

The Maine Heritage Policy Center Testimony in Opposition to LD 671

“An Act To Require Professional Licensure for Property Inspectors”

Senator Herbig, Representative Larsen-Daughtry, and distinguished members of the Committee on Innovation, Development, Economic Advancement and Business, my name is Adam Crepeau and I serve as the policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to speak in opposition to LD 671.

The Maine Heritage Policy Center opposes the establishment of another licensing regime in the state. Currently, property inspectors are not required to obtain a license from the state to practice property inspection. However, there are several private programs that train and certify people to perform home inspections that are approved by the American Society of Home Inspectors (ASHI).¹ The private sector has already adopted standards and is regulating itself, and that is where the buck should stop. How does mandating property inspectors be licensed promote the health and safety of the general public, and in what way is the health and safety of the public currently jeopardized as a property inspector performs an inspection?

This bill seems to be yet another attempt to create a financial hurdle for individuals who just want to work in our state. It would not only require people to be licensed but they would need to pay a \$100 fee to obtain and renew it. Any additional financial burden, large or small, is a great disservice to Maine workers and creates a barrier to entry for people who want to enter this profession. The Attorney General’s office said they only receive a handful of complaints on this issue.² We do not believe a handful of complaints constitutes a license requirement. Why punish all home inspectors because of the actions of a few bad actors? This is how bad public policy gets enacted.

The Maine Heritage Policy Center takes issue with the establishment of the advisor positions within this bill who would serve in a similar capacity to members on an occupational licensing board. We are particularly concerned that the appointment of two industry insiders will result in advice that could reduce competition and inflate the cost of goods and services within this



Source: Mackinac Center for Public Policy

¹ <https://icaschool.com/state-licensing/maine/>

² <https://wgme.com/features/real-estate-report/maine-lawmaker-pushes-for-home-inspector-licensing>

profession, which ultimately hurt consumers. By appointing individuals with a staked interest in their own bottom line, rules could be approved that artificially raise the cost of services incurred by consumers to generate more revenue for those currently licensed within the industry. This advisory group needs a member of the public to keep it from running amok.

A study conducted by the Mackinac Center for Public Policy proposed that lawmakers use the inverted pyramid of regulatory alternatives to occupational licensing to determine if all other regulatory options have been exhausted before implementing a new licensing regime.³ We suggest that lawmakers use this model in determining if property inspectors should be regulated or if there are alternative actions that could be taken first.

In short, we believe property inspectors can regulate themselves and that it is unnecessary for the government to get involved in licensing for this industry. We urge the committee to vote, “Ought Not to Pass” on LD 671. Thank you.

³ <https://www.mackinac.org/archives/2017/s2017-02.pdf>