

# KANSAS HOME INSPECTORS REGISTRATION BOARD

## Economic Impact Statement

### K.A.R. 130-1-1

**1. Summary and Purpose.**

K.A.R. 130-1-1 is a new regulation that establishes the required information for completing an application for initial registration. The information is expected to allow the board to identify and communicate with each applicant and to determine whether the applicant meets the statutory requirements for registration.

**2. Federal law mandate.**

This regulation is not required by federal law, and is not mandated as a condition to receiving federal funds.

**3. Anticipated costs associated with this regulation.**

The costs associated with this regulation are minimal to both the agency and to an applicant for registration. The regulation requires documentation that an applicant should already possess if that applicant is qualified for registration. An applicant may desire to keep a copy of documentation that is provided to the board as required by this regulation, and as a result copying costs may be associated with this regulation.

There are no foreseeable costs to other persons or state agencies as a result of this regulation.

**4. Less costly or less intrusive means considered.**

Providing assurances that a person meets the statutory requirements for registration might be accomplished through electronic documentation received directly from third-party institutions, such as educational providers, insurers, and banks. The board does not presently have the human and computer resources for receiving and managing that type of electronic data at the present time. When those resources are available, the regulation may be reviewed to determine whether modifications are necessary.

# **KANSAS HOME INSPECTORS REGISTRATION BOARD**

## **Economic Impact Statement**

### **K.A.R. 130-1-2**

#### **1. Summary and Purpose.**

K.A.R. 130-1-2 is a new regulation that establishes the required information for completing an application for registration renewal. The information is expected to allow the board to update data, communicate with each registrant, and determine whether the registrant meets the statutory requirements for renewal.

#### **2. Federal law mandate.**

This regulation is not required by federal law, and is not mandated as a condition to receiving federal funds.

#### **3. Anticipated costs associated with this regulation.**

The costs associated with this regulation are minimal to both the agency and to an applicant for renewal. The board anticipates online renewals to be available in the future, reducing the need for printing and mailing costs.

There are no foreseeable costs to other persons or state agencies as a result of this regulation.

#### **4. Less costly or less intrusive means considered.**

Providing assurances that a person meets the statutory requirements for registration might be accomplished through electronic documentation received directly from third-party institutions, such as educational providers, insurers, and banks. The board does not presently have the human and computer resources for receiving and managing that type of electronic data at the present time. When those resources are available, the regulation may be reviewed to determine whether modifications are necessary.

## **KANSAS HOME INSPECTORS REGISTRATION BOARD**

### **Economic Impact Statement**

#### **K.A.R. 130-1-3**

**1. Summary and Purpose.**

K.A.R. 130-1-1 is a new regulation that establishes the standards for approval of an examination required initial registration. These standards address the exam content, administration, and manner of determining whether an individual passed or failed.

**2. Federal law mandate.**

This regulation is not required by federal law, and is not mandated as a condition to receiving federal funds.

**3. Anticipated costs associated with this regulation.**

There are no foreseeable costs to the agency, other persons or state agencies as a result of this regulation.

**4. Less costly or less intrusive means considered.**

A board approved examination is required by statute for registration. The standards proposed in the regulation are not believed to exceed those currently followed by testing organizations that offer examinations for home inspectors.

# KANSAS HOME INSPECTORS REGISTRATION BOARD

## Economic Impact Statement

### K.A.R. 130-2-1

#### 1. Summary and Purpose.

K.A.R. 130-2-1 is a new regulation that establishes the fees associated with registration, renewal of registration, and obtaining a copy of a registration.

#### 2. Federal law mandate.

This regulation is not required by federal law, and is not mandated as a condition to receiving federal funds.

#### 3. Anticipated costs associated with this regulation.

K.S.A. 2008 Supp. 58-4509(a) requires registration by July 1, 2009 for home inspectors in counties with a population of 60,000 or more, and by January 1, 2011 in the remaining counties. The board is to adopt regulations establishing fees, with a maximum initial registration and a renewal fee of \$200. The regulation establishes a fee of \$200 for initial registration and for annual renewal of the registration.

The current downturn in residential real estate transactions resulted in a reduction of the number of individuals performing inspections. The board anticipates 150 applications for initial registration prior to July 1, 2009, and the same number of renewals prior to July 1, 2010. An additional 50 applications for initial registration are expected in the second year if the residential real estate market transactions increase. These numbers represent inspectors in counties having a population of more than 60,000. An additional 75 initial registrations are anticipated prior to January 1, 2011, and those additional registrations are expected to renew for following years. These additional applications would come from counties having a population of less than 60,000. No other significant increases in initial registrations can be calculated at this time. Based upon the foregoing, the revenue anticipated is as follows:

	<b>Initial</b>	<b>Renewal</b>	<b>Annual Revenue</b>
<b>July 1, 2009</b>	150	0	<b>(FY10) \$30,000</b>
<b>July 1, 2010</b>	50	150	
<b>January 1, 2011</b>	75		<b>(FY11) \$55,000</b>
<b>July 1, 2011</b>		200	
<b>January 1, 2012</b>		75	<b>(FY12) \$55,000</b>

These estimates establish two groups for renewal, with the majority renewing July 1 and the remainder January 1. As the numbers become more predictable, consideration will be given to establishing a uniform renewal date and a multi-year registration.

The regulation also establishes a fee of \$10 for obtaining a copy of a registration. This fee is expected to cover the cost to the agency for time, printing and mailing the copy. Estimates on the amount of anticipated revenue cannot be calculated.

**4. Less costly or less intrusive means considered.**

The agency has not yet experienced full operation, and as a result the actual costs for operation are speculative. Some expenses have been incurred, though some of these expenses are associated with startup and are not expected to recur each year. When the actual costs of regular operation are better able to be predicted and when unpaid startup costs are paid, the board expects to reevaluate these fees and adjust them accordingly.

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## **Economic Impact Statement**

### **K.A.R. 130-3-1**

#### **1. Summary and Purpose.**

K.A.R. 130-3-1 is a new regulation that establishes the standards for approval of educational programs. An applicant for initial registration must either complete a course of study offered by a provider approved by the board or meet one of the two grand-parenting provisions in K.S.A. 2008 Supp. 58-4509(c)(8)(B).

#### **2. Federal law mandate.**

This regulation is not required by federal law, and is not mandated as a condition to receiving federal funds.

#### **3. Anticipated costs associated with this regulation.**

Board is aware that at least some programs believed to be acceptable will meet the requirements of this regulation without additional expense. Programs that offer courses of less than 80 hours, that offer core curriculum topics through distance learning methods, or that do not require a comprehensive examination of individuals in the program, will either fail to receive approval or will bear the costs of upgrading to meet the requirements of the regulation. The board cannot calculate those costs of upgrading.

There may be costs to the agency associated with this regulation. Those costs primarily involve board meeting expenses for reviewing programs. Those costs cannot be calculated at this time.

This regulation does not exclude persons who are now performing inspections but who attended programs that would not meet the standards established by this regulation if those persons meet the grand-parenting provisions cited above.

#### **4. Less costly or less intrusive means considered.**

The number of hours of instruction is established by statute and may not be reduced. Consideration was given for distance learning. The nature of the profession lends itself to on-site instruction of core curriculum topics. A program may instruct in additional topics using distance learning.