

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** Senate Bill 617

**SHORT TITLE:** Home Inspectors

**SPONSOR(S):** Senators Seymour; et al.

**FISCAL IMPACT:**   **Expenditures:**    Increase (x)       Decrease ( )  
                           **Revenues:**            Increase (x)       Decrease ( )  
                           No Impact ( )  
                           No Estimate Available ( )

**FUNDS AFFECTED:** General Fund ( )   Highway Fund ( )   Local Fund ( )  
                           Other Fund (x) - No State funds; application,  
                           licencing and renewal fees only

**BILL SUMMARY:** Establishes the North Carolina Home Inspector Licensure Board; empowers the Board to adopt criteria for the licensing of Home Inspectors, to administer a licensing program, to impose sanctions for misconduct; sets limits on licensing fees; requires the Department of Insurance to provide clerical and staff services and to enforce rules promulgated by the Board.

**EFFECTIVE DATE:** Effective upon ratification. However, licensing is not required before March 1, 1995.

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** Department of Insurance

**FISCAL IMPACT**

	<u>FY</u> 1993-94	<u>FY</u> 1994-95	<u>FY</u> 1995-96	<u>FY</u> 1996-97	<u>FY</u> 1997-98
<b>EXPENDITURES</b>					
<b>RECURRING</b>	\$20,590	\$12,560	\$12,560	\$12,560	\$12,560
<b>NON-RECURRING</b>					
<b>REVENUES/RECEIPTS</b>					
<b>RECURRING</b>	-0-	\$100,000	\$40,000	\$43,300	\$48,300
<b>NON-RECURRING</b>					

**POSITIONS:**

**ASSUMPTIONS AND METHODOLOGY:**

1. Based upon the 1993 Assessment Report of the Legislative Committee on New Licensing Boards, it is estimated that 400 home inspectors currently practicing will acquire licenses in FY 94-95 to meet the March 1, 1995 statutory deadline.
2. The number of practicing home inspectors will grow by 10% each year through FY 1997-98.

3. Application, licensing, and renewal fees will be set at the midpoint of the range permitted on page 6, lines 35-45 of the bill.
4. The Licensure Board will meet six times during FY 93-94, and four times during each year thereafter.
5. The Licensure Board will spend \$10,000 for technical consulting and other services during FY 93-94 (development phase) and \$5,000 for those services in each year thereafter.
6. Impacts upon the judicial and correction systems occasioned by the criminal penalties proposed on page 7, lines 7-14 would be negligible.

**SOURCES OF DATA:** Legislative Committee on New Licensing Boards  
Assessment Report, North Carolina Homebuilders Association, Department of Insurance, Administrative Office of the Courts

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION**

733-4910

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**APPROVED BY:** TomC

**DATE:** May 6, 1993

[FRD#003]



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