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To: Senate Commerce Committee

Date: January 23, 2013

Subject: **SB 37** – Supporting Removal of the Sunset from the Kansas Home Inspectors Professional Competence and Financial Responsibility Act

Chairperson Lynn and members of the Senate Commerce Committee, thank you for the opportunity to provide written comments on behalf of the Kansas Association of REALTORS® in support of **SB 37**, which would remove the sunset from and permanently extend the provisions of the Kansas Home Inspectors Professional Competence and Financial Responsibility Act. Through the comments expressed herein, it is our hope to provide additional legal and public policy context to the discussion on this issue.

During the 2008 Legislative Session, the Kansas Legislature overwhelmingly approved **2008 HB 2315**, which established the Kansas Home Inspectors Professional Competence and Financial Responsibility Act. At that time, this legislation was supported by consumer advocates, professional home inspectors and REALTORS® with the intent of creating a limited amount of regulation over the home inspection industry.

Kansas REALTORS® believed at the time, and continue to believe, that the passage of this legislation was a major step forward in protecting consumers from receiving home inspection services from unqualified individuals and ensuring that the home inspection industry was regulated by the state in a manner that would protect consumers. As a result of nearly three years of continuous dialogue with members of the home inspection industry, this act represented and still represents a carefully-constructed compromise to protect consumers while at the same time not unduly harming the home inspection industry.

During the 2009 Legislative Session, the Kansas Legislature enacted legislation to make several substantive and technical changes to the act based upon feedback received from members of the home inspection industry. In order to ensure that these changes did not cause unintended consequences and to ensure that the changes were reviewed again by the Kansas Legislature after several years, the conference committee inserted the current sunset clause into the statute.

To my knowledge, there have been no reports of pending litigation against the Kansas Home Inspectors Registration Board (KHIRB) and no major problems with the act have been reported by professional home inspectors registered by KHIRB over the last four years. Accordingly, we believe that the “due diligence” period required by the sunset clause has been satisfactorily completed and now is the time to remove the sunset clause and permanently extend the provisions contained in the act.

The Kansas Home Inspectors Registration Board (KHIRB) is completely self-funded through the minimal registration fees paid by registered home inspectors (no registration fees were charged in FY 2013) and no appropriations are allocated from the state general fund (SGF) to offset the costs of regulating the home inspection industry. In our opinion, the very small footprint of the Board is sufficient to adequately regulate the industry and does not impose a significant burden on registered home inspectors.

For all the foregoing reasons, we would urge the members of the Senate Commerce Committee to strongly support the provisions of **SB 37** to remove the sunset from the Kansas Home Inspectors Professional Competence and Financial Responsibility Act. Thank you for the opportunity to provide written comments to the committee on this issue.

Senate Commerce Committee

Date: 1-23-13

Attachment: 5 5-1