

**Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.**

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: H3/14/01 S4/12/01*

# A Bill

HOUSE BILL 2501

5 By: Representative Hunt  
6 By: *Senators Hunter, Bisbee*  
7

## For An Act To Be Entitled

10 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE  
11 TITLE 17, CHAPTER 52 CONCERNING THE REGISTRATION  
12 OF HOME INSPECTORS; AND FOR OTHER PURPOSES.  
13

### Subtitle

14 AN ACT TO AMEND THE LAW CONCERNING THE  
15 REGISTRATION OF HOME INSPECTORS.  
16  
17  
18

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

20  
21 SECTION 1. Arkansas Code 17-52-101 is amended to read as follows:  
22 17-52-101. Title - Purpose.

23 This chapter shall be known and may be cited as "The Arkansas Home  
24 Inspectors Registration Act." It is the intent of the legislature in enacting  
25 this chapter to assure that consumers of home inspection services can rely  
26 upon the competence of home inspectors. It is the intent of the legislature  
27 that, in ascertaining the degree of care that would be exercised by a  
28 reasonably prudent home inspector, the court may consider the standards of  
29 practice and code of ethics of the American Society of Home Inspectors, and  
30 the Arkansas Association of Real Estate Inspectors, ~~or equivalent~~  
31 ~~professional home inspector associations.~~  
32

33 SECTION 2. Arkansas Code 17-52-102 is amended to read as follows:  
34 17-52-102. Definitions.

35 For the purpose of this chapter:

36 ~~(1) "Home inspector" means a person who engages in the business of~~

1 performing home inspections for compensation and, who, in the pursuit of that  
2 independent business, undertakes or offers to undertake, or submits a bid to,  
3 or contracts or undertakes to inspect, or assumes charge, in a supervisory  
4 capacity or otherwise, or inspects the condition of a private residence on  
5 behalf of another person.

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

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

14 (4) "Person" means any natural person.

15 (5) "Equivalent professional home inspector association" means a  
16 professional association determined as equivalent to the American Society of  
17 Home Inspectors, or the Arkansas Association of Real Estate Inspectors by the  
18 Secretary of State and also approved by a majority of the home inspectors  
19 registered under this chapter at the time the determination is made.

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

25 (1) "Applicant" means a person who is applying for registration or  
26 renewal of registration under this chapter;

27 (2) "Board" means the Arkansas Home Inspector Registration Board as  
28 established in this chapter;

29 (3) "Client" means a person who engages the services of a home  
30 inspector for the purpose of obtaining inspection of and a written report on  
31 the condition of a residential building;

32 (4) "Competency examination" means a written examination to establish  
33 whether an applicant possesses an adequate level of knowledge of home inspection  
34 procedures and components. The examination shall be the National Home  
35 Inspectors Examination or other examination as determined by the board after  
36 appropriate public hearing;

1           (5)(A) "Core hours" means the hours of home inspector training devoted  
2 to:

3                   (i) Standards of practice used in Arkansas;

4                   (ii) Code of ethics used in Arkansas;

5                   (iii) Inspection of home exteriors, structural components,  
6 roof systems, plumbing systems, electrical systems, heating and air  
7 conditioning systems, and fireplaces and solid fuel heating devices;

8                   (iv) Inspection and evaluation of insulation and energy  
9 efficiency;

10                  (v) Grading and drainage as it affects a house;

11                  (vi) Inspection tools and use of testing equipment;

12                  (vii) Preparing legally defensible inspection reports;

13                  (viii) Practical exercises in inspecting houses;

14                  (ix) Other topics as may be added by the board.

15           (B) "Core hours" shall not include subjects which are peripheral  
16 to home inspections, like marketing, business development, advertising, and  
17 similar subjects.

18           (6) "Direct supervision" means that the supervisor observes and  
19 directs the work of the supervised person while being physically present, or  
20 reviews the supervised person's work by conducting his own physical  
21 inspection of the property and then validates the sufficiency and accuracy of  
22 the inspection report resulting from the supervised person's inspection. In  
23 either case, direct supervision includes both the supervisor and the  
24 supervised signing the inspection reports, and specifying in the reports,  
25 which means of supervision was exercised;

26           (7) "Home, house, residence, or residential building" means any  
27 dwelling, from one (1) to four (4) units in design intended principally for  
28 residential purposes by one (1) or more individuals;

29           (8) "Home inspection" means a physical examination of the readily  
30 accessible components of a home made to identify visible defects or  
31 conditions that may adversely affect the function and integrity of the items,  
32 components, and systems inspected, or the health or safety of the occupants  
33 of the residence. Home inspections may include ancillary buildings;

34           (9) "Home inspector" means a person who engages in the business of  
35 performing home inspections for compensation and, who, in the pursuit of that  
36 business, undertakes or offers to undertake, or submits a bid to, or

1 contracts or undertakes to inspect, or assumes charge, in a supervisory  
2 capacity or otherwise, or inspects the condition of a private residence on  
3 behalf of another person;

4 (10) "Home inspection report" means a written report prepared for a  
5 fee and issued by a home inspector after a home inspection. The report  
6 clearly describes and identifies the inspected systems, structures, or  
7 components of the dwelling, any defects identified, the inspector's  
8 evaluation of the significance of those defects, and any recommendations  
9 regarding the conditions observed or recommendations for evaluation by other  
10 appropriate persons;

11 (11) "Hours" means clock hours in training or in school where at least  
12 fifty (50) minutes is devoted to presentation of instruction to the students.  
13 All or portions of the remaining ten (10) minutes may be devoted to rest  
14 breaks, administrative announcements, and similar non-subject related  
15 activities;

16 (12) "National Home Inspector Examination" means the National Home  
17 Inspector examination as prepared by the Columbia Assessment Services, Inc.;

18 (13) "Person" means any natural person;

19 (14) "Resident" means home inspection training instruction in a  
20 lecture, conference, or practical exercise setting by and in the presence of  
21 a live instructor who is knowledgeable and fully conversant with the subject  
22 being presented to the students; and

23 (15) "Sponsoring agency" means the state agency or activity designated  
24 by the Governor to provide administrative support to the board as defined in  
25 this chapter. The term may also be used in this chapter to refer to that  
26 agency's designated representative.

27  
28 SECTION 3. Arkansas Code 17-52-103 is amended to read as follows:

29 17-52-103. Application for registration.

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

34 ~~(1) The name and address under which the applicant conducts~~  
35 ~~business, if an individual proprietorship; the name and address of each~~  
36 ~~partner or venturer, if the applicant is a party to a partnership or joint~~

1 ~~venture; or the name and address of the corporate officers and statutory~~  
2 ~~agent for service, if the applicant is an employee of or party to a~~  
3 ~~corporation.~~

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

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

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

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

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

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

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

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

33 (a) A person applying for registration, or renewal of registration, as  
34 a home inspector shall be of good *moral* character and shall submit:

35 (1) An application, under oath, upon a form to be prescribed by  
36 the board which shall include as a minimum, the following information

1 pertaining to the applicant:

2 (A) The name and address under which the applicant  
3 conducts business, if an individual proprietorship;

4 (B) The name and address of each partner, if the applicant  
5 is a party to a partnership or joint venture; or

6 (C) The name and address of the corporate officers and  
7 statutory agent for service, if the applicant is an employee of or party to a  
8 corporation.

9 (2) All addresses on the application must include physical  
10 addresses as well as any applicable post office boxes.

11 (3)(A) A certificate issued by an insurance company licensed, or  
12 surplus lines approved, to do business in the State of Arkansas that the  
13 applicant has procured general liability insurance in the minimum amount of  
14 one hundred thousand dollars (\$100,000); and, if applicable, workers  
15 compensation insurance coverage.

16 (B) The certificate must denote the board as the holder of  
17 the certificate.

18 (4) Proof of submission to the Secretary of State of certification  
19 that the applicant maintains an errors and omissions policy in the amount of  
20 two hundred fifty thousand dollars (\$250,000) or more.

21 (5) A certified public accountant's statement that the accountant has  
22 conducted an audit of the applicant's financial status and that the applicant  
23 has a positive net worth of ten thousand dollars (\$10,000) or greater or, in  
24 the alternative, a surety bond payable to the board in the amount of ten  
25 thousand dollars (\$10,000) may be provided.

26 (b) Persons registering for the first time shall submit evidence of a  
27 high school diploma or its equivalent, or higher educational degree,  
28 successful completion of the competency examination, and evidence of one (1)  
29 of the following professional qualifications:

30 (1) Successful completion of a resident home inspection training  
31 which meets criteria as may be established by the board and have at least  
32 ninety (90) hours of instruction with not less than seventy-five (75) of  
33 those hours being core hours as defined in this chapter; or

34 (2) Current professional registration in Arkansas as an  
35 architect, architectural engineer, mechanical engineer, or structural  
36 engineer.

1 (c) Inspectors renewing a current registration shall include evidence  
2 of having satisfactorily completed continuing education requirements for the  
3 current year.

4 (d) Inspectors seeking to renew a lapsed registration or reinstate a  
5 suspend or revoked registration will comply with rules and procedures as the  
6 board may adopt.

7 (e) Applications for registration and registration renewal as well as  
8 lists of current and previously registered inspectors shall be a matter of  
9 public record and open to public inspection.

10  
11 SECTION 4. Arkansas Code 17-52-104 is amended to read as follows:  
12 17-52-104. Certificates of registration.

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

32 (a) All applications for registration shall be reviewed and approved  
33 by the board prior to registration. No application shall be held without  
34 review for more than a thirty (30) day period after receipt by the board. The  
35 sponsoring agency shall issue registration certificates to applicants which  
36 the board has determined are in compliance with the registration requirements

1 of this chapter. Records of certificates and any renewals thereof shall be  
2 filed in the office of the sponsoring agency and be available to the public.

3 (b) Registration numbers shall be consecutively serialized by the  
4 sponsoring agency and shall be assigned only to persons who have properly  
5 applied for registration and have been determined by the board to fully meet  
6 the qualifications set forth in this chapter. All registrants will be  
7 assigned a registration number unique to that person and that number shall  
8 never be issued to any other person. When registration is renewed, that  
9 person's registration number shall be perpetuated.

10 (c) Certificates for the initial registration of a home inspector  
11 shall be issued for a period of up to two (2) years, commencing on the date  
12 of issue and expiring on a date determined by the board.

13 (d) Registration renewal shall be for a period of up to two (2) years  
14 as may be determined by the board and in accordance with rules and  
15 regulations promulgated by the board.

16 (e) Home inspectors shall present their certificate of registration at  
17 all times and shall present it to a client or prospective client upon  
18 request.

19  
20 SECTION 5. Arkansas Code 17-52-105 is amended to read as follows:

21 17-52-105. Fees.

22 Registration and renewal fees shall be ~~seventy dollars (\$70.00)~~ not  
23 less than one hundred dollars (\$100.00) per year. Payments shall be to the  
24 Secretary of State sponsoring agency and shall accompany the application to  
25 which it applies. Provided, however, the fee may be adjusted by the Secretary  
26 of State as may be necessary to cover the costs and expenses of performing  
27 the duties of the Secretary of State as required by this chapter, it being  
28 intended that the registration and renewal fees shall not produce a profit to  
29 the State of Arkansas. Prior to any adjustment to the fee, the Secretary of  
30 State sponsoring agency shall certify to the Legislative Council of the  
31 legislature that the adjustment is necessary in order to comply with the  
32 provisions of this chapter. All moneys received by the Secretary of State  
33 sponsoring agency pursuant to this chapter shall be used to administer this  
34 chapter.

35  
36 SECTION 6. Arkansas Code 17-52-106 is amended to read as follows:



1 17-52-106. Insurance.

2 In the event that the insurance coverage required pursuant to this  
3 chapter shall cease to be effective, the home inspector shall notify the  
4 ~~Secretary of State board~~, and the registration of the affected home inspector  
5 shall be suspended until the insurance is reinstated or replaced. ~~The~~  
6 ~~insurance company ceasing to provide coverage for the home inspector shall be~~  
7 ~~requested to notify the Secretary of State of the policy cancellation.~~

9 SECTION 7. Arkansas Code 17-52-107 is amended to read as follows:

10 17-52-107. Home Inspector Advisory Registration Board.

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

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

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

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

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

18 ~~(b) The board shall:~~

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

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

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

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

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

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

32 (a) The Homes Inspector Advisory Board is renamed as the Home  
33 Inspector Registration Board and subsequently, the board shall consist of  
34 seven (7) members as follows:

35 (1) Four (4) registered home inspectors;

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

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

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

3 (b) The purpose of the board shall be to oversee the home inspector  
4 registration process, promote a business atmosphere which will protect  
5 consumers of home inspection services, and encourage the presence of a viable  
6 home inspection industry in Arkansas.

7 (c)(1) Board members shall be appointed by the Governor as follows:

8 (A) For purposes of transition, the board shall initially  
9 include two (2) registered home inspectors and one (1) other, non-inspector  
10 member of the Homes Inspector Advisory Board which existed at the time of the  
11 amendment of the chapter and the transition members shall serve one-year  
12 terms.

13 (B) Four (4) new members shall be appointed by the  
14 Governor to serve two-year terms.

15 (C) Thereafter, all board members shall serve two-year  
16 terms.

17 (2) Any vacancy which may occur on the board as a result of  
18 member resignation or other reasons, may be filled by the Governor for the  
19 balance of the term of the position vacated.

20 (3) Board members may serve a maximum of three (3) complete  
21 consecutive terms.

22 (d)(1) Annually, the board shall elect by secret ballot, a chairman,  
23 vice chairman, and secretary, all to serve for twelve (12) month terms.

24 (2) The board shall meet at least twice each year in a location  
25 decided by the majority of the board and may meet more often if deemed  
26 necessary.

27 (e)(1) The board shall have the authority to approve and direct the  
28 registration of home inspectors, and with just cause, revoke, suspend, or  
29 place in probationary status, home inspectors' registrations, and impose and  
30 collect monetary fines on home inspectors in accordance with rules which the  
31 board develops and adopts in accordance with the Arkansas Administrative  
32 Procedure Act.

33 (2) The board may, as a condition of registration or renewal,  
34 require an inspector to submit lists of past clients, inspection reports, and  
35 other documents to be reviewed to establish compliance with this chapter.

36 (3)(A) The board may implement requirements for home inspectors

1 to complete continuing education annually as a condition to registration  
2 renewal.

3 (B) The continuing education shall be conducted in  
4 accordance with rules and guidelines which the board may develop and  
5 implement in accordance with the Arkansas Administrative Procedure Act.

6 (C) However, the education subjects to be required the  
7 following year shall be announced not later than April 1 of the year prior to  
8 the year in which they are required, unless the board declares a special  
9 need, in which case, subjects may be changed or added by the board to meet  
10 those special needs.

11 (D) No topic shall be required if training in that subject  
12 is not available in Arkansas or a bordering state, at a reasonable cost to  
13 the inspector.

14 (E) The board shall insure review of the curriculum of  
15 continuing education providers, grant or deny approval to those providers as  
16 appropriate, and make a list of approved providers available to all  
17 registered inspectors.

18 (F) All costs or fees for continuing education will be  
19 borne by the individual inspectors.

20 (4) The board may deny, suspend, or revoke the approval of any  
21 continuing education provider under circumstances which it deems to warrant  
22 that action.

23 (5) The board may decide the subject content and standards which  
24 will be acceptable to meet the education standards with regard to home  
25 inspection courses as required by law.

26 (6) The board shall develop procedures for processing and  
27 resolving of complaints against home inspectors practicing in this state,  
28 regarding registration or failure to abide by requirements of this chapter,  
29 including, but not limited to, non-compliance with the standards of practice  
30 and code of conduct.

31 (7) The board may enter into reciprocal agreements with other  
32 states, territories, districts, or possessions of the United States with  
33 respect to registration or licensing requirements acceptable between Arkansas  
34 and the other entities.

35 (8) The board shall maintain working files as it deems  
36 necessary.

1           (9)(A) The board members may be reimbursed for travel expenses  
2 to and from board meetings in accordance with applicable state procedures.

3           (B) In addition, board members may be reimbursed for the  
4 cost of telephone calls, office supplies, and postage needed to carry out the  
5 business of the board.

6           (C) Requests for reimbursement will be submitted to the  
7 board chairman who will review them as to whether they are reasonable and  
8 proper and forward them to the sponsoring agency for appropriate action.

9  
10           SECTION 8. Arkansas Code Title 17, Chapter 52, Subchapter 1, is  
11 amended to add an additional section to read as follows:

12           17-52-108. Responsibilities of the sponsoring agency.

13           (a) The sponsoring agency shall be the custodian of permanent,  
14 official, home inspector registration files and shall maintain permanent  
15 records of all home inspector registration applications received since  
16 enactment of the Arkansas Home Inspector Registration Act. The files shall be  
17 maintained in accordance with established procedures for all holders of  
18 official records.

19           (b)(1) The sponsoring agency shall, subject to the availability of  
20 appropriated funds, establish and maintain a functional internet site devoted  
21 to home inspection registration and related subjects. The purpose of that  
22 site shall be to make information available to the public about the status of  
23 an inspector's registration and how an inspector may be contacted. The format  
24 and content of the internet site and these records and files shall be  
25 developed in coordination with the board before being implemented.

26           (2) The following shall be included on that site:

27           (A) Current, electronic records, showing the current  
28 status of all home inspector registration applications since the passage of  
29 this chapter;

30           (B) A searchable, indexed copy of the complete, current,  
31 Arkansas Home Inspector Registration Act;

32           (C) Downloadable forms as the board may deem appropriate  
33 to administer this chapter;

34           (c)(1) The sponsoring agency will receive applications for initial  
35 registration and renewal of registration and provide copies to the board for  
36 the board's use. Internal, temporary file designations and numbers may be

1 assigned by the sponsoring agency, pending action by the board.

2 (2) However, an inspector registration number shall not be  
3 assigned until the application is approved by the board.

4 (d) The sponsoring agency shall prepare and mail documents to the  
5 board, inspectors, applicants, and others as reasonably required to carry out  
6 the functions and responsibilities set forth in this chapter.

7 (e) The sponsoring agency shall, after coordinating with the board,  
8 budget for and fund the operation of the board.

9  
10 SECTION 9. Arkansas Code 17-52-202 is amended to read as follows:

11 17-52-202. ~~Failure to register~~ Penalties - limits of liability -  
12 Standard of care.

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

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

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

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

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

35 (a) All home inspections conducted by persons registered under this  
36 chapter shall include a written report and be conducted in adherence to the

1 standards of practice and code of ethics of the American Society of Home  
2 Inspectors or the Arkansas Association of Real Estate Inspectors.

3 (b) Copies of these standards shall be on deposit with the sponsoring  
4 agency. Inspection reports shall include a statement which specifies which  
5 standards are being used as the basis for the inspection. Inspections and  
6 reports may be more comprehensive and in-depth than specified in the  
7 standards above but may not be less so.

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

11 (d)(1) The board may, by a vote of at least five (5) of its seven (7)  
12 members and upon determination made after a public hearing, impose:

13 (A) A civil penalty of up to two thousand dollars (\$2,000)  
14 for each violation on whoever, being not currently registered by the board,  
15 shall present, call or represent himself as authorized to provide a home  
16 inspection for compensation or whoever, being registered, impersonates  
17 another home inspector, or violates any rule or regulation made by the board;

18 (B) A civil penalty of up to five thousand dollars  
19 (\$5,000) on whoever, knowingly submits false information incident to  
20 obtaining registration.

21 (2) In addition to civil penalties in subdivision (d)(1) of this  
22 section, the board may:

23 (A) Impose other administrative and financial sanctions  
24 which the board may include as part of its rules made and adopted by majority  
25 vote of the board;

26 (B) Order an inspector to practice under appropriate  
27 supervision for a period of time determined by the board as a condition of  
28 reinstatement of registration; and

29 (C) Order financial restitution where appropriate

30 (3) Any fines and civil penalties imposed by the board may be  
31 enforced in the courts of the state.

32 (e) A person who was not currently registered pursuant to this chapter  
33 at the time an inspection was conducted shall not have standing to bring an  
34 action to demand payment for or enforce the provisions of any contract to  
35 provide home inspections which he or she entered into in violation of this  
36 chapter.

