

Ohio House of Representatives Economic Development, Commerce and Labor Committee

Proponent Testimony House Bill 211

Scott Williams, Ohio Realtors

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Chairman Young, Ranking Member LePore-Hagan and members of the House Economic Development, Commerce and Labor Committee. My name is Scott Williams, I am the Vice President of Public Policy for the Ohio Realtors. I am before you today to testify as a proponent of House Bill 211. Previously you have heard from the leadership of our association that home inspection is one of the last unregulated real estate-related industries. At least 30 states have some form of home inspector licensing or registration requirements. House Bill 211 proposes reasonable industry standards and consumer protections. I will not go back over their testimony, but only provide comments on what has occurred since the last hearing for House Bill 211.

The sub – bill that you have before you today is the product of many meetings and many hours spent with Chairman Young, Representative Hughes and their staff. During those meetings input was given by representatives of the home inspection profession, the Department of Commerce the Division of Real Estate and Professional licensing, the Ohio Homebuilders Association and the Ohio Realtors. A majority of the suggestions that were made during those meetings comprise the bill you have before you and we believe is worthy of your support.

House Bill 211 now establishes a regulating board, given powers and duties in much the same way Commerce oversees real estate appraisers, real estate sales persons and brokers. The Board will include representation from the Home Inspector Profession, will adopt standards for practice, requirements for education and provide an opportunity for a consumer to have a complaint addressed.

A great deal of attention was given during these discussions to ensure that the requirements to act as a home inspector were such that they would protect consumers, but also not be overly burdensome, intrusive or represent a significant barrier to those already practicing in the current unregulated environment. The removal of the requirement for an inspector to carry Errors and Omissions insurance and instead establish a recovery fund was done not only to be consistent with real estate license law, but also to not overburden inspectors within their own businesses.

Opportunities for education were also expanded to include not only traditional classroom sessions, but also allow for on-line or distance learning courses. These classes offered through distance education means would still require a period of practical experience and passage of the same state examination.

The grandfathering opportunities were expanded to 8, by demonstrating 3 of the criteria a current home inspector can be granted a license. These were suggestions by the industry of the types of activities that quality inspectors would be doing and as such should qualify for licensure. These range from years in business, number of inspections and holding a similar license in good standing from another state.

There is also a change to how a real estate licensee may counsel a client on the use of an inspector. While it has been common practice for some, and certainly a strong recommendation of the Association, a real estate license must now give no fewer than three name of licensed inspectors if they make a recommendation. This was done to address the perception that there needs to exist some separation from the sales person and the inspectors. There was also language added to provide a consumer with additional information about the role of the inspector and how a home inspection should be interpreted. All valid suggestions by the industry.

In closing let me reiterate that the bill before you represents the input of all involved with the licensure of this industry. The regulators representing consumers and process, the industry itself and representatives of the real estate industry. Versions of this legislation have been around long before I began with the Ohio Realtors 15 years ago. House Bill 211 through the committed work of the industry, represents the most inclusive and responsible legislation to date. I would be remiss if I did not take a moment to thank the Chairman and the sponsor as well as their staff for the hours they dedicated to crafting this legislation. I especially need to thank the inspectors themselves, who took time away from their jobs to come to Columbus to offer valuable input to ensure that the licensure of home inspectors is not overly onerous while at the same time, not only elevating the profession but also providing much needed oversight and consumer protections.

With that I respectfully ask for your support of Substitute House Bill 211 and will be happy to answer any questions at this time.