



Occupational Licensing Board Review Testimony Ohio Home Inspector Board

Senate Transportation, Commerce and Workforce Committee June 10, 2020

Chairman McColley, Vice Chair Johnson, Ranking Member Antonio, and members of the Senate Transportation, Commerce and Workforce Committee, my name is Anne Petit and I am the Superintendent of the Division of Real Estate & Professional Licensing at the Ohio Department of Commerce. Thank you for the opportunity to provide information on the Ohio Home Inspector Board.

The Ohio Home Inspector Board ("Board") was created through the recent enactment of Senate Bill 255 of the 132nd General Assembly. This regulation originated in HB 211, sponsored by then-Representative Jim Hughes and was the result of over a dozen interested parties meetings and numerous drafts. HB 211 which passed the House by a vote of 87-7 and cleared this Committee with only two dissenting votes eventually was amended into SB 255, overwhelmingly passed by both chambers and signed into law by the Governor.

The Board is responsible for regulating the licensure and performance of home inspectors in Ohio, while Home Inspector Law is administered by the Division of Real Estate & Professional Licensing ("Division"). Our primary goal, as established in the authorizing legislation, is to give potential homebuyers, making arguably the biggest purchase of their lives, confidence that any inspector they plan to hire is knowledgeable, properly trained and adheres to a standard of practice and ethics that is in the public interest.

The seven-member board has worked diligently to adopt rules setting out the requirements for obtaining and maintaining a license, the statutory authority for which was very thoroughly and thoughtfully set out in the bill by its drafters. These required components include: standards of practice and ethical conduct in performing inspections, including identification and avoidance of conflicts of interest; fees for licensure and education course providers; setting a special assessment amount in order to fund the Home Inspection Recovery Fund; approval of experience curriculum for pre-licensure; and licensure of non-resident home inspectors.

In addition to drafting the program rules, the Division has worked to create forms, implement necessary IT solutions, and receive and process "grandfather" applications. During the grandfather period set forth in SB 255, the Division received over 1,000 "grandfather" applications resulting in 950 licenses issued. Once new applications are available, we anticipate that Ohio will have between 1,100 and 1,500 active home inspectors. Since the effective date of the bill, all functions of the Program have been supported by staff of other programs within the Division. Once the program is fully operational, the Division expects up to four full-time employees fulfilling these needs.

Of the 34 states currently regulating home inspectors, the licensing requirements in Ohio are substantially similar to most other states. And, although there are no national uniform licensure requirements for home inspectors, the Board did incorporate a majority of components into the Standards of Practice rule from the two professional member organizations' standards, both of which have been in existence for decades, are commonly accepted nationwide, and whose organizations were proponents of SB 255.

If an individual wishes to be a licensed home inspector in Ohio, they must satisfy the following requirements: completion of an application form, proof of meeting minimum competency, completion of a criminal history check, acknowledgement that they will comply with O.R.C. 4764 and rules promulgated thereunder, and remittance of an application fee. So long as the applicant meets or exceeds these statutory criteria, they will be issued a license allowing them to serve Ohio's home buying and selling public. There are licensure exemptions for individuals operating within the scope of another professional license. Those individuals include certified building code personnel, certified architects, registered professional engineers, individuals licensed as a specialty contractor with the Ohio Construction Industry Licensing Board, licensed real estate appraisers, licensed commercial applicators of pesticide, public insurance adjusters holding a valid certificate of authority, and licensed real estate brokers, real estate salespersons, foreign real estate dealers, and foreign real estate salespersons.

In summary, I ask you to please support the efforts of the Division and Board to successfully stand up this new program as intended by this legislature, fulfilling our agency mission to promote prosperity for businesses and the state by protecting what matters most to Ohioans. While the Board is still in the process of implementing the Home Inspector Program, we have worked to carefully craft rules that strike the appropriate balance to ensure competition within the industry and increase economic opportunities amongst its members while protecting consumers in all aspects of the home buying and selling transaction.

Mr. Chairman and members of the committee, thank you for the opportunity to present information on this board, and I would be happy to answer any questions you may have.