

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4
5 By: Senator Hoofman

A Bill

SENATE BILL 354

For An Act To Be Entitled

9 "AN ACT TO PROVIDE FOR THE LICENSURE OF RESIDENTIAL
10 BUILDING CONTRACTORS; AND FOR OTHER PURPOSES."

Subtitle

13 "TO PROVIDE FOR THE LICENSURE OF
14 RESIDENTIAL BUILDING CONTRACTORS."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. Chapter 25 of Title 17 of the Arkansas Code is amended by
19 adding an additional subchapter to read as follows:

20 "17-25-501. It is the intent of this act to protect the purchasers of
21 homes constructed in this state by establishing a reasonable and adequate
22 licensing and regulation of homebuilders. It is intended that this act apply
23 to everyone not specifically excluded. It is also the intent of this act that
24 the Residential Building Contractors Committee be located with the Contractors
25 Licensing Board and that the staff and appropriation for the Contractors
26 Licensing Board be utilized to implement this subchapter.

27
28 17-25-502. For purposes of this act:

29 (a) Committee means the Residential Contractors Committee created by
30 this act.

31 (b) Residential building contractor means any person, firm,
32 partnership, co-partnership, association, corporation, or other organization
33 or any combination thereof who for a fixed price, commission, fee, or wage,
34 attempts to or submits a bid to construct or contract or undertakes to
35 construct or assumes charge in a supervisory capacity or otherwise manages the
36 construction of single family residences.

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

6
7 17-25-503. (a) There is hereby created the Residential Building
8 Contractors Committee to consist of seven (7) members.

9 (1) The Governor shall appoint five (5) persons who have at least
10 five years experience in residential construction. Two (2) of the five
11 residential construction members shall be appointed from a list of at least
12 ten (10) names submitted by the statewide trade organization or organizations
13 that represent the residential construction industry. No more than two of the
14 five residential construction members may reside in the same congressional
15 district. The five residential construction members shall serve three year
16 terms except that the initial appointees shall serve staggered terms as
17 determined by the Governor so that one will serve a one-year term, two will
18 serve two year terms, and two will serve three year terms. No member may
19 serve more than two three year terms.

20 (2) The Governor shall designate a member of the Contractors
21 Licensing Board to serve at the Governors pleasure as a member of the
22 residential building contractors committee and to act as chairman without the
23 power to vote.

24 (3) The administrator of the Contractors Licensing Board shall
25 also serve as a non-voting member of the committee.

26 (b) Three voting members shall constitute a quorum.

27 (c) Committee members shall receive the same expense reimbursement and
28 stipend as provided to the Contractors Licensing Board under the procedures
29 prescribed by Arkansas Code 25-16-901 et seq. except that the administrator
30 shall not receive the stipend. Expenses and stipends shall be paid by the
31 Contractors Licensing Board.

32 (d) The Governor shall make appointments to fill vacancies in the same
33 manner as appointments were made under subsection (a). Persons appointed to
34 fill vacancies shall serve the unexpired term of office and shall possess the
35 same qualifications as if being appointed to a full term on the committee.

36 (e) The Contractors Licensing Board shall provide staff and

1 administrative support for the committee.

2

3 17-25-504. The committee may:

4 (1) issue, modify, suspend and revoke residential building contractor s
5 licenses;

6 (2) establish qualifications for residential building contractor s
7 licenses;

8 (3) enforce this subchapter and the committees regulations;

9 (4) issue regulations necessary for the implementation of this
10 subchapter;

11 (5) levy civil penalties in the same amounts and under the same
12 procedures as prescribed for the Contractors Licensing Board;

13 (6) issue orders of abatement in the same manner and to the same extent
14 as authorized for the Contractors Licensing Board; and

15 (7) seek any other civil remedies which are available to the
16 Contractors Licensing Board.

17

18 17-25-505. No person shall act as a residential building contractor
19 after July 1, 1999, unless licensed by the residential building contractors
20 committee or exempted from licensure under this subchapter.

21

22 17-25-506. Applications for licensure shall be made on forms prescribed
23 by the committee and shall have attached thereto:

24 (a) a certificate of general liability insurance and workers
25 compensation insurance in an amount deemed adequate by the committee,

26 (b) a compiled financial statement prepared by a certified or
27 registered public accountant in accordance with AICPA professional standards,

28 and

29 (c) such other information as required by the committee.

30

31 17-25-507. The committee, in determining the qualifications of any
32 applicant for original license or any renewal license, shall, among other
33 things, consider the following:

34 (1) Experience;

35 (2) Ability;

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

- 1 (4) Financial condition;
2 (5) Equipment;
3 (6) Any other fact tending to show ability and willingness to conserve
4 the public health and safety; and
5 (7) Default in complying with the provisions of this subchapter or any
6 other law of the state.

7

8 17-25-508. Residential building contractors may act as such only in the
9 name under which licensed by the committee.

10

11 17-25-509. Workers compensation insurance and general liability
12 insurance must be maintained continuously by the residential building
13 contractors and such insurance must be issued by an insurer authorized to do
14 business in this state. Lapse of insurance coverage constitutes grounds for
15 suspension or revocation of license.

16

17 17-25-510. (a) Except as otherwise provided in this section, no person
18 shall be licensed as a residential building contractor unless the person has
19 passed a written examination prescribed by the committee.

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

23 (c) The committee shall waive the written examination for any person
24 who:

25 (1) submits proof of having obtained five building permits within
26 the three years preceding the date of application or

27 (2) one building permit within the preceding twelve months or

28 (3) proof of experience in residential construction acceptable to
29 the committee if the construction was in a nonpermitting area. Subsection (c)
30 expires on July 1, 1999.

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

35

36 17-25-511. The committee may conduct hearings regarding alleged

1 violations of this subchapter or regulations promulgated thereunder and such
2 hearings shall be conducted in accordance with the Administrative Procedure
3 Act. The committee shall within a reasonable time make findings and
4 determinations as a result of the hearings.

5

6 17-25-512. Any person aggrieved by an action or decision of the
7 committee may appeal to the Contractors Licensing Board within ten (10)
8 calendar days after the action or decision under procedures prescribed by the
9 board. Aggrieved parties shall be granted an opportunity to address the board
10 regarding the committees actions and the final actions of the board shall be
11 binding upon the committee.

12

13 17-25-513. All licenses issued by the board shall expire one year after
14 the date of issuance unless otherwise provided by the committee. The
15 committee may charge reasonable examination fees and delinquency fees and may
16 charge a fee not to exceed one hundred dollars for new licenses or renewal of
17 a license. All fees and other monies collected by the committee shall be
18 disposed of as provided by Arkansas Code 17-25-205 and shall be used by the
19 Contractors Licensing Board to implement this subchapter.

20

21 17-25-514. Nothing in this subchapter shall be construed as requiring a
22 person who acts as a residential building contractor in the construction of
23 his own residence to obtain a license from the committee unless the person
24 builds more than one residence during any year."

25

26 SECTION 2. All provisions of this act of a general and permanent nature
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
28 Revision Commission shall incorporate the same in the Code.

29

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

35 SECTION 4. All laws and parts of laws in conflict with this act are
36 hereby repealed.