

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H3/8/99 H3/11/99 H3/15/99

A Bill

Act 950 of 1999
HOUSE BILL 1563

5 By: Representatives Wilkinson, Broadway, Courtway, Lynn, Morris, *Buchanan, Milum, R. Smith, T.*
6 *Smith, Agee*
7

For An Act To Be Entitled

10 "AN ACT TO PROVIDE FOR THE PROTECTION OF NEW HOME
11 BUYERS IN ARKANSAS; AND FOR OTHER PURPOSES."

Subtitle

14 "TO PROVIDE FOR THE PROTECTION OF NEW
15 HOME BUYERS IN ARKANSAS."

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17
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Chapter 25 of Title 17 of the Arkansas Code is amended by
22 adding an additional subchapter to read as follows:

23 "17-25-501. It is the intent of this subchapter to protect the
24 purchasers of homes constructed in this state by establishing a reasonable and
25 adequate licensing and regulation of homebuilders. It is intended that this
26 subchapter apply to everyone not specifically excluded. It is also the intent
27 of this subchapter that the Residential Building Contractors Committee be
28 located with the Contractors Licensing Board and that the staff and
29 appropriation for the Contractors Licensing Board be utilized to implement
30 this subchapter.

31
32 17-25-502. For purposes of this subchapter:

33 (a) 'Committee' means the Residential Contractors Committee created by
34 this subchapter;

35 (b) 'Residential building contractor' means any person, firm,
36 partnership, co-partnership, association, corporation, or other organization

1 or any combination thereof who for a fixed price, commission, fee, or wage,
2 attempts to or submits a bid to construct or contract or undertakes to
3 construct or assumes charge in a supervisory capacity or otherwise manages the
4 construction of single family residences; and

5 (c) 'Single family residence' means any project consisting of one (1)
6 but not more than four (4) units of new construction for residential
7 occupancy, when the cost of the project is twenty thousand dollars (\$20,000)
8 or more. This definition does not apply to subcontractors of licensed
9 residential building contractors or to remodeling operations.

10
11 17-25-503. (a) There is hereby created the Residential Building
12 Contractors Committee to consist of seven (7) members.

13 (1)(A) The Governor shall appoint four (4) persons who have at
14 least five (5) years' experience in residential construction. Two (2) of the
15 four (4) residential construction members shall be appointed from a list of at
16 least ten (10) names submitted by the statewide trade organization or
17 organizations that represent the residential construction industry. No more
18 than one (1) of the four (4) residential construction members may reside in
19 the same congressional district.

20 (B) Two (2) members of the committee shall not be actively
21 engaged in or retired from the profession of residential contracting. One
22 shall represent consumers and the other shall be at least sixty (60) years of
23 age. Both shall be appointed from the state at-large, subject to confirmation
24 by the Senate. These two positions may not be held by the same person. Members
25 appointed to these two (2) positions shall be full voting members, but shall
26 not participate in the grading of examinations.

27 (C) The members shall three-year terms, except that the
28 initial appointees shall serve staggered terms determined by the Governor so
29 that two (2) serve a one-year term, two (2) serve a two-year term, and two (2)
30 serve a three-year term. No member may serve more than two (2) three-year
31 terms.

32 (2) The Governor shall designate a member of the Contractors
33 Licensing Board to serve at the Governor's pleasure as a member of the
34 residential building contractors committee and to act as chairman without the
35 power to vote.

36 (3) Three (3) voting members shall constitute a quorum.

1 (b) Committee members shall receive the same expense reimbursement and
2 stipend as provided to the Contractors Licensing Board under the procedures
3 prescribed by Arkansas Code 25-16-901 through 906. Expenses and stipends
4 shall be paid by the Contractors Licensing Board.

5 (c) The Governor shall make appointments to fill vacancies in the same
6 manner as appointments were made under subsection (a). Persons appointed to
7 fill vacancies shall serve the unexpired term of office and shall possess the
8 same qualifications as if being appointed to a full term on the committee.

9 (d) The Contractors Licensing Board shall provide staff and
10 administrative support for the committee.

11
12 17-25-504. The committee may:

13 (1) Issue, modify, suspend and revoke residential building contractor's
14 licenses;

15 (2) Establish qualifications for residential building contractor's
16 licenses;

17 (3) Enforce this subchapter and the committee's regulations;

18 (4) Issue regulations necessary for the implementation of this
19 subchapter;

20 (5) Levy civil penalties in the same amounts and under the same
21 procedures as prescribed for the Contractors Licensing Board;

22 (6) Issue orders of abatement in the same manner and to the same extent
23 as authorized for the Contractors Licensing Board; and

24 (7) Seek any other civil remedies which are available to the
25 Contractors Licensing Board.

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27 17-25-505. No person shall act as a residential building contractor
28 after July 1, 2001, unless licensed by the residential building contractors
29 committee or exempted from licensure under this subchapter.

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31 17-25-506. Applications for licensure shall be made on forms prescribed
32 by the committee and shall have attached thereto:

33 (a) A compiled financial statement with each new application; and

34 (b) Such other information as required by the committee.

35
36 17-25-507. The committee, in determining the qualifications of any

1 applicant for original license or any renewal license, shall, among other
2 things, consider the following:

3 (1) Experience;

4 (2) Ability;

5 (3) The manner of performance of previous contracts;

6 (4) Financial condition;

7 (5) Any other fact tending to show ability and willingness to conserve
8 the public health and safety; and

9 (6) Default in complying with the provisions of this subchapter or any
10 other law of the state.

11
12 17-25-508. Residential building contractors may act as such only in the
13 name under which licensed by the committee.

14
15 17-25-509. (a) Except as otherwise provided in this section, no person
16 shall be licensed as a residential building contractor unless the person has
17 passed a written examination prescribed by the committee.

18 (b) Persons licensed by the Contractors Licensing Board shall not be
19 required to submit to written examination by the committee but must meet all
20 other requirements for licensure as a residential building contractor.

21 (c) The committee shall waive the written examination for any person
22 who:

23 (1) Submits proof of having obtained five (5) building permits
24 within the three (3) years preceding the date of application; or

25 (2) One (1) building permit within the preceding twelve (12)
26 months; or

27 (3) Proof of experience in residential construction acceptable to
28 the committee if the construction was in a nonpermitting area.

29 (d) Subsection (c) expires on July 1, 2001.

30 (e) A property owner who acts as a residential building contractor for
31 the purpose of constructing his own residence is not required to be licensed
32 under this subchapter unless the person constructs more than one (1) residence
33 per calendar year.

34 (f) Any residential building contractor who constructs three (3) or
35 less single family residences per calendar year is not required to be licensed
36 under this subchapter.

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2 17-25-510. The committee may conduct hearings regarding alleged
3 violations of this subchapter or regulations promulgated thereunder and such
4 hearings shall be conducted in accordance with the Administrative Procedure
5 Act. The committee shall within a reasonable time make findings and
6 determinations as a result of the hearings.

7
8 17-25-511. Any person aggrieved by an action or decision of the
9 committee may appeal to the Contractors Licensing Board within ten (10)
10 calendar days after the action or decision under procedures prescribed by the
11 board. Aggrieved parties shall be granted an opportunity to address the board
12 regarding the committee's actions and the final actions of the board shall be
13 binding upon the committee.

14
15 17-25-512. All licenses issued by the board shall expire one (1) year
16 after the date of issuance unless otherwise provided by the committee. The
17 committee may charge reasonable examination fees and delinquency fees and may
18 charge a fee not to exceed one hundred dollars (\$100) for new licenses or
19 renewal of a license. All fees and other monies collected by the committee
20 shall be disposed of as provided by Arkansas Code 17-25-205 and shall be used
21 by the Contractors Licensing Board to implement this subchapter.

22
23 17-25-513. Nothing in this subchapter shall be construed as requiring a
24 person who acts as a residential building contractor in the construction of
25 his own residence to obtain a license from the committee unless the person
26 builds more than one (1) residence during any year."

27
28 SECTION 2. If another act of the 1999 Regular Session of the General
29 Assembly adds a new subchapter to Chapter 25 of Title 17 of the Arkansas Code,
30 the Arkansas Code Revision Commission shall renumber the subchapter, and its
31 sections, added by this act.

32
33 SECTION 3. All provisions of this act of a general and permanent nature
34 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
35 Revision Commission shall incorporate the same in the Code.

36

1 SECTION 4. If any provision of this act or the application thereof to
2 any person or circumstance is held invalid, such invalidity shall not affect
3 other provisions or applications of the act which can be given effect without
4 the invalid provision or application, and to this end the provisions of this
5 act are declared to be severable.

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7 SECTION 5. All laws and parts of laws in conflict with this act are
8 hereby repealed.

9 /s/ Wilkinson, et al

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12 APPROVED: 3/30/1999
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