

**ARKANSAS SENATE**  
83rd General Assembly - Regular Session, 2001  
**Amendment Form**

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**Subtitle of Senate Bill No. 634**

"TO REPEAL ARKANSAS LAW REQUIRING THE REGISTRATION OF HOME  
INSPECTORS."

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**Amendment No. 1 to Senate Bill No. 634.**

Amend Senate Bill No. 634 as originally introduced:

Page 1, line 10, delete "REPEAL" and substitute "AMEND AND TO REPEAL VARIOUS SECTIONS OF"

AND

Page 1, line 15, delete "REPEAL" and substitute "AMEND AND REPEAL"

AND

Delete Sections 1 and 2 and substitute the following:

"SECTION 1. Arkansas Code § 17-52-102 is amended to read as follows:  
17-52-102. Definitions.

For the purpose of this chapter:

(1) "Home inspector" means a person who engages in the business of performing home inspections for compensation and, who, in the pursuit of that independent business, undertakes or offers to undertake, or submits a bid to, or contracts or undertakes to inspect, or assumes charge, in a supervisory capacity or otherwise, or inspects the condition of a private residence on behalf of another person.

(2) "Home inspection" means a physical examination of a home made to identify visible defects or conditions that may adversely affect the function and integrity of the items, components, and systems inspected, or the health or safety of the occupants of the residence. Such inspections may include ancillary buildings.

(3) "Home or residence" means any dwelling, from one (1) to four (4) units in design intended principally for residential purposes by one (1) or more individuals.

(4) "Person" means any natural person.

~~(5) "Equivalent professional home inspector association" means a professional association determined as equivalent to the American Society of Home Inspectors, or the Arkansas Association of Real Estate Inspectors by the Secretary of State and also approved by a majority of the home inspectors~~

~~registered under this chapter at the time the determination is made.~~

~~(6) "Home inspection report" means a written report prepared for a fee and issued by a home inspector after a home inspection. The report clearly describes and identifies the inspected systems, structures, or components of the dwelling, any defects identified, and any recommendations regarding the conditions observed or recommendations for evaluation by appropriate persons.~~

SECTION 2. Arkansas Code § 17-52-103 is amended to read as follows:  
17-52-103. Application for registration.

(a) A person applying for registration, or renewal of registration, as a home inspector shall submit an application, under oath, upon a form to be prescribed by the Secretary of State which shall include as a minimum, the following information pertaining to the applicant:

(1) The name and address under which the applicant conducts business, if an individual proprietorship; the name and address of each partner or venturer, if the applicant is a party to a partnership or joint venture; or the name and address of the corporate officers and statutory agent for service, if the applicant is an employee of or party to a corporation.

(2) A certificate issued by an insurance company licensed, or surplus lines approved, to do business in the State of Arkansas that the applicant has procured ~~general errors and omissions~~ liability insurance in the minimum amount of ~~one hundred thousand dollars (\$100,000)~~ two hundred thousand dollars (\$200,000); and, if applicable, workers compensation insurance coverage.

~~(3) Evidence of one (1) of the following professional qualifications:~~

~~(A) Membership or candidacy in, and adherence to the Standards of Practice and Code of Ethics of the American Society of Home Inspectors, Inc. (ASHI), the Arkansas Association of Real Estate Inspectors (AAREI), or an equivalent professional home inspection association. Persons in candidate status must provide evidence of having successfully completed the respective professional association's certification examination.~~

~~(B) A high school diploma or its equivalent, work experience doing home inspections for at least one (1) year under the direct supervision of a registered home inspector, and completion of one hundred (100) home inspections for compensation.~~

~~(C) Current professional registration in Arkansas as an architect, architectural engineer, mechanical engineer, or structural engineer.~~

~~(D) A high school diploma or its equivalent, work experience doing home inspections for at least one (1) year, completion of at least twenty (20) home inspections for compensation, and successful completion of at least ninety (90) core hours of a real estate inspection education program.~~

~~(4)~~(3) Evidence of a positive net worth or a A surety bond payable to the Secretary of State in the amount of ten thousand dollars (\$10,000).

(b) The information contained in an application shall be a matter of public record and open to public inspection.

SECTION 3. Arkansas Code § 17-52-104 is amended to read as follows:

17-52-104. Certificates of registration.

Certificates shall be consecutively numbered by the Secretary of State. Certificates shall be issued to applicants upon the applicants' compliance with the registration requirements of this chapter. ~~All applications for registration to the office of the Secretary of State shall be reviewed by the Homes Inspector Advisory Board prior to registration. The board shall review the applications no less than once a month and immediately report back to the Secretary of State. No application shall be held without review for more than a thirty day period.~~ Certificates for the initial registration of a home inspector shall be issued for a period commencing on the date of issue and expiring on December 31 of that year. Certificates shall be renewed for a term of one (1) calendar year. Renewal shall be accomplished on or before sixty (60) days prior to the expiration date. The Secretary of State shall issue certificates to applicants upon the applicant's compliance with the registration requirements of this chapter. Records of certificates and any renewals thereof shall be filed in the office of the Secretary of State and be available to the public. All registrants will be assigned a registration number unique to that person, and that number shall never be issued to any other person. When registration is renewed, that person's registration number shall be perpetuated.

SECTION 4. Arkansas Code § 17-52-105 is amended to read as follows:  
17-52-105. Fees.

Registration and renewal fees shall be ~~seventy dollars (\$70.00)~~ one hundred dollars (\$100.00). Payments shall be to the Secretary of State and shall accompany the application to which it applies. Provided, however, the fee may be adjusted by the Secretary of State as may be necessary to cover the costs and expenses of performing the duties of the Secretary of State as required by this chapter, it being intended that the registration and renewal fees shall not produce a profit to the State of Arkansas. Prior to any adjustment to the fee, the Secretary of State shall certify to the Legislative Council of the Legislature that the adjustment is necessary in order to comply with the provisions of this chapter. All moneys received by the Secretary of State pursuant to this chapter shall be used to administer this chapter.

SECTION 5. Arkansas Code 17-52-202 is amended to read as follows:  
17-52-202. Failure to register - Standard of care.

(a) Any person who undertakes or attempts to undertake the business of home inspection without first having been registered as required by this chapter, or who knowingly presents or files false information with the Secretary of State for the purpose of registering as a home inspector, shall be deemed guilty of a ~~Class C~~ Class A misdemeanor.

(b) A person who has failed to register pursuant to this chapter shall not bring an action to enforce the provisions of any contract to provide home inspections which he or she entered into a in violation of this chapter.

~~(c) All home inspections conducted by persons registered under this chapter shall be conducted in adherence to the Standards of Practice and Code of Ethics of the American Society of Home Inspectors, the Arkansas Association of Real Estate Inspectors, or equivalent professional home inspection association. Copies of these standards shall be on deposit with the Secretary of State.~~

~~(d)(c) It is the duty of all home inspectors doing business in the State of Arkansas to conduct home inspections with the degree of care that a reasonably prudent home inspector would exercise.~~

~~(e) Nothing in this chapter shall be construed to allow home inspectors who are not registered as professional architects or engineers to perform any analysis of the systems, components, or structural integrity of a dwelling that would constitute the practice of civil, electrical, or mechanical engineering.~~

SECTION 6. Arkansas Code § 17-52-101 is repealed.

~~17-52-101. Title — Purpose.~~

~~This chapter shall be known and may be cited as "The Arkansas Home Inspectors Registration Act." It is the intent of the legislature in enacting this chapter to assure that consumers of home inspection services can rely upon the competence of home inspectors. It is the intent of the legislature that, in ascertaining the degree of care that would be exercised by a reasonably prudent home inspector, the court may consider the standards of practice and code of ethics of the American Society of Home Inspectors, the Arkansas Association of Real Estate Inspectors, or equivalent professional home inspector associations.~~

SECTION 7. Arkansas Code 17-52-107 is repealed.

~~17-52-107. Home Inspector Advisory Board.~~

~~(a) There is hereby created the Homes Inspector Advisory Board to consist of seven (7) members to include the following:~~

~~(1) Four (4) registered home inspectors to come from diverse areas of the state;~~

~~(2) One (1) member from the real estate profession;~~

~~(3) One (1) member who is a licensed real estate appraiser; and~~

~~(4) One (1) member who is a consumer advocate.~~

~~(b) The board shall:~~

~~(1) Decide the subject content and standards which will be acceptable to meet the educational standards with regard to home inspection courses as required by law; and~~

~~(2) Develop and put into place procedures for processing and resolution of any and all complaints against and by home inspectors practicing in this state.~~

~~(c) Members shall serve twelve month terms, and each member may serve a maximum of two (2) consecutive terms.~~

~~(d) The board shall choose a chairman for a twelve month term.~~

~~(e) The board shall meet at least two (2) times a year in a location decided by a majority of the board and may meet more often if necessary.~~

~~(f) The board members shall receive no compensation for their services on the board."~~

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator Bisbee

EN/VJF

VVF160

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Secretary