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## FISCAL IMPACT REPORT

SPONSOR	<u>HCEDC</u>	LAST UPDATED	<u>2/26/2023</u>
		ORIGINAL DATE	<u>2/13/2023</u>
SHORT TITLE	<u>Psychometrically Sound Home Inspector Exam</u>	BILL NUMBER	<u>CS/House Bill 115/HCEDCS/aHJC</u>
		ANALYST	<u>Hanika-Ortiz</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

Tourism Department (NMTD)

Public Education Department (PED)

## SUMMARY

### Synopsis of HJC Amendment to HB115/HCEDCS

The House Judiciary Committee Amendment to HB115/HCEDC strikes the term “strict” as it relates to the requirement that the adopted examination be in ~~strict~~ compliance with the ADA.

### Synopsis of Original HCEDC Substitute for House Bill 115

The House Commerce & Economic Development Committee Substitute for House Bill 115 (HB115/HCEDC) amends the examination requirements for the licensing of home inspectors.

More specifically,

Section 1 amends Section 61-24D-2 NMSA 1978 to add "approved examination" to mean a national home inspector licensing examination that has been third-party accredited as complying with prevailing standards to assess an applicant's knowledge of roofing, exterior, interior, structure, electrical, plumbing, heating and cooling, insulation, fireplace and chimney building components, in addition to ethical business practices, professional standards, and reports.

Section 2 amends Section 61-24D-3 NMSA 1978 to require the New Mexico Home Inspector Board (NMHIB) to adopt an “approved examination” which is administered in strict compliance with the federal Americans with Disabilities Act of 1990 accommodations as required by law.

Section 3 amends Section 61-24D-6 NMSA 1978 to revise licensure requirements providing that an applicant shall pass “an approved” examination and any “New Mexico-specific” licensing examination as prescribed by the NMHIB.

The effective date of this bill is July 1, 2023.

## **FISCAL IMPLICATIONS**

No fiscal impact for the department. The substitute bill removes the concern from RLD that the original House Bill 115 would limit testing options for aspiring home inspectors in New Mexico.

## **SIGNIFICANT ISSUES**

The substitute bill removes the requirement that a national home inspector licensing examination be “psychometrically sound” and approved by the Public Education Department. Instead, the substitute bill would require an examination that has been third-party accredited as complying with the prevailing standards of the *Standards for Educational and Psychological Testing*.

The bill requires NMHIB to ensure testing accommodations for applicants with disabilities, most likely to ensure everyone has the same chance at succeeding, such as with extended testing time.

## **ADMINISTRATIVE IMPLICATIONS**

Home inspections fall under NMHIB rules, promulgated at Title 16, Chapter 66 NMAC.

## **OTHER SUBSTANTIVE ISSUES**

According to the United States Department of Justice, Civil Rights Division, *Disability Rights Section*, “...While many testing entities have made efforts to ensure equal opportunity for individuals with disabilities, the Department continues to receive questions and complaints relating to excessive and burdensome documentation demands, failures to provide needed testing accommodations, and failures to respond to requests for testing accommodations in a timely manner.”

AHO/al/ne/rl