

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 317 (Delegates Morhaim and Kach)

Economic Matters

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**Business Regulation - Home Inspectors - Registration**

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This bill provides that “home inspectors” must be registered with the Department of Labor, Licensing, and Regulation (DLLR) before engaging in the business of performing “home inspections.”

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**Fiscal Summary**

**State Effect:** General fund revenue increase of approximately \$4,000 in FY 2001 and \$80 annually thereafter. Out-year revenue will be generated only by the growth in the industry and therefore will be significantly less. Any additional workload for DLLR could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** This bill defines a home inspection as a written evaluation of at least one of the following components in a residential building:

- heating/cooling systems
- plumbing system
- electrical system
- structural components
- foundation
- roof

- masonry
- any other related components

Home inspectors must register their name, business address, and business telephone number with DLLR. It also requires each inspector to pay a registration fee not to exceed \$10.

DLLR must maintain a list of registered home inspectors and is authorized to release the list to the public.

**Current Law:** There is no definition of a home inspector or home inspection nor are there any registration requirements. A home inspector is required to provide a customer a list of credentials and a disclosure statement that details the scope of the inspection and advises the customer about the limitations of a home inspection.

**State Fiscal Effect:** There are approximately 400 home inspectors in the State. Assuming all pay the \$10 fee, general fund revenue would increase by \$4,000 in fiscal 2001. Since this is a one-time fee, out-year revenues would be less. Industry growth estimates are about 2%, which would result in \$80 in annual revenue in the out-years.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2000  
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