

# GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

## Legislative Fiscal Note

**BILL NUMBER:** Senate Bill 1007 (Fifth Edition)

**SHORT TITLE:** Amend Home Inspector Licensure Laws.

**SPONSOR(S):** Senator Hoyle

<b>FISCAL IMPACT (\$ Dollars)</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>REVENUES:</b>					
<b>NC Home Inspector Licensure Board</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$750)</b>	<b>(\$750)</b>	<b>(\$750)</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Home Inspector Licensure Board					
<b>EFFECTIVE DATE:</b> Effective when bill become law					

### **BILL SUMMARY:**

Senate Bill 1007 increases the total number of continuing education requirements of licensed home inspectors, requires licensed home inspectors to complete an education program focused on inspection technique and reporting requirements, authorizes the Home Inspector Licensure Board to establish an education program to replace the associate home inspector license, requires licensed home inspectors to maintain certain insurance requirements, and requires licensed home inspectors to include certain information in home inspection reports.

*Source: Adopted from the Bill Summary done by the Committee Counsel to House Commerce on July 28, 2009.*

### **ASSUMPTIONS AND METHODOLOGY:**

Senate Bill 1007 makes certain changes to the licensing requirements for home inspectors. Among these changes, the bill phases out the associate home inspector license. It provides that the Home Inspector Licensure Board may not accept applications for associate licenses after April 1, 2011 and that the Board may not renew associate licenses after October 1, 2013.

The associate home inspector license acts as an apprentice program for home inspectors. Therefore, individuals licensed as associate home inspectors will become relicensed as home

inspectors within the deadline regardless of the passage of the bill. As a result, there will be no fiscal impact from the phasing out of associate license renewals.

By phasing out the applications for new associate licenses, individuals who would have been interested in the associate home inspector license will instead go through an educational program before receiving a home inspector license. There is not a fee established for the educational program whereas there had been a \$15 fee for the associate home inspector license. The Board receives on average 50 applications for associate home inspectors. The phasing out of new associate licenses will result in a revenue loss equal to the 50 applications multiplied by the \$15 fee. This results in a revenue loss of \$750 starting in FY 2011-12. While the bill makes other changes, these changes are not expected to have a significant fiscal impact.

**SOURCES OF DATA:** NC Home Inspector Licensure Board

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** August 7, 2009



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