

**SECOND ENGROSSMENT
with Senate Amendments**

Fifty-ninth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1507

Introduced by

Representatives Sitte, Keiser, Martinson

Senator Kringstad

- 1 A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century
2 Code, relating to the registering of home inspectors; and to provide a penalty.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new chapter to title 43 of the North Dakota Century Code is created and
5 enacted as follows:

6 **Definitions.** As used in this chapter, unless the context otherwise requires:

- 7 1. "Client" means a person that engages or seeks to engage the services of a home
8 inspector for a home inspection.
- 9 2. "Home inspection" means the process by which a home inspector provides a
10 nonintrusive, visual examination and written evaluation of the heating system,
11 cooling system, plumbing system, electrical system, structural components,
12 foundation, roof, masonry structure, and exterior and interior components of a
13 residential building. The term does not include an examination of items that are
14 concealed or not readily accessible or identification of concealed conditions or
15 defects.
- 16 3. "Home inspector" means an individual registered under this chapter to conduct
17 home inspections.
- 18 4. "Registrar" means the secretary of state.
- 19 5. "Residential building" means a structure consisting of not more than four family
20 dwelling units.

21 **Home inspector registration required - Penalty.** The registrar shall issue and renew
22 registrations to home inspectors pursuant to this chapter. An individual may not perform a
23 home inspection for compensation unless registered under this chapter. An individual who
24 violates this chapter is guilty of a class B misdemeanor.

1 **Registering of home inspectors.** An applicant for a registration as a home inspector
2 shall file a written application in the form prescribed by the registrar. An applicant:

- 3 1. Must be at least eighteen years of age;
- 4 2. Shall submit proof of satisfactory completion of an examination on home inspection
5 offered by the American society of home inspectors, the national association of
6 home inspectors, the national association of certified home inspectors, the
7 examination board of professional home inspectors, or the international code
8 council;
- 9 3. Shall submit proof of current errors and omissions insurance coverage in an
10 amount of one hundred thousand dollars or more covering all home inspection
11 activities; and
- 12 4. Shall pay a fee of two hundred dollars.

13 **Exceptions to registration requirements.** The registration requirements of this
14 chapter do not apply to:

- 15 1. An individual employed as a code enforcement official by the state or a political
16 subdivision when acting within the scope of that employment.
- 17 2. An individual licensed, certified, or registered under this title when acting within the
18 scope of practice of that individual's profession or occupation.
- 19 3. An individual engaged as an insurance adjuster when acting within the scope of
20 that engagement.

21 **Renewal of registration.** A registration issued under this chapter expires June thirtieth
22 of each calendar year and may be renewed upon submission of a renewal fee of fifty dollars
23 and provision of proof of continuous insurance coverage as required for registration. The
24 application for renewal must be postmarked before July first of each year. The registrar shall
25 cancel the registration of an individual who fails to file a timely application for the renewal of
26 registration. The cancellation must be without notice or opportunity for hearing. An individual
27 whose registration has been canceled and who desires to reregister must file an initial
28 application, pay the initial application fee, and provide proof of current errors and omissions
29 insurance. An individual registered under this chapter may not engage in any activity under this
30 chapter after June thirtieth of any year unless that individual has a valid registration.