

State of Arkansas
95th General Assembly
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As Engrossed: H4/3/25

A Bill

SENATE BILL 443

By: Senator J. Bryant
By: Representative Rose

For An Act To Be Entitled

AN ACT TO AMEND THE DUTIES OF THE STATE BOARD OF APPRAISERS, ABSTRACTERS, AND HOME INSPECTORS; TO AMEND THE LAW REGARDING LICENSURE OF ABSTRACTERS; TO AMEND THE LAW REGARDING LICENSURE OF HOME INSPECTORS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DUTIES OF THE STATE BOARD OF APPRAISERS, ABSTRACTERS, AND HOME INSPECTORS; TO AMEND THE LAW REGARDING LICENSURE OF ABSTRACTERS; TO AMEND THE LAW REGARDING LICENSURE OF HOME INSPECTORS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 17-11-301 is amended to read as follows:

17-11-301. Certificate of registration required.

(a)~~(1)~~ Every person, firm, or private corporation engaged in the business of abstracting ~~in one (1) county only~~, shall be or have in its employ a registered abstracter.

~~(2) Every person, firm, or private corporation engaged in the business of abstracting in more than one (1) county in this state shall have at least one (1) registered abstracter for each county in which it maintains an abstract office.~~

(b) No person shall execute an abstract certificate or otherwise attest to the accuracy of abstracts unless the person is a registered



abstracter as defined in this chapter.

~~(c)(1) Each person engaged in the business of abstracting who is a registered abstracter may fulfill the requirements of subsection (a) of this section in one (1) county only.~~

~~(2) No registered abstracter may fulfill the requirements of subsection (a) of this section for more than one (1) county or more than one (1) company at any one (1) time.~~

SECTION 2. Arkansas Code § 17-11-302(d), concerning an application for to become a registered abstracter, is amended to read as follows:

(d) Thereupon the board shall notify the applicant of the time and place of the next scheduled examination, and notice of the examination shall be given to the applicant by mail or email.

SECTION 3. Arkansas Code § 17-11-305(d), concerning a temporary certificate of registration as an abstracter, is amended to read as follows:

(d) The board shall notify the applicant by mail or email of the time and place of the examination.

SECTION 4. Arkansas Code § 17-11-322(c), concerning renewal notice for a certificate of registration as an abstracter, is amended to read as follows:

(c)(1)(A) No more than sixty (60) days nor less than thirty (30) days before the expiration date of the certificate issued, the board shall cause a notice of expiration ~~and application for renewal~~ to be mailed or electronically mailed to each of the holders of the certificates.

(B) The notice ~~and application~~ shall be in a form prepared by the board.

(2) Upon determination by the board of the applicant's compliance with this chapter, a renewal certificate of authority shall be issued to the applicant.

SECTION 5. Arkansas Code § 17-11-322(d)(1), concerning failure to renew a certificate of registration as an abstracter, is amended to read as follows:

(d)(1)(A) If a holder of a certificate of authority fails to apply for

renewal of his or her authority and to pay the fee provided therefor, the board shall cause to be mailed or emailed to the holder a notice that his or her certificate has expired and is no longer valid authority for the person to engage in the business of abstracting.

(B) The notice shall be mailed or emailed not more than thirty (30) days following the certificate expiration date.

(C) The holder shall be granted an additional period of sixty (60) days from the date of mailing the notice within which to file his or her application for renewal.

SECTION 6. Arkansas Code § 17-11-342 is repealed.

~~17-11-342. Seal.~~

~~Any licensee under this chapter shall provide a seal, which shall have stamped on the license the name of the licensee, and shall deposit with the State Board of Appraisers, Abstracters, and Home Inspectors an impression of the seal and the names of all persons authorized to sign certificates to abstracts on behalf of the licensee.~~

SECTION 7. Arkansas Code § 17-11-343 is repealed.

~~17-11-343. Abstract as evidence.~~

~~An abstract or photostat or verbatim copy of any public record, where certified by and impressed with the official seal of any licensed abstracter, shall be admissible in evidence, if otherwise admissible, on behalf of any party litigant in any court in the State of Arkansas and shall be prima facie evidence of the facts recited therein.~~

SECTION 8. Arkansas Code § 17-11-404 is repealed.

~~17-11-404. Investigations—Independent or private investigator.~~

~~(a) A member of the State Board of Appraisers, Abstracters, and Home Inspectors shall not:~~

~~(1) Act as an investigator on a matter before the board; or~~

~~(2) Perform any investigative task or work required by the~~

~~board.~~

~~(b)(1)(A) The board shall contract an independent investigator or private investigator to perform any investigative task or work as needed or as required by law.~~

~~(B) An independent investigator or private investigator contracted under subdivision (b)(1)(A) of this section shall have expertise or background in the subject matter in which he or she is being contracted to investigate.~~

~~(2) An appropriation made available for professional fees in the board's Operations appropriation act shall be made available to the board for the purpose of contracting under subdivision (b)(1) of this section.~~

~~(c)(1) The board shall file a report annually on or before December 1 with the Senate Committee on State Agencies and Governmental Affairs and the House Committee on State Agencies and Governmental Affairs for the Senate Committee on State Agencies and Governmental Affairs' and the House Committee on State Agencies and Governmental Affairs' review.~~

~~(2) The report shall include:~~

~~(A) The number of complaints that have been filed;~~

~~(B) A list of who has been investigated and the purported violation; and~~

~~(C) A summary of the findings of each investigation.~~

SECTION 9. Arkansas Code § 17-14-103(17), concerning definitions pertaining to appraisers, is amended to read as follows:

~~(17)(A) "Real estate appraisal" means an unbiased estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and related personalty;~~

~~(B)(i) A real estate appraisal may be classified by subject matter into either a valuation or an evaluation.~~

~~(ii) Valuation is the process of estimating the market value, investment value, insurable value, or other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date.~~

~~(iii) Evaluation or analysis is the study of the nature, quality, or utility of a parcel of real estate, or interests in or aspects of real property, in which a value estimate is not necessarily required, i.e., a study of real estate or real property other than estimating value;~~

SECTION 10. Arkansas Code § 17-14-201(a)(3), concerning the

composition of the State Board of Appraisers, Abstracters, and Home Inspectors, is amended to read as follows;

- (3) One (1) ~~senior and~~ consumer representative;

SECTION 11. Arkansas Code § 17-14-201(b)(2), concerning the composition of the State Board of Appraisers, Abstracters, and Home Inspectors, is repealed.

~~(2) At least four (4) real estate appraiser members appointed to the board shall be members in good standing of:~~

~~(A) A state or regional chapter of a nationally recognized real estate appraisal organization that requires an individual to have qualified appraisal experience, education, and testing in order to become a designated member and to adhere to standards of professional practice in order to retain such a designation; or~~

~~(B) The Association of Consulting Foresters of America, Inc., Arkansas Chapter.~~

SECTION 12. Arkansas Code § 17-14-203(6)(E)(i), the powers and duties of the State Board of Appraisers, Abstracters, and Home Inspectors, is amended to read as follows:

(E)(i) Every applicant for registering, licensing, and certifying shall be accompanied by an application fee ~~and a criminal background check fee~~ that the State Board of Appraisers, Abstracters, and Home Inspectors may establish by rule.

SECTION 13. Arkansas Code § 17-14-205(b), concerning disciplinary hearings conducted by the State Board of Appraisers, Abstracters, and Home Inspectors, is repealed.

~~(b) Disciplinary hearings conducted by the board for the purpose of determining whether to levy civil penalties under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq., and for the purpose of determining whether to revoke or suspend any registration, license, or certificate issued under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq., shall not be deemed open public meetings but shall be executive sessions conducted as provided for in the~~

~~Freedom of Information Act of 1967, § 25-19-101 et seq.~~

SECTION 14. Arkansas Code § 17-14-206(a)(3), concerning disciplinary action of the State Board of Appraisers, Abstracters, and Home Inspectors, is amended to add an additional subdivision to read as follows:

(3) Conviction of or pleading guilty or nolo contendere to any offense listed under § 17-3-102 or § 17-14-203(12)(C) unless the person requests and the board approves a waiver under § 17-3-102(b).

SECTION 15. Arkansas Code § 17-14-305 is amended to read as follows:

17-14-305. Compliance with uniform standards and code of ethics –
~~Seals—~~ Licensing and certification documents.

(a)~~(1)~~ Each state-registered appraiser, each state-licensed appraiser, each registered apprentice appraiser, and each state-certified appraiser shall comply with the Uniform Standards of Professional Appraisal Practice and code of ethics adopted by the State Board of Appraisers, Abstracters, and Home Inspectors and shall authenticate all written appraisal reports with ~~a seal that shall indicate~~ the registration, license, or certification number of the appraiser.

~~(2)(b)~~ The ~~seal and~~ number shall also be used in all statements of qualifications, contracts, or other instruments used by the registration, license, or certificate holder when reference is made to his or her status as a state-registered appraiser, state-licensed appraiser, registered apprentice appraiser, or state-certified appraiser.

~~(b) Registration, license, and certificate documents, licenses, certificates, seals, and pocket cards shall remain the property of the state, and, upon any suspension, revocation, or other termination of a registration, license, or certification under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq., the individual holding the related documents shall immediately return the documents to the board.~~

SECTION 16. Arkansas Code § 17-14-409(a)(1), concerning the registry of applicants for appraisers, is amended to read as follows:

(a)(1) The ~~Executive~~ Director of the State Board of Appraisers, Abstracters, and Home Inspectors shall keep a register of all applicants for

registration.

SECTION 17. Arkansas Code § 17-52-303(8), concerning definitions pertaining to home inspectors, is amended to read as follows:

(8) "Residential unit" means ~~any dwelling from one (1) to four (4) units in design intended principally for residential purposes by one (1) or more persons~~ a structure consisting of at least one (1) but no more than four (4) units designed for occupancy by a single family that is occupied or unoccupied.

SECTION 18. Arkansas Code § 17-52-306 is amended to read as follows:
17-52-306. Powers and duties of board.

The State Board of Appraisers, Abstracters, and Home Inspectors may:

(1) Perform the duties and functions appropriate and necessary to carry out the provisions of this subchapter;

(2) Review, approve, or reject registration applications and issue registration certificates to applicants;

(3) Establish a mandatory continuing education program designed to upgrade the professional skills and knowledge of home inspectors practicing in Arkansas;

(4)(A) Establish administrative procedures for disciplinary proceedings conducted according to the provisions for this subchapter.

(B) The procedures shall include provisions for the suspension and revocation of registration and enforcement of civil penalties;

(5) Establish procedures for processing and resolving complaints against home inspectors conducting home inspections in Arkansas;

~~(6) Authorize disbursement of the funds collected into the Arkansas Home Inspectors Registration Fund;~~

~~(7) Employ legal counsel to represent it in any proceedings when legal counsel is required;~~

~~(8) Develop competency exams for home inspectors;~~

~~(9)~~(7) Establish a standard of practice and code of ethics for home inspectors;

~~(10)~~(8) Enter into agreements with other states, territories, districts, or possessions of the United States concerning registration or licensing requirements acceptable between Arkansas and the other entities;

- ~~(11)(9)~~ Maintain working files as it deems necessary;
- ~~(12)~~ ~~Contract for administrative support services and meet financial obligations of those contracts using moneys from the fund;~~
- ~~(13)(A)~~ (10)(A) Develop and implement a means for conducting internet board meetings, which may be observed by the public in real time.
- (B) Public participation in the meetings may be permitted in accordance with rules developed by the board;
- ~~(14)~~ (11) Establish and maintain a website devoted to home inspection registration and related subjects; and
- ~~(15)~~ ~~[Repealed.]~~
- ~~(16)~~ (12) Establish educational requirements for registration to begin after July 1, 2004, including the standards and procedures for approval of educational programs if the maximum number of hours required shall not exceed ninety (90) classroom hours.

SECTION 19. Arkansas Code § 17-52-307 is amended to read as follows:

17-52-307. Hearings – Review – Access to records.

- (a) As part of an investigation or as a condition of renewal, the State Board of Appraisers, Abstracters, and Home Inspectors may require a home inspector to submit in writing home inspection reports and other documents to be reviewed by the board.
- (b) Requests by the board for copies of home inspection reports shall supersede any contract of client privacy or confidentiality whether written or oral.
- ~~(c)~~ ~~Any documents submitted to the board as part of an investigation shall:~~
- ~~(1)~~ ~~Be considered as confidential documents;~~
 - ~~(2)~~ ~~Be used only for the purpose for which they are requested;~~
 - ~~(3)~~ ~~Not be available for public viewing;~~
 - ~~(4)~~ ~~Not become part of any official file; and~~
 - ~~(5)~~ ~~Not be revealed to any nonboard members.~~
- ~~(d)~~ ~~When the action for which they were requested is completed by the board, the documents shall be returned to the home inspector at his or her own expense or destroyed if the home inspector requests that the documents be destroyed.~~
- ~~(e)~~ (c) In fulfilling its duties under this subchapter, the board shall

comply with the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and any person aggrieved by any rule or other actions of the board for which an appeal is not provided for in the Arkansas Administrative Procedure Act, § 25-15-201 et seq., may appeal to the Pulaski County Circuit Court.

~~(f) All work papers submitted to the board for action on complaints and disciplinary procedures under this subchapter shall not be deemed public records under the Freedom of Information Act of 1967, § 25-19-101 et seq.~~

SECTION 20. Arkansas Code § 17-52-310(e)(1), concerning continuing education for home inspectors, is amended to read as follows:

(e)(1) Failure to complete continuing education requirements ~~shall~~ may result in suspension of the home inspector's registration.

SECTION 21. Arkansas Code § 17-52-311 is amended to read as follows:

17-52-311. Custodian of records.

(a)(1) The ~~Executive~~ Director of the State Board of Appraisers, Abstracters, and Home Inspectors shall be the custodian of permanent, official, home inspector registration files ~~and shall maintain permanent records of all home inspector registration applications received since the enactment of this subchapter.~~

(2) The ~~executive~~ director shall maintain the permanent records of the State Board of Appraisers, Abstracters, and Home Inspectors.

(b) The ~~executive~~ director shall receive and process applications for initial registration and renewal of registration.

SECTION 22. Arkansas Code § 17-52-312 is amended to read as follows:

17-52-312. Fund.

(a) There is created in the State Treasury a fund to be known as the ~~"Arkansas Home Inspectors Registration Fund"~~ "State Board of Appraisers, Abstracters, and Home Inspectors Fund".

(b) All funds, fees, charges, costs, and collections accruing to or collected under the provisions of this subchapter shall be deposited into the State Treasury to the credit of this fund.

~~(c) The funds shall be used for the purposes as specified in this subchapter.~~

~~(d)(1) Except as provided in subdivision (d)(2) of this section,~~

~~effective with the 2003 registration and under the provisions of this subchapter, all funds, fees, charges, costs, and collections accruing to or collected by the Secretary of the Department of Labor and Licensing shall be deposited quarterly into the fund.~~

~~(2) [Repealed.]~~

~~(c) The State Board of Appraisers, Abstracters, and Home Inspectors will process disbursements of those funds as necessary in the administration of this subchapter.~~

SECTION 23. Arkansas Code § 17-52-313 is amended to read as follows:

17-52-313. Disposition of funds.

(a)(1) The ~~Executive~~ Director of the State Board of Appraisers, Abstracters, and Home Inspectors shall receive, disburse, and account for all income paid to or received by the State Board of Appraisers, Abstracters, and Home Inspectors.

(2) The ~~executive~~ director shall institute a system of books and financial records satisfactory to the Secretary of the Department of Finance and Administration.

(3)(A) All fees collected on behalf of the board and all receipts of every kind and nature shall be paid into the State Treasury and shall be credited to the ~~Arkansas Home Inspectors Registration Fund~~ State Board of Appraisers, Abstracters, and Home Inspectors Fund.

(B) The ~~Arkansas Home Inspectors Registration Fund~~ State Board of Appraisers, Abstracters, and Home Inspectors Fund shall be for the general uses of the board, and out of it shall be paid all salaries and all other expenses necessarily incurred in carrying into effect the provisions of this subchapter.

(C) Expenditures from the ~~Arkansas Home Inspectors Registration Fund~~ State Board of Appraisers, Abstracters, and Home Inspectors Fund shall be substantiated by vouchers and itemized statements at the end of each fiscal year or at any other time when demand is made by the Department of Finance and Administration.

~~(4) The executive director shall deposit all funds of the board that he or she receives with the State Treasury within forty-eight (48) hours, excluding holidays and Sundays, after he or she receives the funds.~~

(b) All fines collected for the violation of any provisions of this

subchapter shall be paid over to the board to be used by it in the same manner as funds received for the issuance of registration.

~~(c) The total amount of warrants issued by the board or Auditor of State in payment of the expenses and compensation provided in this subchapter shall not exceed the amount of the application, registration, and other fees collected.~~

~~(d)(1) Any surplus funds at the end of the fiscal year may be retained by the board for future expenditures.~~

~~(2) The board shall not be required to pay any surplus into the General Revenue Fund Account of the State Apportionment Fund.~~

SECTION 24. Arkansas Code § 17-52-315(a)(1), concerning an application for registration as a home inspector, is amended to read as follows:

(1) An application ~~under oath~~ upon a form to be prescribed by the board;

SECTION 25. Arkansas Code § 17-52-316(d), concerning registration and renewal fees set by the State Board of Appraisers, Abstracters, and Home Inspectors concerning home inspectors, is amended to read as follows:

(d) Other fees authorized to be assessed by the board are:

(1) ~~Delinquent renewal~~ Late fees not to exceed the amount of the renewal fee for one year; and

(2) Home inspector training or continuing education provider fees as follows:

(A) Initial qualifying fees not to exceed two hundred dollars (\$200);

(B) Annual renewal fees not to exceed two hundred dollars (\$200); and

(C) Additional course filing fees not to exceed twenty-five dollars (\$25.00);

~~(3) Duplicate registration fees not to exceed twenty-five dollars (\$25.00);~~

~~(4) Returned check fees not to exceed twenty-five dollars (\$25.00); and~~

~~(5) Change of address fees not to exceed twenty-five dollars (\$25.00).~~

SECTION 26. Arkansas Code § 17-52-317 is amended to read as follows:
17-52-317. Certificates of registration.

(a)(1) Certificates of registration shall be issued by the State Board of Appraisers, Abstracters, and Home Inspectors to an applicant after compliance with the registration or renewal requirements of this subchapter.

(2) Certificates shall be consecutively numbered.

(b) When registration is renewed, that person's registration number shall be perpetuated.

(c) Certificates of registration of a home inspector shall ~~be issued for a period of at least one (1) year and shall expire at the end of a period of up to three (3) years, as may be set by the board~~ expire annually on December 31.

(d) Notices of upcoming registration expiration and a reminder to renew shall be mailed or emailed to registered home inspectors no more than sixty (60) days and no less than forty-five (45) days before the expiration date of the applicant's registration.

SECTION 27. Arkansas Code § 17-52-320 is amended to read as follows:
17-52-320. Limitations.

~~(a)~~ Any cause of action to recover damages suffered by a consumer as a result of any act or omission of a home inspector relating to a home inspection report must be commenced within one (1) year from the date the home inspection report is completed.

~~(b) Disciplinary action taken against a home inspector by the State Board of Appraisers, Abstracters, and Home Inspectors shall not in and of itself be the basis for civil or criminal action.~~

SECTION 28. Arkansas Code § 19-6-301(93), concerning the abstracter's examining licenses and fees, is repealed.

~~(93) Abstracter's examining licenses and fees, as enacted by Acts 1969, No. 109, as amended, known as the "Abstracters' Licensing Law of 1969", § 17-11-101 et seq.;~~

SECTION 29. Arkansas Code § 19-6-415 is repealed.

~~19-6-415. Arkansas Abstracters' Board Fund.~~

~~The Arkansas Abstracters' Board Fund shall consist of those special revenues as specified in § 19-6-301(93), there to be used for the maintenance, operation, and improvement of the State Board of Appraisers, Abstracters, and Home Inspectors.~~

SECTION 30. DO NOT CODIFY. Abolition of the Arkansas Abstracters' Board Fund.

The Arkansas Abstracters' Board Fund is abolished, and all funds are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors Fund.

SECTION 31. DO NOT CODIFY. Abolition of the Arkansas Home Inspectors Registration Fund.

The Arkansas Home Inspectors Registration Fund is abolished, and all funds are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors Fund.

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the State Board of Appraisers, Abstracters, and Home Inspectors preserves the public peace, health, and safety by providing needed funds and services for Arkansas; that this act provides for the abolition and transfer of the Arkansas Abstracters' Board Fund and the Arkansas Home Inspectors Registration Fund to the State Board of Appraisers, Abstracters, and Home Inspectors Fund; and that this act should become effective on July 1, 2025, to coincide with the appropriation bill of the State Board of Appraisers, Abstracters, and Home Inspectors and ensure that the State Board of Appraisers, Abstracters, and Home Inspectors continues to provide its vital services as the transfer is implemented and does not experience any issues with funding under the transfer. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2025.

/s/J. Bryant

APPROVED: 4/21/25