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Testimony re: SB 37

House Commerce, Labor and Economic Development Committee

Presented by Ronald R. Hein

on behalf of

Kansas Association of Real Estate Inspectors

March 12, 2013

Mister Chairman and Committee Members,

My name is Ron Hein and I am legislative counsel for Kansas Association of Real Estate Inspectors (KAREI). KAREI is the professional trade association for individuals who inspect real estate, primarily residential homes, in order to protect individual home buyers from electrical, plumbing, mechanical, construction, or other problems that might otherwise be undetected by home buyers. KAREI is comprised of approximately 120 real estate inspectors in the state of Kansas.

KAREI requested introduction of and supports SB 37. As a brief history, in 2008 the real estate inspection industry realized that consumer protection legislation was necessary to insure that real estate inspectors met minimum qualifications in order to protect the public. Real estate inspectors hold themselves out to the public as being capable of inspecting a house that, for most individuals, is the largest single purchase they will make in their entire lifetime.

As a result, legislation was enacted in 2008 to insure minimum requirements for persons holding themselves out to the public as real estate inspectors. That legislation established a board which performs the regulatory functions much as other fee agencies do with no cost to the State General Fund.

At the time the legislation was enacted, there were some inspectors who did NOT want to have to be regulated by the state. A major opponent of the legislation lived in the Senate district of then Senator David Wysong, and in response to his constituent's concerns, the bill was amended at Sen. Wysong's request to provide for a sunset clause. If this legislation to remove the sunset clause is not approved this year, the entire regulation process for home inspectors will terminate.

This program has worked very well and the public now can be assured that properly educated and trained real estate inspectors are inspecting homes when they make a purchase.

Without this legislation, real estate agents are at greater risk of liability for harm resulting to home purchasers and sellers, home purchasers are at risk of harm, and litigation in home sales would be more likely.

The fee structure is very similar for that of other similarly situated professionals subject to a fee funded agency's oversight. The board that oversees real estate inspectors is similar in size to the two smallest fee agencies currently provided in Kansas, those being the Board of Abstractors and the Board of Examiners of Hearing Instrument Dispensers.

KAREI strongly urges the committee to report SB 37 favorably for passage, and, if appropriate, we would ask that the committee consider placing this bill on the consent calendar.

Thank you for permitting me to testify and I would be happy to yield to questions.