



Greater Albuquerque Association of REALTORS®

Home Inspector Licensing Act – 2019

Bill Review Meeting

GAAR REALTOR® Building
1635 University Blvd. NE
Albuquerque, NM 87102

NOTICE: All the language herein is to be considered draft only and not a final version. For official bill language please consult the NM Legislature website at https://www.nmlegis.gov/Legislation/Bill_Finder. Official bills are available only after they are submitted by a legislative member.

Section 1. Short Title - “Home Inspector Licensing Act”

Section 2. Definitions - Sets forth definitions of terms used in bill

Section 3. NM Home Inspectors Board Created -

- A. Administratively attached to NM Regulation and Licensing Dept.
- B. Shall consist of 5 members appointed by the Governor
 - Shall be residents of NM
 - Three shall be Home Inspectors
 - One shall be a Real Estate Qualifying Broker or Associate Broker
 - One shall be a member of the public who has never been licensed as a RE Broker or Home Inspector
 - All appointees shall be from different counties
 - Initial Home Inspector members have been actively and lawfully engaged in home inspections for 2 years minimum and meet requirements in the bill
- C. Board members shall serve for five years, staggered terms
- D. Members shall elect a chair
- E. Members receive per diem and mileage
- F. Members will possess all powers and perform all duties prescribed in the Act

G. The Board Shall:

- (1) Adopt Rules
- (2) Adopt and publish a code of ethics and standards of practice
- (3) Issue, renew, suspend, revoke licenses
- (4) Establish standards for training and continuing education
- (5) Establish fees charged for examinations and licenses
- (6) Adopt licensing exam
- (7) Conduct criminal background check
- (8) Maintain a list of names of all licensees
- (9) Maintain a statement of funds and disbursements
- (10) Mail copies of statements upon request
- (11) Perform other duties as required

H. Publish notice of proposed rule changes and hold hearings

Section 4. A. Pre-Inspection Agreement – Home Inspector shall enter into agreement prior to Inspection

B. Home Inspector shall provide report to client in a timely manner

C. Building code disclosure – indemnification

D. Contractual provisions do not supersede or limit the liability of licensed home inspector

Section 5. A. A person who is not licensed shall not:

(1) Conduct home inspections

(2) Use the title “Home Inspector” or use “certified, registered or licensed”

(3) Refer to the inspection or report as “Certified or licensed”

B. All home inspectors working for a business entity shall be licensed

C. A business entity cannot use “home inspectors” to describe the business unless all home inspectors in that business are licensed

D. Home inspector licensure does not apply to:

(1) licensed - architect, real estate broker (QB or AB), real estate appraiser or pest control operator

(2) licensed – electrician, contractor, plumber, HVAC contractor

(3) regulated insurance adjuster

(4) government employed enforcement official

(5) someone performing residential energy audits

(6) someone home warranty evaluations

(7) Someone performing safety inspections already regulated by PRC

(8) Someone hired by the owner to provide inspections for bidding purposes of construction, remodel or repair

Section 6. Licensure

- A. An applicant shall
 - (1) complete an application
 - (2) provide proof of age, at least 18 yrs.
 - (3) Provide fingerprints
 - (4) Provide proof of insurance (Sec. 12)
 - (5) Complete 80 hours of classroom training
 - (6) Pass a national exam
 - (7) Complete 80 hours of field training
- B. Paragraphs 5 and 7 in subsection A do not apply if:
 - (1) Someone worked as a home inspector for each of preceding 24 months and:
 - (2) Performed 100 or more home inspections in the last 24 months
- C. If all requirements are met the board shall issue a license

Section 7. Fingerprints - Criminal Background checks

Section 8. License validity period - not to exceed three years

Section 9. Licensee – continuing education

Sixty hours every three years

Section 10. License recognition – Reciprocity

- A. Foreign license may be issued if applicant has a license with similar requirements from state of origin and they can be verified.
- B. The board may negotiate terms with other states

Section 11. Denial, suspension or revocation of a license

- A. The board may deny, suspend or revoke a license for cause.
(enumerated in the bill)
- B. Disciplinary proceedings shall conform to provisions of Uniform Licensing Act
- C. All licensure actions are governed by provisions of the Uniform Licensing Act

Section 12. Insurance Requirements

- A. All licensees and their employers shall carry professional liability insurance
- B. The Board may adopt rules concerning minimum terms of insurance
- C. The board is authorized to solicit bids for group E&O insurance
- D. Licensees are not required to contract with group policies

Section 13. Fees – The board shall establish, charge and collect:

- A. Initial and renewal fee no to exceed \$250
- B. a three-year fee not to exceed \$750
- C. a criminal background check fee of \$100
- D. a re-activation fee not to exceed \$200
- E. a reinstatement fee not to exceed \$200
- F. A lost or destroyed license fee not to exceed \$50

Section 14. Advertising – The term “licensed home inspector” along with the license number shall appear all advertising, correspondence and documents incidental to the business of home inspection, including the home inspection report.

Section 15. Home Inspector Fund Created

- A. Fund is created, to be administered by the board
- B. Money in the fund will be used to meet necessary expenses and enforcement related to licensing
- C. Unexpended balances shall remain in the fund

Section 16. Civil and Criminal Penalties – Injunctive relief

- A. A person who engages in the business of acts as a home inspector is guilty of a fourth – degree felony
- B. The Attorney General or District Attorney may maintain action on behalf of the State
- C. The board may impose a civil penalty not to exceed \$1000 for each violation and may assess administrative costs

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