

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 469 (Senator Kasemeyer)
Finance

Referred to Economic Matters

Home Inspectors - Disclosure Requirements and Inspection Standards

This amended bill defines home inspection as a limited survey of a building for the purpose of evaluating the overall condition of a building and identifying and reporting in writing any major visible and accessible defects in the building. The bill requires certain disclosures to be made before a home inspector accepts payment for an inspection, rather than simply before a home is inspected, as under current law. A home inspector must perform an inspection in accordance with standards of practice set forth by a professional home inspection trade association. The bill also transfers sections of the Real Property Article relating to home inspections to the Commercial Law Article. In addition to any other remedies otherwise available, a violation of the Home Inspectors Subtitle is an unfair and deceptive trade practice.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload. Any recovery of costs by the Attorney General resulting from actions brought under unfair and deceptive trade practices recovery provisions is indeterminate.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: It is assumed that home inspectors are almost entirely small businesses. The bill would require home inspectors to disclose certain information before accepting payment and would require home inspectors to comply with industry standards. To the extent that these requirements force home inspectors to change their current practices, there could be a meaningful impact on those small businesses.

Information Source(s): Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Maryland Insurance Administration; Department of Fiscal Services

Fiscal Note History: First Reader - February 13, 1997

brd Revised - Senate Third Reader - March 28, 1997

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