

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
94th General Assembly
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As Engrossed: S3/7/23 H3/27/23
A Bill

SENATE BILL 354

By: Senators K. Hammer, J. English

By: Representative Cavenaugh

For An Act To Be Entitled

AN ACT TO CREATE THE STATE BOARD OF APPRAISERS, ABSTRACTERS, AND HOME INSPECTORS; TO TRANSFER THE DUTIES OF THE ARKANSAS ABSTRACTERS' BOARD, THE ARKANSAS HOME INSPECTOR REGISTRATION BOARD, AND THE ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD TO THE STATE BOARD OF APPRAISERS, ABSTRACTERS, AND HOME INSPECTORS; TO ABOLISH THE ARKANSAS ABSTRACTERS' BOARD, THE ARKANSAS HOME INSPECTOR REGISTRATION BOARD, AND THE ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO TRANSFER THE DUTIES OF CERTAIN BOARDS TO THE STATE BOARD OF APPRAISERS, ABSTRACTERS, AND HOME INSPECTORS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. DO NOT CODIFY. Abolition of Arkansas Abstracters' Board.

(a) The Arkansas Abstracters' Board is abolished, and its authority, duties, functions, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds, including the functions of budgeting or purchasing are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.



(b) The Arkansas Abstracters' Board's statutory powers, duties, and functions, including the functions of budgeting or purchasing, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

(c)(1) The abolishment of the Arkansas Abstracters' Board does not affect the orders, rules, directives, registration, licensing, or standards made or promulgated by the Arkansas Abstracters' Board before the effective date of this act.

(2) The orders, rules, directives, registration, licensing, or standards of the Arkansas Abstracters' Board shall continue to be in effect until they are amended or repealed under authority given by law.

SECTION 2. DO NOT CODIFY. Abolition of Arkansas Home Inspector Registration Board.

(a) The Arkansas Home Inspector Registration Board is abolished, and its authority, duties, functions, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds, including the functions of budgeting or purchasing are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

(b) The Arkansas Home Inspector Registration Board's statutory powers, duties, and functions, including the functions of budgeting or purchasing, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

(c)(1) The abolishment of the Arkansas Home Inspector Registration Board does not affect the orders, rules, directives, registration, licensing, or standards made or promulgated by the Arkansas Home Inspector Registration Board before the effective date of this act.

(2) The orders, rules, directives, registration, licensing, or standards of the Arkansas Home Inspector Registration Board shall continue to be in effect until they are amended or repealed under authority given by law.

SECTION 3. DO NOT CODIFY. Abolition of Arkansas Appraiser Licensing and Certification Board.

(a) The Arkansas Appraiser Licensing and Certification Board is

abolished, and its authority, duties, functions, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds, including the functions of budgeting or purchasing are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

(b) The Arkansas Appraiser Licensing and Certification Board's statutory powers, duties, and functions, including the functions of budgeting or purchasing, records, contracts, personnel, property, and unexpended balances of appropriations, allocations, and other funds are transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

(c)(1) The abolishment of the Arkansas Appraiser Licensing and Certification Board does not affect the orders, rules, directives, registration, licensing, or standards made or promulgated by the Arkansas Appraiser Licensing and Certification Board before the effective date of this act.

(2) The orders, rules, directives, registration, licensing, or standards of the Arkansas Appraiser Licensing and Certification Board shall continue to be in effect until they are amended or repealed under authority given by law.

SECTION 4. Arkansas Code § 14-15-205(b)(3), concerning professional development recognition payments for county assessors, is amended to read as follows:

(3) To the extent moneys are available, county assessors, full-time employees of county assessors' offices, and state employees who actively work with ad valorem taxes designated as certified residential appraisers by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors or as certified professional designees by the International Association of Assessing Officers shall annually receive a professional development recognition payment in an amount not to exceed one thousand dollars (\$1,000).

SECTION 5. Arkansas Code § 17-11-302(a), concerning certificate of registrations, and application to the Arkansas Abstracters' Board, is amended to read as follows:

(a) Any person desiring to become a registered abstractor under this

chapter shall make application to the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors for registration.

SECTION 6. Arkansas Code § 17-11-303 is amended to read as follows:

17-11-303. Certificate of registration – Examination.

The examination required under this chapter shall be in the form of written interrogatories as may be prescribed by the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors to determine the proficiency of the applicant.

SECTION 7. Arkansas Code § 17-11-304(a), concerning certificate of registration, issuance, or reapplication under the Arkansas Abstracters' Board, is amended to read as follows:

(a) If the applicant satisfactorily passes the examinations, the applicant shall be certified as a registered abstractor, and the certificate provided for shall be issued to him or her. The privileges granted by the certificate shall continue unless revoked, as provided in this chapter, or unless the certificate is otherwise surrendered to the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 8. Arkansas Code § 17-11-305(a), concerning temporary certificates of registration for abstractors, is amended to read as follows:

(a) The ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors upon application to ~~it~~ the board by any person succeeding to the ownership of any abstract plant or business by any means other than by purchase, or any person who by reason of the incapacity of any registered abstractor owner of any abstract plant or business is required to assume the operation of the abstract plant or business, may grant to the person without examination a temporary certificate of registration.

SECTION 9. Arkansas Code § 17-11-320 is amended to read as follows:

17-11-320. Certificate of authority required.

No person, firm, or corporation shall engage in the business of abstracting in this state until a certificate of authority has been issued to the person, firm, or corporation by the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 10. Arkansas Code § 17-11-321(a), concerning the application and issuance of certificates of authority for abstracters, is amended to read as follows:

(a) Any person, firm, or corporation desiring to engage in the business of abstracting in this state shall make application to the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors for a certificate of authority.

SECTION 11. Arkansas Code § 17-11-322(b), concerning the expiration and renewal of certificates of authority for abstracters, is amended to read as follows:

(b) Current and subsisting certificates of authority shall be renewed as provided for in this section for a one-year period upon payment of a renewal fee in the sum to be set by the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 12. Arkansas Code § 17-11-324(a)(1)(A), concerning the bond, insurance, or personal surety for abstracters, is amended to read as follows:

(a)(1)(A) Before the certificate of authority is issued, the applicant shall file with the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors a bond approved by the board conditioned upon the payment by the applicant of any and all damages that may be sustained by or may accrue to any person, firm, or corporation for whom the applicant may compile, make, or furnish abstracts of title by reason of or on account of any error, deficiency, or mistake in any abstract or certificate, or any continuation, made or issued by the abstracter over its authorized signature and seal.

SECTION 13. Arkansas Code § 17-11-340(a), concerning the revocation of certificates for abstracters, is amended to read as follows:

(a) The ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors is authorized, after a hearing as provided in § 17-11-341, to cancel and revoke any certificate of registration issued to any person under the provisions of this chapter:

(1) For a violation of any of the provisions of this chapter;

(2) Upon a conviction of the holder of such a certificate of a crime under § 17-3-102; or

(3) If the board finds the holder to be guilty of habitual carelessness or of fraudulent practices in the conduct of the business of abstracting.

SECTION 14. Arkansas Code § 17-11-341(a)(1), concerning the revocation of certificates, procedures and appeals for abstracters, is amended to read as follows:

(a)(1) Upon a verified complaint's being filed with the ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors or upon the board's own motion filing a complaint charging the holder of a certificate of registration with a violation of any of the provisions of this chapter, or conviction of a crime under § 17-3-102, or habitual carelessness or fraudulent practices in the conduct of the business of abstracting, or charging the holder of a certificate of authority with failure to furnish the bond or bonds, or other securities, required by § 17-11-324, or with failing to have employed a registered abstracter as provided in § 17-11-301, or with a violation of any of the provisions of this chapter, the board shall immediately notify in writing by registered mail, with return receipt, the holder of the certificate of the filing of the complaint and furnish the holder with a copy of the complaint.

SECTION 15. Arkansas Code § 17-11-342 is amended to read as follows:
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 ~~Arkansas Abstracters' Board~~ 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 16. Arkansas Code § 17-11-401 is repealed.

~~17-11-401. Creation—Members.~~

~~(a) The Arkansas Abstracters' Board is created.~~

~~(b)(1) The board shall consist of five (5) members appointed by the Governor, subject to confirmation by the Senate, for a term of six (6) years.~~

~~(2) Two (2) members shall:~~

~~(A) Be actively involved in the making of abstracts of real estate titles in this state for a period of at least five (5) years before appointment; and~~

~~(B) Serve an initial term of six (6) years.~~

~~(3) Two (2) members shall:~~

~~(A) Be citizens of this state; and~~

~~(B) Serve an initial term of four (4) years.~~

~~(4) One (1) member shall:~~

~~(A) Be knowledgeable of the abstract business; and~~

~~(B) Serve an initial term of two (2) years.~~

~~(c) A vacancy on the board caused by death, resignation, or otherwise shall be filled by appointment of the Governor, subject to confirmation by the Senate.~~

~~(d)(1) A member may be appointed to successive terms.~~

~~(2) No two (2) members shall be appointed from the same county.~~

~~(e)(1) Each member shall serve without compensation.~~

~~(2) However, a member may be entitled to receive travel and expense reimbursement in accordance with § 25-16-901 et seq.~~

SECTION 17. Arkansas Code § 17-11-402 is repealed.

~~17-11-402. Organization and proceedings.~~

~~(a) The Arkansas Abstracters' Board shall elect a chair and a secretary-treasurer.~~

~~(b) The chair and secretary-treasurer of the board shall have the power to administer oaths.~~

~~(c) The board shall have a seal and shall have the power to compel the attendance of witnesses.~~

SECTION 18. Arkansas Code § 17-11-403 is amended to read as follows:

(a)(1) The ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall keep a register and shall record the following information in the register:

(A) The name and the place of business of each applicant for registration and certification;

(B) A notation of the action taken by the board on each

application for registration and each application for certification;

(C) The date upon which each certificate of registration and each certificate of authority are issued; and

(D) Such other information as the board deems appropriate.

(2) The board shall maintain such other records, registers, and files as may be necessary for the proper administration of its duties under this ~~subchapter~~ chapter.

(b) The board may adopt rules for the proper administration of its powers and duties and the carrying out of the purposes of this ~~subchapter~~ chapter.

SECTION 19. Arkansas Code § 17-14-103(8), concerning the definitions in the Arkansas Appraiser Licensing and Certification Act, is repealed.

~~(8) "Board" means the Arkansas Appraiser Licensing and Certification Board established under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;~~

SECTION 20. Arkansas Code § 17-14-103(26), concerning the definitions in the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(26) "State-registered appraiser" means any person who has satisfied the requirements for a state-registered appraiser credential as set forth in § 17-14-307 or requirements as may have been determined by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors and who may perform appraisals on any type of property except when the purpose of the appraisal is for use in federally related transactions;

SECTION 21. Arkansas Code § 17-14-104(c)(1), concerning, exceptions to registration, licensing, or certification under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(c)(1) Except as provided in subsection (b) of this section, appraisers, when providing appraisal reports or appraisal services in nonfederally related transactions, who become licensed or certified by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of

Appraisers, Abstracters, and Home Inspectors are subject to the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq., in all matters involving appraisal services, including transactions below the federally established threshold.

SECTION 22. Arkansas Code § 17-14-105(c), concerning the rights and privileges of appraisers, is amended to read as follows:

(c) An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 23. Arkansas Code § 17-14-106(a), concerning the absence of liability under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(a) Financial institutions or affiliates hiring the services of appraisers registered, licensed, or certified by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors in nonfederally related transactions, including transactions below the federally established threshold, shall not be liable to any party asserting damages due to the alleged actions of the appraiser, nor shall the financial institution or affiliate be subject to any requirements to report to the board regarding such transactions other than as may be required by the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq., and the rules promulgated by the board.

SECTION 24. Arkansas Code § 17-14-201 is amended to read as follows:
17-14-201. Composition – Membership – Chair.

(a) There is created the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors, to be composed of ~~ten (10)~~ eleven (11) members as follows:

(1) ~~Seven (7)~~ Five (5) practicing certified or licensed appraisers as follows:

(A) At least ~~five (5)~~ four (4) of the appraiser members of the board shall be state-certified appraisers;

(B) No more than two (2) appraiser members shall reside in the same congressional district of the four (4) Arkansas congressional districts; and

(C) The ~~seven (7)~~ five (5) practicing appraiser members shall be representative of the various disciplines found in the appraisal profession, including without limitation residential appraisal, commercial and industrial appraisal, forestry and timberland appraisal, rural appraisal, and any other appraisal discipline that may be affected by the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;

(2) One (1) ~~board member shall be a~~ representative of financial institutions familiar with the appraisal process;

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

(4) ~~One (1) consumer representative~~ Three (3) registered home inspectors; and

(5) One (1) person who is actively involved in the making of abstracts of real estate titles in the state or is knowledgeable about the abstract business for a minimum of (5) years before appointment.

(b)(1) The Governor shall appoint the members of the board subject to confirmation by the Senate and may remove a member for cause.

(2) At least ~~five (5)~~ 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.

(c)(1)~~(A)~~ The term of each ~~appraiser~~ board member shall be three (3) years.

~~(B) The financial member representative, the senior citizen representative, and the consumer representative shall have three-year terms.~~

(2) Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualification of their successors.

(3) No person shall serve as a member of the board for more than two (2) consecutive terms.

(d) The members of the board will select a ~~state-certified appraiser~~ chair.

(e) Each member of the board may receive expense reimbursement and stipends in accordance with § 25-16-901 et seq.

SECTION 25. Arkansas Code § 17-14-202 is amended to read as follows:

17-14-202. Powers and duties – Reporting standards – Qualification standards.

(a) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may establish, maintain, report, and periodically update meaningful qualification standards for state-licensed, registered apprentice, and state-certified appraisers practicing in the State of Arkansas, including testing, experience, and educational requirements that:

(1) Are adequate to demonstrate knowledge and competency; and

(2) Will further demonstrate the continued compliance with:

(A) All applicable federal law and regulations, including Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and related requirements of the federal financial institutions regulatory agencies; and

(B) The minimum standards and qualifications as promulgated by the Appraisal Standards Board and the Appraiser Qualifications Board of the Appraisal Foundation.

(b) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may adopt, maintain, report, and periodically update minimum reporting standards for state-registered, state-licensed, registered apprentice, and state-certified appraisers practicing in the State of Arkansas. The reporting standards shall:

(1) Be equivalent to the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the

Appraisal Foundation; and

(2) At all times seek compliance with:

(A) All applicable federal law and regulations, including Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and related requirements of the federal financial institutions regulatory agencies; and

(B) The minimum standards as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

SECTION 26. Arkansas Code § 17-14-203 is amended to read as follows:

17-14-203. Powers and duties – In general.

In accordance with these general powers and duties, the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall:

(1) Perform all duties and functions necessary to carry out this chapter;

(2)(A) Receive applications for registering, licensing, and certification.

(B) The application shall include the applicant's consent to a state criminal background check and a national fingerprint-based criminal background check performed by the Federal Bureau of Investigation in compliance with federal law and regulations;

(3) Establish administrative procedures for processing applications;

(4)(A)(i) Approve and issue registration, licenses, and certificates to qualified applicants or disapprove applications for registering, licensing, and certification for applicants who do not meet the minimum requirements as prescribed in this chapter.

(ii) The minimum requirements shall include a determination that the applicant possesses a background that does not call into question public trust or the applicant's fitness for registration, licensure, or certification.

(B) All application materials and records submitted to the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall be retained by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of

Appraisers, Abstracters, and Home Inspectors;

(5)(A) Maintain a roster of the names, addresses, email addresses, and telephone numbers of all persons licensed and certified 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, in accordance with sections 1103(a)(3) and 1109(a)(1) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, shall submit this roster monthly to the Appraisal Subcommittee.

(B) This roster may be published and periodically updated and provided to all interested parties at cost;

(6)(A) Establish by rule the minimum examination, education, experience, and continuing education requirements for state-registered, state-licensed, registered apprentice, and state-certified appraisers.

(B)(i) The criteria for a state-registered appraiser shall be less rigorous than the criteria for a state-licensed appraiser.

(ii) The criteria for a state-licensed appraiser shall be less rigorous than the criteria for a state-certified appraiser. However, the criteria will ensure that licensed appraisers have sufficient experience and training to perform appraisals for transactions within and in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(C) These rules shall at all times be equivalent to the minimum appraiser-qualification criteria as promulgated by the Appraiser Qualifications Board of the Appraisal Foundation for state-licensed, registered apprentice, and state-certified appraisers performing federally related transactions.

(D) With respect to examinations, these rules shall at all times require minimum examination contents that are equivalent to the national uniform examination content as promulgated by the Appraiser Qualifications Board of the Appraisal Foundation and shall provide for the selection and utilization of a testing service acceptable to the Appraiser Qualifications Board of the Appraisal Foundation.

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

establish by rule.

(ii) However, the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors, at its discretion, may direct each applicant to pay the actual cost of the examination fee directly to a testing service engaged by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors to administer the examination.

(F)(i) The application fee to upgrade a credential from registered apprentice to state-licensed or to state-certified shall not exceed one hundred dollars (\$100).

(ii) The application fee to upgrade a credential from state-licensed to state-certified shall not exceed fifty dollars (\$50.00).

(G) The total annual resident registering, licensing, certification, and application fees established by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall not exceed three hundred dollars (\$300), excluding fees for:

(i) Applicable examination and federal pass-through fees; and

(ii) Criminal background check fees.

(H) Courses, schools, seminars, and any other educational programs must be recognized by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors as acceptable to satisfy registration, licensing, and certification standards and continuing education requirements under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;

(7)(A) Establish administrative procedures for disciplinary proceedings conducted under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.

(B) The administrative procedures shall include provisions for the suspension and revocation of registration, licenses, and certificates and the enforcement of civil penalties concurrent with existing statutes regarding civil procedures;

(8) Subpoena and issue subpoena duces tecum and to bring before ~~it~~ the State Board of Appraisers, Abstracters, and Home Inspectors any person in this state, and to take testimony by deposition, in the same manner as prescribed by law in judicial proceedings in the courts of this state or to require production of any records relevant to any inquiry or hearing by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors;

(9) Recommend procedures necessary to assure the ready availability to appraisers in the state of adequate and reliable information regarding property prices and the terms and conditions of real estate and real property transactions and related financing;

(10) Establish administrative procedures for the setting, charging, and collecting of fees necessary for the operation of the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors and to concurrently collect and submit to the proper agency as prescribed under Section 1109(a)(4) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and any other related federal law, any additional fees that may from time to time be required to be paid by appraisers whose practices include the appraisal of properties included in federally related transactions;

(11) Be authorized to adopt and enforce such administrative rules as may be necessary to comply with state law and federal law with specific reference to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as it exists today and as it may be amended and adopted by the Appraisal Subcommittee; and

(12)(A)(i) Obtain a state criminal background check performed by the Identification Bureau of the Division of Arkansas State Police and a national fingerprint-based criminal background check performed by the Federal Bureau of Investigation in compliance with federal law and regulations for all applicants for a real property appraiser registration, license, or certification to determine if the applicant possesses a background that does not call into question public trust or the applicant's fitness for registration, licensure, or certification.

(ii) Subdivision (12)(A)(i) of this section applies to an application for a state-registered appraiser credential, an application for a registered apprentice appraiser credential, an application to upgrade

an existing appraiser credential, an application to reinstate an appraiser credential that has been inactive for more than twelve (12) months, and an application for a new reciprocal appraiser credential.

(iii) Subdivision (12)(A)(i) of this section does not apply to an application for a temporary practice permit.

(B) An applicant shall provide all information requested by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors to assist making the determination.

(C) Factors to consider in making the determination include without limitation whether the applicant:

(i) During the five (5) years immediately preceding the date of the application was convicted of, or pled guilty or nolo contendere to, a crime that would call into question the applicant's fitness for registration, licensure, or certification, including without limitation a crime involving:

(a)(1) An act substantially related to the qualifications, functions, or duties of an appraiser.

(2) A crime or act may be deemed substantially related to the qualifications, functions, or duties of an appraiser if, to a substantial degree, the crime or act evidences present or potential unfitness of a person applying for or holding a real property appraiser credential to perform the functions authorized by the credential;

(b) Taking, appropriating, or retaining the funds or property of another;

(c) Forging, counterfeiting, or altering an instrument affecting the rights or obligations of another;

(d) Evasion of a lawful debt or obligation, including without limitation a tax obligation;

(e) Trafficking in narcotics or controlled substances;

(f) Violation of a relation of trust or confidence;

(g) Theft of personal property or funds;

(h) An act of violence or threatened violence against persons or property; or

(i) A sexually related crime or act under § 5-14-101 et seq.;

(ii) Has had an appraiser registration, license, certification, or credential of any type revoked in any governmental jurisdiction;

(iii) Performed any act which if done by an appraiser would be grounds to revoke or suspend the appraiser's license or certification;

(iv) Knowingly made a false statement of material fact required to be disclosed in an application for any professional license or certification;

(v) Has been prohibited from participating in the affairs of an insured depository institution under Section 19(a) of the Federal Deposit Insurance Act, 12 U.S.C. § 1829;

(vi) Misrepresented facts or information on the appraiser registration, license, or certification application; or

(vii) Cheated on an examination for a real property appraiser registration, license, or certification.

SECTION 27. Arkansas Code § 17-14-204(a), concerning meetings, quorum, and voting by the Arkansas Appraiser Licensing and Certification Board, is amended to read as follows:

(a) ~~The Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall meet not less frequently than twice each calendar year to conduct its business.

SECTION 28. Arkansas Code § 17-14-204(e), concerning quorum requirements, is amended to read as follows:

(e)(1) A quorum of the board shall be ~~six (6)~~ five (5) members, ~~provided that four (4) must be state licensed or state certified appraisers.~~

(2) No binding decisions or regulatory changes may be made by the board in the absence of a quorum.

SECTION 29. Arkansas Code § 17-14-205(a), concerning the hearings, review, and access to records under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(a) In fulfilling its duties 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 ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors 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.

SECTION 30. Arkansas Code § 17-14-206(a), concerning complaints and disciplinary procedures under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(a) Upon its own motion or upon written complaint of any person and after notice and hearing as prescribed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq., the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may suspend or revoke the registration, license, or certification of any registrant, licensee, or certificate holder and issue a fine up to the amount of one thousand dollars (\$1,000) per violation occurrence or take any other appropriate disciplinary action for:

(1) Violation of any provision of the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;

(2) Falsifying any application for licensure or certification or otherwise providing any false information to the board;

(3) [Repealed.]

(4) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;

(5) Adjudication of insanity;

(6) Use of advertising or solicitation that is false, misleading, or is otherwise deemed unprofessional by the board;

(7) Employing directly or indirectly any unlicensed person to perform any actions subject to the Arkansas Appraiser Licensing and

Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;

(8) Habitual or excessive use of intoxicants or illegal drugs;

or

(9) Failure to meet continuing education requirements within the proper time period.

SECTION 31. Arkansas Code § 17-14-305(a)(1), concerning compliance with uniform standards and code of ethics, seals, and licensing and certification documents under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(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~~ code of ethics adopted by the ~~Arkansas Appraiser Licensing and Certification Board~~ 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.

SECTION 32. Arkansas Code § 17-14-306(b)(1), concerning additional licenses and nonresidents under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(b)(1) If, in the determination by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors, another state is deemed to have substantially equivalent licensing and certification requirements, an applicant who is licensed or certified under the laws of the other state may obtain a nonresident license or certificate as a state-licensed appraiser or a state-certified appraiser in this state upon such terms and conditions as may be determined by the board.

SECTION 33. Arkansas Code § 17-14-307(1), concerning minimum qualifying requirements for registered appraisers, is amended to read as follows:

(1) Make application to the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home

Inspectors on approved forms which shall include an affidavit that states that the appraiser has read and understands:

- (A) The current edition of the Uniform Standards of Professional Appraisal Practice;
- (B) The board's statutes; and
- (C) The board's rules;

SECTION 34. Arkansas Code § 17-14-308(a)(2)(B)(ii)(b), concerning a violation of law, civil penalties, injunctions, and venue under the Arkansas Appraiser Licensing and Certification Act, is amended to read as follows:

(b) Withholding payment for an appraisal based upon a bona fide dispute concerning the appraiser's compliance with the appraisal standards adopted by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors under this chapter.

SECTION 35. Arkansas Code § 17-14-402(9), concerning the definition of "board" under the Arkansas Appraiser Licensing and Certification Act, is repealed.

~~(9) "Board" means the Arkansas Appraiser Licensing and Certification Board established under the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301 et seq.;~~

SECTION 36. Arkansas Code § 17-14-403 is amended to read as follows:

17-14-403. Registration of appraisal management companies required.

A person shall not act as an appraisal management company or perform appraisal management services in this state unless registered by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 37. Arkansas Code § 17-14-404 is amended to read as follows:

17-14-404. Rulemaking authority.

The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may adopt rules to implement, administer, and enforce this subchapter, including without limitation to

prescribe:

- (1) Forms and procedures for submitting information to the board;
- (2) Standards of practice for a person registered under this subchapter; and
- (3) Standards for the operation of appraisal management companies.

SECTION 38. Arkansas Code § 17-14-405(a)(1), concerning the requirements for registration for an appraisal management company, is amended to read as follows:

(a)(1) Before acting or offering to act as an appraisal management company in this state, a person shall make written application on the forms provided on the official website of the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors to the board for registration accompanied by the fee and bond established by the board.

SECTION 39. Arkansas Code § 17-14-406(a)(1), concerning the fees and renewals for registration of appraisal management companies, is amended to read as follows:

(a)(1) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall establish by rule an application fee for an initial application or an application for renewal not to exceed one thousand five hundred dollars (\$1,500) to be paid by each appraisal management company seeking registration under this subchapter.

SECTION 40. Arkansas Code § 17-14-407(a)(2), concerning registrant responsibilities and duties, is amended to read as follows:

(2) Provide to the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors the information required by § 4-20-105(a) concerning the organization's agent for service of process and within five (5) business days any changes to the information.

SECTION 41. Arkansas Code § 17-14-408(b)(5), concerning prohibited

activities for appraisal management companies, is amended to read as follows:

(5) Enter into contracts or agreements with an independent appraiser for the performance of appraisal services unless the independent appraiser is licensed or certified in good standing with the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors;

SECTION 42. Arkansas Code § 17-14-409(a)(1), concerning the registry of applicants and roster for appraisal management companies, is amended to read as follows:

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

SECTION 43. Arkansas Code § 17-14-409(b)(1), concerning the registry of applicants and roster for appraisal management companies, is amended to read as follows:

(b)(1) The executive director shall keep a current roster showing the names and addresses of all appraisal management companies registered with the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 44. Arkansas Code § 17-14-410(a), concerning disciplinary authority, enforcement, and hearings for appraisal management companies, is amended to read as follows:

(a) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may deny, suspend, revoke, or refuse to issue or renew the registration of an appraisal management company under this subchapter or may restrict or limit the activities of an appraisal management company or a person who owns an interest in or participates in the business of an appraisal management company if the board finds that any of the following circumstances apply to the applicant, a registrant, or a partner, member, manager, officer, director, managing principal, controlling person, or a person occupying a similar status or performing similar functions, or a person directly or indirectly controlling the applicant or registrant:

- (1) The person's application for registration when filed or after filing contained a statement that in light of the circumstances under which it was made is false or misleading with respect to a material fact;
- (2) The person has violated or failed to comply with this subchapter;
- (3) The person has pleaded guilty or nolo contendere to or been found guilty of:
 - (A) A felony listed under § 17-3-102; or
 - (B) Within the past ten (10) years:
 - (i) A misdemeanor involving mortgage lending or real estate appraising; or
 - (ii) An offense involving breach of trust or fraudulent or dishonest dealing;
- (4) The person is permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving appraisal management services or operating an appraisal management company;
- (5) The person is the subject of an order of the board or any other state appraisal management company regulatory agency denying, suspending, or revoking the person's privilege to operate as an appraisal management company;
- (6) The person acted as an appraisal management company while not properly registered by the board; or
- (7) The person failed to pay the proper filing or renewal fee under this subchapter.

SECTION 45. Arkansas Code § 17-14-411(a), concerning injunctive relief and criminal penalties, is amended to read as follows:

(a) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may appear in its own name in a circuit court of competent jurisdiction to obtain injunctive relief to prevent a person from violating this subchapter.

SECTION 46. Arkansas Code § 17-14-413(b), concerning the compensation of appraisers, is amended to read as follows:

(b) An appraiser who is aggrieved under this section may file a

complaint with the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors against the appraisal management company.

SECTION 47. Arkansas Code § 17-14-414 is amended to read as follows:
17-14-414. Appraisal review.

Any employee of an appraisal management company or an independent contractor of the appraisal management company who performs a Uniform Standards of Professional Appraisal Practice Standard 3 appraisal review of an appraisal report on a property located in this state shall be an appraiser with the proper level of appraiser credential issued by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 48. Arkansas Code § 17-52-302(b), concerning the purpose and intent of licensing home inspectors, is amended to read as follows:

(b) The purpose of the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors created under this subchapter shall be to:

- (1) Administer and enforce the provisions of this subchapter;
- (2) Promote a business atmosphere that will protect consumers of home inspection services;
- (3) Oversee an ongoing program to develop high-level skills in home inspectors; and
- (4) Encourage the presence of a viable home inspection industry in Arkansas.

SECTION 49. Arkansas Code § 17-52-304 is repealed.

~~17-52-304. Arkansas Home Inspector Registration Board — Creation —
Members.~~

~~(a) There is created the Arkansas Home Inspector Registration Board.
(b) The board shall consist of seven (7) members, to be appointed by the Governor as follows:~~

- ~~(1) Four (4) members shall be registered home inspectors;~~
- ~~(2) One (1) member shall be a licensed real estate professional;~~
- ~~(3) One (1) member shall be a licensed real estate appraiser;~~

and

~~(4) One (1) member shall be an at-large member who shall serve as a consumer advocate.~~

~~(c)(1) The initial members appointed under subsection (b) of this section shall determine their terms of office by drawing lots to result in two (2) home inspector members and two (2) noninspector members serving two-year terms and two (2) home inspector members and one (1) noninspector member serving one-year terms.~~

~~(2) Successor appointed members shall serve two-year terms.~~

~~(d) Any vacancy that occurs on the board shall be filled by the Governor for the remainder of the unexpired term.~~

~~(e) Board members shall serve not more than three (3) consecutive terms of office.~~

~~(f) The consumer advocate member of the board shall call the first meeting and shall serve as chair of the first meeting.~~

~~(g) If funds are available, members of the board may receive expense reimbursement according to § 25-16-902.~~

SECTION 50. Arkansas Code § 17-52-305 is repealed.

~~17-52-305. Meetings.~~

~~(a) The Arkansas Home Inspector Registration Board shall physically meet not fewer than two (2) times each calendar year to conduct the business of the board.~~

~~(b) The board may conduct any additional meetings in person, by telephone conference call, or by other electronic means.~~

~~(c) Dates, times, and places of meetings shall be decided by a majority vote of the board members.~~

~~(d)(1) At the first meeting, a chair and all other officers needed to conduct the business of the board shall be elected.~~

~~(2) Except for the election of the initial board officers, all officers shall be elected in May of each year and shall serve for twelve-month terms.~~

~~(e) Written notice shall be given to each member of the board of the time and place of each meeting at least ten (10) calendar days before the scheduled date of the meeting.~~

~~(f) The minutes of all meetings shall be recorded by an administrative~~

~~secretary and made a permanent part of the records of the board no later than seven (7) calendar days after the respective meeting.~~

~~(g) A majority of the members of the board shall constitute a quorum for transacting any business of the board.~~

SECTION 51. Arkansas Code § 17-52-306 is amended to read as follows:
17-52-306. Powers and duties of the board.

The ~~Arkansas Home Inspector Registration Board~~ 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) Establish a standard of practice and code of ethics for home inspectors;
- (10) 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) 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) 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) Establish and maintain an ~~internet site~~ website devoted to home inspection registration and related subjects; and

(15) [Repealed.]

(16) 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 52. Arkansas Code § 17-52-307(a), concerning hearings, reviews, and access to records of the Arkansas Home Inspector Registration Board, is amended to read as follows:

(a) As part of an investigation or as a condition of renewal, the ~~Arkansas Home Inspector Registration Board~~ 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.

SECTION 53. Arkansas Code § 17-52-308(a), concerning complaints and disciplinary procedures of the Arkansas Home Inspector Registration Board, is amended to read as follows:

(a) Disciplinary hearings conducted by the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors for the purpose of determining whether to levy civil penalties under this subchapter and for the purpose of determining whether to revoke or suspend any registration, license, or certificate issued under this subchapter shall be open public meetings conducted as provided for in the Freedom of Information Act of 1967, § 25-19-101 et seq., unless otherwise superseded by provisions of this subchapter.

SECTION 54. Arkansas Code § 17-52-309(b)(1), concerning Arkansas Home Inspector Registration Board violations of law, civil penalties, injunctions, and venue, is amended to read as follows:

(b)(1) Upon application by the ~~Arkansas Home Inspector Registration~~

~~Board~~ State Board of Appraisers, Abstracters, and Home Inspectors, a court may grant an injunction, restraining order, or other order as may be appropriate to enjoin a person from:

(A) Offering to engage or engaging in the performance of any acts or practices for which registration is required by this subchapter after a showing that the acts or practices were performed or offered to be performed without a certificate of registration; or

(B) Engaging in any practice or business authorized by a certificate of registration issued under this subchapter upon a showing that the holder presents a substantial probability of serious danger to the health, safety, or welfare of any resident of this state or client of the certificate holder.

SECTION 55. Arkansas Code § 17-52-310(a), concerning continuing education for home inspectors, is amended to read as follows:

(a) The ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall implement requirements for home inspectors to successfully complete continuing education annually as a condition to registration renewal.

SECTION 56. Arkansas Code § 17-52-311 is amended to read as follows:

~~17-52-311. Role of Secretary of the Department of Labor and Licensing Custodian of records.~~

(a)(1) The ~~Secretary of the Department of Labor and Licensing~~ 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 ~~secretary~~ executive director shall maintain the permanent records of the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

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

SECTION 57. Arkansas Code § 17-52-312(e), concerning the Arkansas Home Inspectors Registration Fund, is amended to read as follows:

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

SECTION 58. Arkansas Code § 17-52-313(a)(1) and (2), concerning the disposition of funds from the Arkansas Home Inspector Registration Board, are amended to read as follows:

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

(2) The ~~Secretary~~ Executive Director of the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors shall institute a system of books and financial records satisfactory to the Secretary of the Department of Finance and Administration.

SECTION 59. Arkansas Code § 17-52-313(a)(4), concerning the disposition of funds from the Arkansas Home Inspector Registration Board, is amended to read as follows:

(4) The ~~Secretary~~ Executive Director of the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors 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.

SECTION 60. Arkansas Code § 17-52-315(a), concerning an application for registration as a home inspector, is amended to read as follows:

(a) Any person applying for registration or renewal of registration as a home inspector shall submit to the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors:

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

(2) A current certificate of insurance issued by an insurance company licensed or surplus lines approved to do business in this state that

states that the applicant has procured general liability insurance in the minimum amount of one hundred thousand dollars (\$100,000) and, if applicable, workers' compensation insurance; and

(3) The required registration or registration renewal fee with the application.

SECTION 61. Arkansas Code § 17-52-316(a)(1), concerning fees and reimbursements for the Arkansas Home Inspector Registration Board, is amended to read as follows:

(a)(1) The ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors may set registration and renewal fees not to exceed three hundred dollars (\$300) per year.

SECTION 62. Arkansas Code § 17-52-317(a)(1), concerning certificates of registration issued by the Arkansas Home Inspector Registration Board, is amended to read as follows:

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

SECTION 63. Arkansas Code § 17-52-318(b), concerning insurance required of home inspectors, is amended to read as follows:

(b) All policies and certificates shall provide that cancellation or renewal of the policy shall not be effective unless and until at least ten (10) days' notice of cancellation or nonrenewal has been received in writing by the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 64. Arkansas Code § 17-52-319(b), concerning standards of care for home inspectors, is amended to read as follows:

(b) All home inspections conducted for compensation in this state shall be conducted according to the standards of practice and code of ethics set forth by the ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 65. Arkansas Code § 17-52-320(b), concerning limitations of damages against home inspectors, is amended to read as follows:

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

SECTION 66. Arkansas Code § 19-6-415 is amended to read as follows:

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 ~~Arkansas Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 67. Arkansas Code § 22-6-601(c)(2)(C), concerning the sale procedure for state agencies, is amended to read as follows:

(C) The appraiser shall be licensed and certified by the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors.

SECTION 68. Arkansas Code § 25-16-903(5), concerning stipends for state boards, is amended to read as follows:

(5) ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors;

SECTION 69. Arkansas Code § 25-43-1102(1), concerning state entities transferred to the Department of Labor and Licensing, is repealed.

~~(1) The Arkansas Abstracters' Board, created under § 17-11-401;~~

SECTION 70. Arkansas Code § 25-43-1102(2), concerning state entities transferred to the Department of Labor and Licensing, is amended to read as follows:

(2) The ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and Home Inspectors, created under § 17-14-201;

SECTION 71. Arkansas Code § 25-43-1102(4), concerning state entities transferred to the Department of Labor and Licensing, is repealed.

~~(4) The Arkansas Home Inspector Registration Board, created under § 17-52-304,~~

SECTION 72. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions – Appointment of members of the State Board of Appraisers, Abstracters, and Home Inspectors – Terms.

(a) As soon as practical after the effective date of this act, the Governor shall appoint all board member positions to the State Board of Appraisers, Abstracters, and Home Inspectors, subject to confirmation by the Senate.

(b)(1) The initial terms of the board members shall be staggered as follows:

(A) The following six (6) positions shall serve terms expiring April 15, 2024:

(i) Two (2) appraiser members;

(ii) Two (2) home inspector members;

(iii) The financial institution representative; and

(iv) The abstracter representative; and

(B) The following five (5) positions shall serve terms expiring April 15, 2025:

(i) Three (3) appraiser members;

(ii) One (1) home inspector member; and

(iii) One (1) representative of senior citizens and consumers.

(2) The initial terms described in subdivision (b)(1) of this section shall not count against the prohibition under § 17-14-201(c)(3) of serving no more than two (2) consecutive terms.

SECTION 73. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions – Board members – Duties.

Upon the effective date of this section:

(1) The members of the Arkansas Abstracters' Board and the Arkansas Home Inspector Registration Board are removed;

(2) The members of the Arkansas Appraiser Licensing and

Certification Board shall continue to serve and shall exercise the powers and duties assigned to the Arkansas Appraiser Licensing and Certification Board, the Arkansas Abstracters' Board, and the Arkansas Home Inspector Registration Board until the State Board of Appraisers, Abstracters, and Home Inspectors is duly appointed; and

(3) The staff of the Arkansas Abstracters' Board and the Arkansas Home Inspector Registration Board shall report to the Director of the Arkansas Appraiser Licensing and Certification Board.

SECTION 74. EMERGENCY CLAUSE.

(a) It is found and determined by the General Assembly of the State of Arkansas that it is important to the citizens of Arkansas that state government services be provided in an efficient and cost-effective manner; that the consolidation of state boards that perform similar functions and serve similar constituencies is an effective way to achieve both operational efficiencies and economies of scale; that this act abolishing and transferring the duties of the Arkansas Abstracter's Board, the Arkansas Home Inspector Registration Board, and the Arkansas Appraiser's Board to the State Board of Appraisers, Abstracters, and Home Inspectors will increase the effectiveness of the industries regulated by the board and protect the citizens' safety and property; that Section 73 of this act is immediately necessary to obtain cost efficiencies and streamline the provision of government services without delay for the benefit of Arkansas taxpayers to allow services that preserve the health, safety, and property of Arkansas citizens. Therefore, an emergency is declared to exist, and Section 73 of this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

(b) It is found and determined by the General Assembly of the State of Arkansas that all sections of this bill except for Section 73 are important to the citizens of Arkansas as they will allow state government services to

be provided in an efficient and cost-effective manner; that this act abolishing and transferring the duties of the Arkansas Abstracter's Board, the Arkansas Home Inspector Registration Board, and the Arkansas Appraiser's Board to the State Board of Appraisers, Abstracters, and Home Inspectors should become effective on July 1, 2023, to coincide with the appropriation bills of the Department of Labor and Licensing and ensure that the State Board of Appraisers, Abstracters, and Home Inspectors provides its expanded vital services as the transfer of duties is implemented and does not experience any issues with funding under the transfer of duties. 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, 2023, except as provided in subsection (a) of this section.

/s/K. Hammer