

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**

House Bill 125                   (Delegates Morhaim and Moe)  
 Economic Matters

**Business Regulation - Home Inspectors – Registration**

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.”

**Fiscal Summary**

**State Effect:** General fund revenue increase of approximately \$4,000 in FY 2002 and \$80 annually thereafter. Out-year revenues reflect growth in the industry. Any additional workload for DLLR could be handled with existing resources.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	\$4,000	\$80	\$80	\$80	\$80
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$4,000	\$80	\$80	\$80	\$80

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal.

**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; or
- 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 revenues would increase by \$4,000 in fiscal 2002. Since this is a one-time fee, out-year revenues would be less. Industry growth estimates are about 2%, which would result in additional annual revenues of \$80 in the out-years.

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### **Additional Information**

**Prior Introductions:** This bill was introduced as HB 317 in the 2000 session and received an unfavorable report from the House Economic Matters Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 1, 2001  
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