bill's estimated three-year cost.

The Office of Legislative Services concurs with this estimate.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.