

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 115

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

AN ACT

RELATING TO LICENSURE; AMENDING APPROVED EXAMINATION
REQUIREMENTS FOR THE LICENSING OF NEW MEXICO HOME INSPECTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 61-24D-2 NMSA 1978 (being Laws 2019,
Chapter 239, Section 2) is amended to read:

"61-24D-2. DEFINITIONS.--As used in the Home Inspector
Licensing Act:

A. "approved examination" means a national home
inspector licensing examination that has been third-party
accredited as complying with the prevailing standards of the
Standards for Educational and Psychological Testing and
assesses an applicant's knowledge of:

(1) roofing;

(2) exterior;

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- 1 (3) interior;
- 2 (4) structure;
- 3 (5) electrical;
- 4 (6) plumbing;
- 5 (7) heating and cooling;
- 6 (8) insulation;
- 7 (9) fireplace and chimney; and
- 8 (10) ethical business practices, professional
- 9 standards and reports;

10 ~~[A.]~~ B. "board" means the New Mexico home
11 inspectors board;

12 ~~[B.]~~ C. "client" means a person or an agent of the
13 person who, through a written pre-inspection agreement, engages
14 the services of a home inspector for the purpose of obtaining a
15 report on the condition of residential real property;

16 ~~[C.]~~ D. "compensation" means the payment for home
17 inspection services pursuant to the written pre-inspection
18 agreement;

19 ~~[D.]~~ E. "foreign home inspector" means a home
20 inspector who does not hold a license but who holds a current
21 and valid home inspector license issued by another jurisdiction
22 in the United States;

23 ~~[E.]~~ F. "home inspection" means a noninvasive,
24 nondestructive examination by a person of the interior and
25 exterior components of a residential real property, including

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1 the property's structural components, foundation and roof, for
 2 the purposes of providing a professional written opinion
 3 regarding the site aspects and condition of the property and
 4 its carports, garages and reasonably accessible installed
 5 components. "Home inspection" includes the examination of the
 6 property's heating, cooling, plumbing and electrical systems,
 7 including the operational condition of the systems' controls
 8 that are normally operated by a property owner;

9 ~~[F.]~~ G. "home inspector" means a person who
 10 performs home inspections for compensation;

11 ~~[G.]~~ H. "license" means a home inspector license
 12 issued by the board in accordance with the Home Inspector
 13 Licensing Act;

14 ~~[H.]~~ I. "licensee" means the holder of a license;

15 ~~[I.]~~ J. "pre-inspection agreement" means the
 16 written agreement signed by the client and a home inspector by
 17 which a client engages the services of the home inspector and
 18 that sets forth at a minimum the following:

19 (1) the amount of compensation due and payable
 20 to the home inspector for the home inspection and delivery of a
 21 report;

22 (2) a list of all components and systems that
 23 will be inspected; and

24 (3) the date by which the client will receive
 25 the report;

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1 ~~[J-]~~ K. "report" means a written opinion prepared
2 by a home inspector pursuant to the terms of a pre-inspection
3 agreement regarding the functional and physical condition of
4 the residential real property as determined by a home
5 inspection conducted by a home inspector; and

6 ~~[K-]~~ L. "residential real property" means any real
7 property or manufactured or modular home that is used for or
8 intended to be used for residential purposes and that is a
9 single-family dwelling, duplex, triplex, quadplex or unit, as
10 "unit" is defined by the Condominium Act."

11 **SECTION 2.** Section 61-24D-3 NMSA 1978 (being Laws 2019,
12 Chapter 239, Section 3, as amended) is amended to read:

13 "61-24D-3. NEW MEXICO HOME INSPECTORS BOARD--CREATED--
14 POWERS AND DUTIES.--

15 A. The "New Mexico home inspectors board" is
16 created and is administratively attached to the regulation and
17 licensing department.

18 B. The board shall consist of five members,
19 appointed by the governor, who have been residents of the state
20 for at least three consecutive years immediately prior to their
21 appointment. Three members shall be home inspectors. One
22 member shall be a real estate qualifying or associate broker
23 licensed in accordance with Chapter 61, Article 29 NMSA 1978,
24 and one member shall be a member of the public who has never
25 been licensed as a home inspector or real estate broker. No

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1 more than one member shall be a resident of any one county in
 2 the state. The initial home inspector members appointed shall
 3 demonstrate that they have been actively and lawfully engaged
 4 in home inspections for at least twenty-four months prior to
 5 the effective date of the Home Inspector Licensing Act and have
 6 met the requirements of Paragraphs (1) through (4) of
 7 Subsection A of Section 61-24D-6 NMSA 1978. The initial home
 8 inspector members appointed shall comply with Paragraph (6) of
 9 Subsection A of Section 61-24D-6 NMSA 1978 within six months of
 10 the effective date of the licensing examination rule
 11 promulgated by the board in accordance with the State Rules
 12 Act. After the board is initially established, any replacement
 13 of a home inspector member shall be a licensee.

14 C. Board members shall serve for five years or
 15 until their successors are appointed and qualified. The
 16 governor may remove a member with or without cause. In the
 17 event of a vacancy, the governor shall appoint a member to
 18 complete the unexpired term. The initial board members
 19 appointed shall serve staggered terms from the date of their
 20 appointment as follows:

- 21 (1) two members for three-year terms;
- 22 (2) two members for two-year terms; and
- 23 (3) one member for a one-year term.

24 D. The board shall elect annually from among its
 25 members a chair and other officers as the board determines.

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1 The board shall meet at times and places as fixed by the board.

2 A majority of the board constitutes a quorum.

3 E. Members of the board may receive per diem and
4 mileage as provided in the Per Diem and Mileage Act but shall
5 receive no other compensation, perquisite or allowance.

6 F. The board shall possess all powers and perform
7 all duties prescribed by the Home Inspector Licensing Act and
8 as otherwise provided by law and may promulgate rules in
9 accordance with the State Rules Act to carry out the provisions
10 of the Home Inspector Licensing Act.

11 G. Pursuant to the provisions of the Home Inspector
12 Licensing Act, the board shall:

13 (1) adopt rules and procedures necessary to
14 administer and enforce the provisions of the Home Inspector
15 Licensing Act;

16 (2) adopt and publish a code of ethics and
17 standards of practice for persons licensed under the Home
18 Inspector Licensing Act;

19 (3) issue, renew, suspend, modify or revoke
20 licenses to home inspectors in accordance with the Uniform
21 Licensing Act;

22 (4) establish standards for the training,
23 experience and continuing education requirements of the Home
24 Inspector Licensing Act;

25 (5) establish the amount and administer the

1 fees charged for examinations, initial licensure, license
 2 renewals, reinstatement of revoked or suspended licenses,
 3 reactivation of inactive or expired licenses, criminal
 4 background checks and other services pursuant to the provisions
 5 of the Home Inspector Licensing Act;

6 (6) adopt ~~[and approve a licensing]~~ an
 7 approved examination, which may be administered by a nationally
 8 accepted testing service ~~[as determined by the board]~~, in
 9 strict compliance with federal Americans with Disabilities Act
 10 of 1990 accommodations as required by law;

11 (7) conduct state and criminal background
 12 checks on all applicants for a license;

13 (8) maintain a list of the names and addresses
 14 of all licensees and of all persons whose licenses have been
 15 suspended or revoked within that year, together with such other
 16 information relative to the enforcement of the provisions of
 17 the Home Inspector Licensing Act;

18 (9) maintain a statement of all funds received
 19 and a statement of all disbursements;

20 (10) mail copies of statements to any person
 21 in this state upon request; and

22 (11) perform other functions and duties as may
 23 be necessary to administer or carry out the provisions of the
 24 Home Inspector Licensing Act."

25 **SECTION 3.** Section 61-24D-6 NMSA 1978 (being Laws 2019,

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1 Chapter 239, Section 6, as amended) is amended to read:

2 "61-24D-6. LICENSURE.--

3 A. Unless otherwise provided in the Home Inspector
4 Licensing Act, an applicant for a license shall:

5 (1) complete an application on forms provided
6 by the board;

7 (2) provide documentation to establish that
8 the applicant is at least eighteen years of age;

9 (3) provide the board with the applicant's
10 fingerprints and all information necessary for a state and
11 national criminal background check;

12 (4) provide proof of and maintain insurance
13 coverage as provided in Section 61-24D-12 NMSA 1978;

14 (5) have completed at least eighty hours of
15 classroom training, the content of which shall be established
16 by rule of the board;

17 (6) pass [~~a national home inspector licensing~~]
18 an approved examination and any additional New Mexico-specific
19 licensing examinations as prescribed by the board; and

20 (7) have completed at least eighty hours of
21 field training, or its equivalent, as determined by the board.

22 B. Paragraphs (5) and (7) of Subsection A of this
23 section shall not apply to a person who has:

24 (1) worked as a home inspector in each of the
25 twenty-four months immediately preceding the effective date of

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1 the Home Inspector Licensing Act; and

2 (2) performed at least one hundred home
3 inspections for compensation in the twenty-four months
4 immediately preceding the effective date of the Home Inspector
5 Licensing Act.

6 C. After the board's review of all information
7 obtained by the board and submitted by the applicant as
8 required by this section, if all of the requirements for
9 licensure are met, the board shall issue a license to the
10 applicant."

11 SECTION 4. EFFECTIVE DATE.--The effective date of the
12 provisions of this act is July 1, 2023.

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