

State of Arkansas

**Department of Labor and Licensing Rules implementing
the**

**Arkansas Appraiser Licensing and Certification Act, The
Appraisal Management Company Registration Act, the
Abstracters' Licensing Law of 1969, and the Arkansas
Home Inspector Registration Act**

**Effective Date: [upon approval by the
Arkansas Legislative Council]**

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Chapter 1 General Applicability

Rule 1 General Provisions

- (a) Purpose – These Rules of the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors are set forth for the purpose of interpreting and implementing the Arkansas Appraiser Licensing and Certification Act, Appraisal Management Company Registration Act, Abstracters' Licensing Law of 1969, and Arkansas Home Inspectors Registration Act, Arkansas Code Annotated §17-14-101, §17-11-101, and §17-52-301 et seq. These acts establish the board and grant it full responsibility for licensure of appraisers, abstracters, and home inspectors. They also provide for the regulation of the appraisal practice, the business of abstracting, and the practice of home inspection.
- (b) Citation – These rules shall be known and may be cited as the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors Rules.
- (c) Severability – If any provision of these rules or the application thereof to any person or circumstance is invalid, such invalidity shall not affect other provisions or applications of these rules; they can be given effect without the invalid provision or application. To this end, the provisions of these rules are declared to be severable.
- (d) Defined Terms – The terms defined in the Arkansas Appraiser Licensing and Certification Act, Appraisal Management Company Registration Act, Abstracters' Licensing Law of 1969, and Arkansas Home Inspectors Registration Act, Arkansas Code Annotated §17-14-101, §17-14-401, §17-11-101, and §17-52-301 et seq., shall have the same meanings when used in these rules, unless the context or subject matter clearly requires a different interpretation. Further terms may be defined in subsequent chapters of these rules.
- (e) Rule Making – All rules and any subsequent amendments will be promulgated according to the Arkansas Administrative Procedures Act, Arkansas Code Annotated §25-15-201 et seq.

Rule 2 Board Meetings, Operation, and Compensation

(a) Board Meetings

- (1) The board meets at least twice each calendar year to examine applicants for licensure, hear complaints, and transact other business that comes before it. The dates for each meeting shall be determined by the board.
- (2) Notice of any meeting shall be sent to each board member at least ten (10) days before the scheduled date of the meetings.
- (3) An administrative assistant shall be present at all meetings of the board and shall record the minutes of all meetings.
- (4) Board meetings shall be recorded in compliance with the Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 et seq.

(b) Board Operations

- (1) Board officers shall be Chairman, Vice Chairman and Treasurer. Terms of office for officers shall last one (1) year.
- (2) A quorum of the board shall be five (5) members.
- (3) The day-to-day business of the board is conducted by the Director and staff.
- (4) Public information
 - (A) Persons seeking information from or submitting information to the board may do so by written communication to the Director.
 - (B) All relevant applications and forms may be obtained on the board's website or through the board's office.
 - (C) Individuals may inspect and copy public records pursuant to the procedures set forth in the Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 et seq.
 - (D) The board shall maintain a roster of duly registered abstracters and business entities showing each registered abstracter's or entity's business name, registration, certificate, or authorization number, and last-known mailing address. This roster shall be open to public inspection.
 - (E) The board shall 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 at least monthly to the Appraisal Subcommittee. This roster may be published and periodically updated and provided to all interested parties at cost.

- (5) Board compensation and expense reimbursement – Each member of the board shall receive a per diem pursuant to Arkansas Code Annotated §25-16-903(5) as compensation for each meeting of the board at which the member is present and for each day or substantial part thereof actually spent in the conduct of the business of the board, plus all appropriate expenses as approved by the board. Appropriate expenses are the reimbursable expenses a member of the board necessarily incurs in the discharge of the board member's official duties. Request for compensation and reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriates for this board.

Rule 3 General Licensure Information

- (a) All individuals licensed, registered, or certified by the board are required to provide and maintain current mailing and email address and contact information on file with the board so that the board can remain in contact and provide any and all notices from the board. The license, registered, or certified individual is required to provide written notice to the board of any change in contact information within ten (10) working days of the change. All board notices sent by mail will be addressed to the latest address on file with the board.
- (b) The board shall grant a credential to an applicant who fulfills the Arkansas requirements for licensure and is a person who holds a Federal Form I-766 United States Citizenship and Immigration Services-issued Employment Authorization Document, known popularly as a "work permit."
- (c) Workforce Expansion Act of 2021

- (1) Pursuant to Arkansas Code Annotated §17-5-101 et seq., an applicant may receive a waiver of his or her initial licensure fee, if eligible. Eligible applicants are applicants who:
 - (A) Are receiving assistance through the Arkansas Medicaid Program, the Supplemental Nutrition Assistance Program, the Special Supplemental Nutrition Program for Women, Infants and Children, the Temporary Assistance for Needy Families Program, or the Lifeline Assistance Program;
 - (B) Were approved for unemployment within the last twelve (12) months; or
 - (C) Have an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines.
 - (2) Applicants shall provide documentation showing his or her receipt of benefits from the appropriate State Agency as follows:
 - (A) For those applicants receiving assistance under section (1)(A) above, documentation from the Arkansas Department of Human Services;
 - (B) For unemployment benefits approval in the last twelve (12) months, the Arkansas Department of Workforce Services; or
 - (C) For proof of income, copies of all United States Internal Revenue Service Forms indicating applicant's total personal income for the most recent tax year e.g., "W2," "1099," etc.
 - (3) An applicant seeking a waiver will be required to provide a signed affidavit confirming that he or she qualifies for waiver based on the conditions listed in section (1) above and may be required by the board to submit documentation for verification purposes. Applicants shall also attest that any documentation provided under section (2) above is a true and correct copy and fraudulent or fraudulently obtained documentation shall be grounds for denial or revocation of his or her license.
- (d) Criminal Record
- (1) An individual is not eligible to receive or hold a license if that individual has pleaded guilty or nolo contendere to or been found guilty of any of the offenses listed in Arkansas Code Annotated §17-3-102(a) or (e) by any court

in the State of Arkansas or of any similar offense by a court in another state or of any similar offense by a federal court, unless the conviction was lawfully sealed under the Comprehensive Criminal Record Sealing Act of 2013, § 16-90-1401 et seq., or otherwise previously sealed, pardoned or expunged under prior law.

(2) If an individual has been convicted of an offense listed in A.C.A. § 17-3-102(a) or (e), the board may waive disqualification of a potential applicant or revocation of a license based on the conviction if a request for a waiver is made by:

(A) An affected applicant for a license; or

(B) An individual holding a license subject to revocation.

(3) The Board may grant a waiver upon consideration of the following, without limitation:

(A) The age at which the offense was committed;

(B) The circumstances surrounding the offense;

(C) The length of time since the offense was committed;

(D) Subsequent work history since the offense was committed;

(E) Employment references since the offense was committed;

(F) Character references since the offense was committed;

(G) Relevance of the offense to the occupational license; and

(H) Other evidence demonstrating that licensure of the applicant does not pose a threat to the health or safety of the public.

(4) A request for a waiver, if made by an applicant, must be in writing and accompany the completed application and fees.

(5) The board will respond with a decision in writing and will state the reasons for the decision.

(6) An appeal of a determination under this section will be subject to the Administrative Procedures Act.

(e) Pre-licensure Criminal Background Check

(1) Pursuant to Arkansas Code Annotated §17-3-103, an individual may petition for a pre-licensure determination of whether the individual's criminal record

will disqualify the individual from licensure and whether a waiver may be obtained.

- (2) The individual must obtain the pre-licensure criminal background check petition form from the board.
 - (3) The board will respond with a decision in writing to a completed petition within a reasonable time.
 - (4) The board's response will state the reason(s) for the decision.
 - (5) All decisions of the board in response to the petition will be determined by the information provided by the individual.
 - (6) Any decision made by the board in response to a pre-licensure criminal background check petition is not subject to appeal.
 - (7) The board will retain a copy of the petition and response and it will be reviewed during the formal application process.
- (f) Arkansas Occupational Licensing of Uniformed Service Members, Veterans, and Spouses Act of 2021
- (1) The board shall grant automatic licensure to an individual who is the holder in good standing of a license with a similar scope of practice issued by another state, territory, or district of the U.S. and is:
 - (A) A uniformed service member stationed in the State of Arkansas;
 - (B) A uniformed service veteran who resides in or establishes residency in the State of Arkansas; or
 - (C) The spouse of:
 - (i) A person under (1) (A) or (B) above;
 - (ii) A uniformed service member who is assigned a tour of duty that excludes the uniformed service member's spouse from accompanying the uniformed service member and the spouse relocates to this state; or
 - (iii) A uniformed service member who is killed or succumbs to his or her injuries or illness in the line of duty if the spouse establishes residency in the state.
 - (2) The board shall grant such automatic licensure upon receipt of all the below:

- (A) A completed written "Uniformed Service Member Application" form. The form is available on the board's website or from the board office;
 - (B) Payment of the initial licensure fee;
 - (C) Evidence that the individual is a holder in good standing of a license with a similar scope of practice in another jurisdiction; and
 - (D) Evidence that the applicant is a qualified applicant under Section (1) above.
- (3) The expiration date of a license for a deployed uniform service member or spouse will be extended for one hundred and eighty (180) days following the date of the uniformed service member's return from deployment.
- (4) A full exemption from continuing education requirements will be allowed for a deployed uniform service member or spouse until one hundred and eighty (180) days following the date of the uniformed service member's return from deployment.
- (5) The board shall accept relevant and applicable uniformed service education, training, national certification, or service issued credential toward licensure qualifications or requirements when considering an application for licensure of an individual under Section (1) above.
- (g) Application Denial - If the board finds that there is substantial reason to deny the application for licensure, the board shall notify the applicant that the application has been denied. The board shall afford the applicant an opportunity for a hearing before the board to show cause why the application should not be denied. Such requests must be sent to the board within thirty (30) calendar days from the date notification is received from the board to appeal the decision. All proceedings concerning the denial shall be governed by the Arkansas Administrative Procedures Act. The applicant has the burden of establishing entitlement to the license.

Rule 4 Declaratory Orders

- (a) A declaratory order is a means of resolving a controversy or answering questions or doubts concerning the applicability of statutory provisions, rules, or orders over which the board has authority. A petition for declaratory order may be used only

to resolve questions or doubts as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances. A declaratory order is not the appropriate means for determining the conduct of another person or for obtaining a policy statement of general applicability from a board. A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interests.

- (b) The process to obtain a declaratory order is begun by filing with the board a petition that provides the following information:
- (1) The caption shall read: Petition for Declaratory Order before the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors.
 - (2) The name, address, telephone number, and facsimile number of the petitioner.
 - (3) The name, address, telephone number, and facsimile number of the attorney of the petitioner.
 - (4) The statutory provision(s), agency rule(s), or agency order(s) on which the declaratory order is sought.
 - (5) A description of how the statutes, rules, or orders may substantially affect the petitioner and the petitioner's particular set of circumstances, and the question or issue on which petitioner seeks a declaratory order.
 - (6) The signature of the petitioner or petitioner's attorney.
 - (7) The date.
 - (8) Request for a hearing, if desired.
- (c) The board may hold a hearing to consider a petition for declaratory order. If a hearing is held, it shall be conducted in accordance with Arkansas Code Annotated §25-15-208 and §25-15-213, and the board's rules for adjudicatory hearings.
- (d) The board may rely on the statements of fact set out in the petition without taking any position with regard to validity of the facts. Within ninety (90) days of the filing of the petition, the board will render a final order denying the petition or issuing a declaratory order.

Chapter 2 – Appraisers

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., in a manner consistent with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), 12 U.S.C. §§ 3310 and 3331 et seq.

Rule 2 Definitions

The following words and terms, when used in this Chapter, unless a different meaning is provided or is plainly required by the context, shall have the following meanings:

- (a) "AQB" means Appraiser Qualification Board.
- (b) "Complex one to four (1-4) family residential property appraisal" means one in which the property to be appraised, the form of ownership, or market conditions are atypical.
- (c) "PAREA" means practical applications of real estate appraisal.
- (d) "Residential" means composed of one to four residential units.
- (e) "Supervisory appraiser" means a state-certified appraiser who:
 - (1) Formally agrees to supervise the work of a specific registered apprentice appraiser.
 - (2) Is recorded by the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors as a supervisory appraiser; and
 - (3) Has successfully completed the four-hour supervisor/trainee course offered by the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or other approved education provider.
 - (4) Refer to Rule 9 of this Chapter for additional qualifications.
- (f) "Transaction value" means, for the purposes of this part:
 - (1) For loans or other extensions of credit, the amount of the loan or extension of credit.
 - (2) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.

- (3) For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property; and
- (4) For condemnation appraisals, the value will be the total market value of the property before any acquisition of property occurs.

(g) "USPAP" means the Uniform Standards of Professional Appraisal Practice

Rule 3 Standards of practice and restrictions on appraisal practice

(a) Standards of Practice

- (1) Appraisers in all classifications shall perform and practice in compliance with USPAP.
- (2) Existing credential holders (except for Registered Apprentice and State Registered appraisers) in good standing in any jurisdiction shall be considered in compliance with current AQB *Real Property Appraiser Qualifications Criteria* if they have passed an AQB approved qualifying examination for that credential.
 - (A) This applies to reciprocity, temporary practice, renewals, and applications for the same credential (except for Registered Apprentice and State Registered appraisers) in another jurisdiction.
 - (B) All credential holders must comply with ongoing requirements for continuing education and renewal procedures.
- (3) The board adopts the 2024 USPAP as published and amended by the Appraisal Foundation. This adoption shall include all parts of USPAP including the introductory sections for the purpose of judging those applicants, registrant, licensees, and certificate holders with respect to the appropriateness of their conduct and activities as appraisers in the State of Arkansas.

(b) Restrictions on appraisal practice

- (1) All appraisal services rendered in federally related transactions must be performed or rendered by a person or persons holding the appropriate:
 - (A) Registration.
 - (B) License; or

(C) Certification.

- (2) All written appraisal reports shall make a specific reference to any person or persons, bear the signature or signatures and seal or seals of all properly registered, licensed, or certified person or persons who participated significantly in the performance of the appraisal or delivery of appraisal services.
- (3) All registered, licensed, or certified appraisers signing an appraisal report or other document representing the delivery of appraisal services shall assume full joint and several responsibility and liability for the compliance of the appraisal performed or the appraisal service rendered with respect to compliance with the USPAP.
- (4) State-licensed and certified residential appraisers performing appraisals on nonresidential (that is, commercial, farms, timberland, etc.) property types shall comply with the following limitations:
 - (A) Federally related transactions. A state licensed or certified residential appraiser shall be limited to appraising a "transaction value" (loan value) of no more than two hundred fifty thousand dollars (\$250,000); and
 - (B) Non-federally related transactions. A state licensed or certified residential appraiser shall be limited to a "property value" of no more than two hundred fifty thousand dollars (\$250,000).

Rule 4 General licensure and certification information

- (a) Licensure and Certification – If upon passing the required appropriate examination, an applicant is found by the board to be otherwise qualified, the board shall issue to the applicant a real estate appraiser license or a real estate appraiser certificate indicating residential or general status.
- (b) Appraiser signature and seal
 - (1) Each registered, licensed, and certified appraiser, at his or her own expense, shall secure, upon authorization by the board, a seal, or rubber stamp, the form of which shall be approved by the board.
 - (2) In addition to the personal seal or rubber stamp, the credential holder shall also affix his or her signature, at a minimum, to the:

(A) Letter of transmittal, if applicable; and

(B) Certification page of each appraisal report or appraisal service that was prepared by him or her or was prepared under his or her direction.

(c) Form and content

(1) The board shall issue to each registered licensee or certificate holder a license or certificate as applicable, in a form as shall be prescribed by the board.

(2) The license or certificate shall show the name of the registered licensee or certificate holder and a license or certificate number assigned by the board.

(3) Each license or certificate shall have imprinted on it the state seal and in addition shall contain other matters as shall be prescribed by the board.

(4) Registrations, licenses, and certificate documents, pocket cards, and seals shall remain the property of the state and upon any suspension, revocation, or denial of a license or certificate, the individual holding the related license or certificate document and pocket card shall:

(A) Return them to the board within ten (10) days of notification by the board;

and

(B) Cease to use seals or stamps immediately upon receipt of notice.

(d) Individual license, certificates, and pocket cards

(1) In addition to the individual license or certificate to be issued to each qualified individual, the board shall furnish to each individual a pocket card, in a digital format, which shall:

(A) Certify that the person whose name appears on the pocket card is a:

(i) State-registered appraiser.

(ii) Registered apprentice appraiser.

(iii) State-licensed appraiser.

(iv) State-certified residential appraiser; or

(v) State-certified general appraiser; and

(B) Indicate any current restrictions of that licensee's practice.

(2) Each registered licensee or certificate holder shall:

- (A) Carry his or her pocket card upon his or her person at all times when conducting any real estate appraisal-related activity; and
 - (B) Exhibit it upon demand.
- (e) Replacement license or certificate – a registered licensee or certificate holder may, by filing a written request, obtain a duplicate registration, license, or certificate:
 - (1) Which has been lost, damaged, or destroyed; or
 - (2) If the name of the licensee or certificate holder has been lawfully changed.
- (f) National appraiser registry
 - (1) The board shall submit to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council all names of individuals who are qualified as licensees or certificate holders in the State of Arkansas, both resident and nonresident, provided the individuals have paid to the board the appropriate registry fee established for that purpose by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council or any other appropriate federal agency or instrumentality.
 - (2) If a nonresident appraiser is licensed or certified on a non-temporary basis in another state and chooses to be licensed or certified in Arkansas on a non-temporary basis, the national registry fee shall be collected by the board and submitted to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.
 - (3) The national registry fee collected by the board from nonresident appraisers shall be an additional national registry fee to that which is collected from the other state or states where the appraiser may be licensed or certified on a non-temporary basis.
 - (4) An appraiser holding the classification of "State Registered" or "Registered Apprentice Appraiser" will not be assessed a national registry fee.

Rule 5 General education approval and requirements

- (a) General requirements for education offerings
 - (1) The board may approve or disapprove all course offerings for qualifying education and continuing education.

- (A) The approval process shall apply to:
- (i) Course content.
 - (ii) Facilities.
 - (iii) Text.
 - (iv) Course delivery mechanism.
 - (v) Other materials utilized in the offering; and
 - (vi) Instructors.
- (B) The board may, at its sole discretion, employ the services of an advisory education panel for the purpose of reviewing educational offerings for:
- (i) Quality.
 - (ii) Content; and
 - (iii) Qualifications of instructors.
- (C) The board may recognize any educational offering recommended or approved by AQB of the Appraisal Foundation.
- (D) The board shall accept all courses approved through AQB's Course Approval Program (CAP) without additional approval by the board.
- (2) Time requirements for the purpose of all educational offerings include:
- (A) A class hour is defined as sixty (60) minutes, of which at least fifty (50) minutes are instruction attended by the student.
 - (B) The prescribed number of class hours includes time for examinations.
- (3) Credit for the class hour requirements may be obtained only from the following providers:
- (A) Colleges or universities;
 - (B) Community or junior colleges.
 - (C) Real estate appraisal or real estate-related organizations.
 - (D) State or federal agencies or commissions.
 - (E) Proprietary schools.
 - (F) Providers approved by the board; or
 - (G) The Appraisal Foundation or its boards.
- (4) Experience may not be substituted for education, except for those individuals under Chapter 1 Rule 3(e).

- (5) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.
- (A) In synchronous educational offerings, the instructor and students interact simultaneously online, video chat or live webinar, or web- based meeting.
- (i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.
- (B) In asynchronous educational offerings, the instructor and student interaction are non-simultaneous, the students' progress at their own pace and follow a structured course content and quiz/exam schedule.
- (i) An asynchronous distance education course is acceptable to meet class hour requirements if:
- (a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor and
- (b) Content approval is obtained from the AQB, the Board, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the board; and
- (c) Course delivery mechanism approval is obtained from one of the following sources:
- (1) The AQB; or
- (2) AQB approved organizations providing approval of course design and delivery (such as The Appraisal Foundation or other independent approved entity); or

- (3) a college or university that qualifies for content approval in (i)(b) above that awards academic credit for the distance education course; or
 - (4) a qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.
 - (d) If the certification of the course delivery mechanism expires prior to the board's expiration date of the course, the course will not be accepted for credit until the provider can provide an updated certification.
- (C) Hybrid courses, also known as blended courses, are learning environments that allow both in-person and online (synchronous, or asynchronous) interaction.
 - (i) Hybrid courses meet class hour requirements if each of its sessions meet the requirement for the delivery method employed:
 - (a) In-person sessions meet (a)(2) and (3) above.
 - (b) Synchronous course sessions meet (a)(2) and (3) above.
 - (c) Asynchronous course sessions must meet (a)(2), (3), and (4)(B) above.
- (6) A list of approved education providers and courses is available on the board's website. If a course is taken that is not on that list, it may be submitted to the board for individual consideration by submitting the following:
 - (A) A course completion certificate.
 - (B) A timed outline provided by the education provider, and
 - (C) A course description from the education provider.
- (7) Education course approval by the board is initially granted for a period of two (2) years provided no substantive changes in course content is made. Approval may be extended by an additional two (2) years on the written request by the provider. Failure to timely request an extension will result in automatic termination of the education offerings approval status.

- (8) A provider shall apply for course approval no later than forty-five (45) days prior to the date of expiration of the original course approval.
- (9) All persons or providers requesting approval from the board for an education course shall submit to the board a completed "Education Course Approval Application" that is found on the board's electronic licensing platform. The application must be accompanied by the following:
- (A) A timed outline allocating each heading and subtopic; and
 - (B) A copy of the course materials; and
 - (C) Instructor resume(s); and
 - (D) All AQB course delivery mechanism approval certificates, if applicable; and
 - (E) Applicable fees.
- (10) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and all written advertising materials for the course.
- (11) The board may at its discretion adopt and implement various procedures for the auditing of any offerings that have been accepted for qualifying and continuing education approval by the board.
- (12) Substantial changes, such as a change in the agenda, published course description, or instructor, made in any course shall require new approval of that course.
- (13) Examination Proctor Qualifications
- (A) The person shall not be related to the student by blood or marriage and may not be engaged in any association (personal or business) with the student.
 - (B) The proctor may be selected from the following professions:
 - (i) A university, college or community college professor or Instructor.
 - (ii) A public and private school professional (superintendent, principal, guidance counselor, librarian, etc.)
 - (a) An AQB certified Instructor or an approved professional association's instructor.

(C) Proctor(s) shall be approved, in advance, by the board.

(14) Examination Proctor Duties

(A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B) Be in the room while the student is taking the exam. Assure that the student does all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, the reason for the interruption and the board, or its designee, must approve the request to resume.

(D) Upon completion of the examination, the proctor shall submit a certificate indicating the verification of the identity of the student, that the examination was completed on the date assigned during the time permitted and that the student has done all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource while taking the examination, including access to Internet search engines or web pages other than that displaying the examination.

(b) Criteria specific to qualifying education

(1) Class hours will be credited only for educational offerings with content that follows the AQB-required core curriculum for each respective credential classification.

(A) Course content requirements may be general or specific to property types.

(B) The AQB-required core curriculum is to be followed by major headings with the classroom hours for each.

(2) Credit toward qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the United States Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.

(A) The AQB may maintain a list of approved college or university degree programs, including the required core curriculum and appraisal subject matter elective hours satisfied by the award of the degree.

(B) Candidates for a registered apprentice appraiser, state-registered, state-licensed, certified residential, or certified general credential who are awarded degrees from approved institutions are required to complete all additional education required for the credential in which the approved degree is judged to be deficient by the AQB.

(3) Class hours may be obtained only where:

(A) The minimum length of the educational offering is at least fifteen (15) hours; and

(B) The individual successfully completes a proctored, closed-book final examination pertinent to that educational offering.

(4) Where the qualifying education course includes multiple modules as listed in the required core curriculum, there must be appropriate testing of each module included in the course.

(5) Courses taken to satisfy the qualifying education requirements must not be repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.

(6) 15-Hour National USPAP Course requirements

(A) Applicants must:

(i) Take the 15-Hour National USPAP Course, or its AQB-approved equivalent; and

(ii) Pass the associated 15-Hour National USPAP Course examination.

- (B) At least one (1) of the course instructors must be an AQB-certified USPAP instructor who is also a state-certified appraiser in good standing.
- (C) Course equivalency shall be determined through the AQB Course Approval Program or by an alternative method established by the AQB.
- (D) USPAP education presented in a distance education format must be designed to foster appropriate student-to-student, student-to-instructor, and student-to-material interaction.
- (E) There is no alternative to successful completion of the USPAP Course and examination.
- (7) In addition to the generic requirements described in Rule 5(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination proctored by a board-approved proctor.
 - (A) Bio-metric proctoring is acceptable.
 - (B) The term "written" as used herein refers to an exam that might be:
 - (i) Written on paper; or
 - (ii) Administered electronically on a computer workstation or other device.
 - (C) Oral exams are not acceptable.
 - (D) The testing must be in compliance with the examination requirements of this section.
- (c) Criteria specific to continuing education
 - (1) The purpose of continuing education is to ensure that appraisers participate in a program that maintains and increases their skill, knowledge, and competency in real property appraising.
 - (2) Aside from complying with the requirements to complete the 7-Hour National USPAP Update Course, or its equivalent, appraisers may not receive credit for completion of the same continuing education course offering within the same continuing education cycle.
 - (3) Credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is at least two (2) hours.
 - (4) Credit may be granted for education offerings that:

(A) Are consistent with the purpose of continuing education; and

(B) Cover real property related appraisal topics, including, but not limited to:

- (i) Ad valorem taxation.
- (ii) Arbitration, dispute resolution.
- (iii) Courses related to the practice of real estate appraisal or consulting.
- (iv) Development cost estimating.
- (v) Ethics and standards of professional practice, USPAP.
- (vi) Valuation bias, fair housing, or equal opportunity.
- (vii) Land use planning, zoning.
- (viii) Management, leasing, timesharing.
- (ix) Property development, partial interest.
- (x) Real estate law, easements, and legal interest.
- (xi) Real estate litigation, damages, condemnation.
- (xii) Real estate financing and investment.
- (xiii) Real estate appraisal-related computer applications.
- (xiv) Real estate securities and syndication.
- (xv) Developing opinions of real property value in appraisals that also include personal property and/or business value.
- (xvi) Seller concessions and impact on value; and/or
- (xvii) Energy-efficient items and "green building" appraisals.

(5) Up to one-half (1/2) of an individual's continuing education requirement may also be granted for participation, other than as a student, in appraisal educational processes and programs.

(A) Examples of activities for which credit may be granted are:

- (i) Teaching.
- (ii) Program development.
- (iii) Authorship of textbooks; or
- (iv) Similar activities that are determined to be equivalent to obtaining continuing education.

(B) Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.

- (6) Educational offerings taken by an individual in order to fulfill the class-hour requirement for a different classification than his or her current classification may be simultaneously counted towards the continuing education requirement of his or her current classification.
- (7) In addition to the general requirements described in Rule 5(a) above, asynchronous distance education courses intended for use as continuing education must include at least one (1) of the following:
- (A) A written examination proctored by an official approved by the college or university or by the sponsoring organization.
 - (i) Remote proctoring, including bio-metric procedures as noted in Rule 5(b) above is acceptable.
 - (ii) The term "written" as used herein refers to an exam that might be:
 - (a) Written on paper; or
 - (b) Administered electronically on a computer workstation or other device.
 - (iii) Oral exams are not acceptable; or
 - (B) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.
- (8) Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.
- (9) Appraisers must successfully complete the 7-Hour National USPAP Update Course, or its AQB-approved equivalent, every two (2) calendar years.
- (A) Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
 - (B) The 15-Hour National USPAP Course may not be substituted for the 7-Hour National USPAP Update Course.
 - (C) Individuals who are credentialed in more than one (1) jurisdiction shall not have to take more than one (1) 7-Hour National USPAP Course within a two-calendar-year period for the purposes of meeting AQB Criteria.

- (D) USPAP continuing education credit shall only be awarded when the course is instructed by at least one (1) AQB-certified USPAP instructor who is also a state-certified appraiser in good standing.
- (E) AQB-certified USPAP instructors successfully completing a seven-hour Instructor Recertification Course and exam, if required, within their current continuing education cycle have satisfied the 7-Hour National USPAP Update Course continuing education requirement.
- (10) Each state-licensed, certified residential and certified general appraiser shall complete during the two-year period prior to renewal of his or her credential in an even-numbered year (that is 2018, 2020, etc.) a minimum of twenty-eight (28) hours of qualifying or continuing education.
- (A) The class hour requirement may be fulfilled at any time during the cycle.
- (11) Each state-registered appraiser and registered apprentice appraiser shall complete fourteen (14) hours of qualifying or continuing education each calendar year prior to renewal of his or her credential.
- (A) The class hour requirement can be fulfilled at any time during the cycle.
- (12) Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.
- (13) Deferrals may not be granted to credential holders, except in the case of individuals impacted by a state- or federally declared disaster or those uniformed service members listed in Chapter 1 Rule 3(e).
- (A) The board may allow credential holders impacted by a state- or federally declared disaster that occurs within ninety (90) days prior to the end of the continuing education cycle to remain, or be placed in, active status for a period of up to ninety (90) days after the end of the credential holder's continuing education cycle, pending completion of all continuing education requirements.
- (14) Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:
- (A) For continuing education cycle periods of one hundred eighty-five (185) days or more, fourteen (14) hours of continuing education is required; and

- (B) For continuing education cycle periods of less than one hundred eighty-five (185) days, no hours of continuing education are required.
- (15) The board may, per continuing education cycle, award continuing education credit to credentialed appraisers who attend a single board meeting under the following conditions:
 - (A) The meeting must be open to the public and must be a minimum of two (2) hours in length.
 - (B) The total credit cannot exceed seven (7) hours; and
 - (C) The board must ensure that the credentialed appraiser attends the meeting for the required period of time.

Rule 6 Discipline: Grounds, Complaints, and Adjudication

- (a) Grounds for disciplinary action – The board may, upon its own motion or upon written complaint of any person, and after notice of hearing as prescribed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq., suspend or revoke the registration, license, or certification of any registered licensee or certificate holder and issue a fine up to the amount of one thousand dollars (\$1,000) per violation occurrence or take other appropriate action for:
 - (1) Violation of any provision of the Arkansas Appraiser Licensing and Certification Act or this board rules.
 - (2) Falsifying any application for licensure or certification or otherwise providing any false information to the board.
 - (3) Conviction in any jurisdiction of any offense listed in Arkansas Code Annotated §17-3-102.
 - (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 or board rules.
 - (5) Adjudication of insanity.
 - (6) Use of advertising or solicitation which is false, misleading, or is otherwise deemed unprofessional by the board.

- (7) Employing directly or indirectly any unregistered or unlicensed person to perform any actions subject to the act or this part.
- (8) Habitual or excessive use of intoxicants or illegal drugs; and
- (9) Failure to meet continuing education requirements within the proper time period.

(b) Complaints and board procedures

- (1) The board may conduct disciplinary proceedings from time-to-time and may cause the actions of a registered, licensed, or certified appraiser against whom a complaint has been filed to be investigated.
- (2) For a complaint to be considered the complainant shall file the complaint in writing.
 - (A) Complaints shall be filed within three (3) years from the report date.
 - (B) The written complaint should specifically state:
 - (i) the issues of the complaint; and
 - (ii) the date or dates on which the events causing or leading to the complaint occurred.
- (3) The Director, Investigator, or authorized employee of the board, upon receiving any such complaint shall present the complaint to a board committee or panel to determine if the board has jurisdiction to proceed.
- (4) The board may initiate its own complaint when sufficient documents and information (that is, appraisal reports, reviews or outlined deficiencies) are available on which to conclude that the USPAP, the State law, or these rules may have been violated.
- (5) If jurisdiction is established or the board initiates its own complaint, the Director, or board staff, shall notify in writing every person complained against, and provide that person an opportunity to respond in writing.
 - (A) A copy of the written complaint shall be furnished to the appraiser under investigation and a copy of the appraiser's response shall be furnished to the complainant.

- (B) Appraisers failing to respond in writing within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without benefit of the appraiser's input.
- (6) The Director, Investigator, or authorized employee may proceed at any time after jurisdiction has been established, to investigate said complaint and take statements from any person thought to have any knowledge of any facts pertaining thereto.
- (7) The Board may request the registered, licensed, or certified appraiser under investigation to:
- (A) Answer the charges made against him or her in writing.
 - (B) Produce relevant documentary evidence; and
 - (C) Appear before the board.
- (8) Every properly filed complaint shall be presented to and reasonably disposed of by the board.
- (9) Records of ongoing disciplinary proceedings and investigations shall not be disseminated by the board or its staff to the public unless:
- (A) A request has been made pursuant to the Arkansas Freedom of Information Act of 1967, Arkansas Code Annotated §25-19-101 et seq.; or
 - (B) Unless otherwise required by law.
- (10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedures Act, Arkansas Code Annotated §25-15-201 et seq.
- (c) Complaint adjudication and publication of action
- (1) Any appraiser who fails to timely renew their registration, license, or certification or elects to surrender their license or certification while a complaint is pending, will be unable to have their license reinstated until the complaint has been resolved.
 - (2) If a disciplinary hearing or informal conference is pending at the time of surrender:
 - (A) The scheduled hearings will proceed with or without the appraiser's participation; and

- (B) Any disciplinary action resulting from the hearing shall be placed in the appraiser's file and addressed prior to any reinstatement of their credentials.
- (3) Appraisers who have their license suspended or revoked are prohibited from performing any and all duties and responsibilities, e.g., researching data, or assisting associates with the development and reporting of real property appraisals.
- (4) In those instances where the board suspends, revokes, or a license or certification is surrendered during an investigation or while formal charges are pending, notice of such action shall be published in the board's newsletter and any other appropriate publications, which will communicate such actions taken against an appraiser's license.

Rule 7 General Qualifications for Registration, Licensure, or Certification

- (a) The board shall approve and issue registrations, licenses and certificates to qualified applicants or disapprove applications for registration, licensing and certification for applicants who do not meet the minimum requirements for registering, licensing or certification as prescribed in the Arkansas Appraiser Licensing and Certification Act §17-14-101 et seq.
- (b) The best interest of the public shall be given due regard when considering each applicant.
- (c) Every applicant to the board as a state registered appraiser, registered apprentice appraiser, state licensed appraiser or state certified appraiser shall have the following qualifications:
- (1) The applicant shall have a good reputation for honesty, truthfulness, and fair dealing, and be competent to transact the business of a registered, licensed, or certified appraiser in such a manner as to safeguard the interest of the public.
- (2) The applicant shall meet the current educational and experience requirements for licensing and certification detailed in these rules prior to the time he or she applies to sit for the licensing or certification exam.

- (3) The applicant shall not have pled guilty, or nolo contendere to or been found guilty of any offense under Arkansas Code Annotated §17-3-102 and comply with the criminal background check requirements as listed below.
- (4) The applicant shall be at least 18 years old and shall have received a high school diploma or its equivalent.
- (d) A non-resident applicant shall be in good standing as an appraiser in every jurisdiction where credentialed.
- (e) All applications for registration, licensing, certification, renewal, examination, transfer, or reinstatement shall be made on forms provided by the Board and completed and signed by the applicant.
 - (1) The application may require the signature acknowledged before a notary public.
 - (2) All applications shall include the appropriate fees.
 - (3) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.
- (f) All applicants for registration, licensing, and certification must sign an affidavit attesting to having read and understood the:
 - (1) Current edition of USPAP.
 - (2) Applicable state laws and
 - (3) Rules governing appraisal practice in Arkansas.
- (g) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation, the application of any applicant before issuing a license or certificate.
- (h) Criminal background checks
 - (1) Background check required.
 - (i) All applicants for an appraiser credential, except for Temporary Practice Permit, shall apply for state and national fingerprint-based criminal background checks, using forms furnished by and pursuant to instructions provided by the board.
 - (ii) Each new applicant shall authorize the release of criminal background check reports to the board and may pay any applicable fees

associated with the state and federal criminal background checks pursuant to the written instructions provided by the board.

(iii) A new state and federal criminal background check are required each time an appraiser applies to upgrade his or her credential type.

(2) Application procedure

(A) When an applicant applies for his or her appraiser credential or an existing credential holder applies to upgrade his or her credential type, and the board receives the appropriate application form and check for his or her application or upgrade fee, the board staff will provide the applicant with instructions to obtain his or her background check.

(B) If the applicant does not have a criminal history, agency personnel will issue his or her appraiser credential when all other requirements are fulfilled.

(C) It is the policy of the board not to provide a copy of the Federal Bureau of Investigation criminal history record to the applicant.

(i) The applicant may obtain a copy of the record by submitting fingerprints and a fee to the Federal Bureau of Investigation.

(ii) Information regarding this process may be obtained on the Federal Bureau of Investigation's website.

(D) Each applicant with a disqualifying conviction who requests a waiver may:

(i) Appear before the board; or

(ii) Choose to allow the board to make a determination on the request for a waiver based on the file documentation obtained by the board and that submitted by the applicant.

(E) Waiver requests for a disqualifying conviction may be made in accordance with Chapter 1 Rule 3(e).

Rule 8 General Examination, Experience Criteria and PAREA

(a) Examination criteria – a new applicant, not currently licensed or certified and in good standing in another jurisdiction, shall have up to twenty-four (24) months, after approval by the board, to take and pass an AQB-approved qualifying examination for the credential.

- (1) Successful completion of the examination is valid for a period of twenty-four (24) months.
 - (2) Upon completion of all applicable requirements, applicants for state license credential, state certified residential credential, and state certified general appraiser credential shall be personally interviewed by members of the board prior to sitting for the exam.
 - (3) An applicant who fails to pass the exam after two (2) attempts will not be afforded an opportunity to retake the exam for at least six (6) months from the date of last exam. Applicants seeking to sit for the fourth (4th) attempt are required to submit a new application, any required fees, and any additional education he or she may have acquired.
- (b) Experience criteria – education may not be substituted for experience, except as shown in subdivision (3) of this section.
- (1) The quantitative experience requirements must be satisfied by time spent in the appraisal process.
 - (A) The appraisal process consists of:
 - (i) Analyzing factors that affect value.
 - (ii) Defining the problem.
 - (iii) Gathering and analyzing data.
 - (iv) Applying the appropriate analysis and methodology; and
 - (v) Arriving at an opinion and correctly reporting the opinion in compliance with USPAP.
 - (2) Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.
 - (A) Cumulative is defined as experience that may be acquired over multiple time periods.
 - (3) There need not be a client in a traditional sense, e.g., a client hiring an appraiser for business purposes, in order for an appraisal to qualify for experience, but experience gained for work without a traditional client can meet any portion of the total experience requirement.

- (4) Practicum courses that are approved by the AQB (CAP) or the board can satisfy the non-traditional client experience requirement.
- (A) A practicum course must include the generally applicable methods of appraisal practice for the credential category.
- (i) Content includes, but is not limited to:
- (a) requiring the student to produce credible appraisals that utilize an actual subject property.
- (b) performing market research containing sales analysis; and
- (c) applying and reporting the applicable appraisal approaches in conformity with USPAP.
- (ii) Assignments must require problem solving skills for a variety of property types for the credential category.
- (iii) Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.
- (5) An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice.
- (A) Acceptable real property appraisal practice for experience credit includes:
- (i) Appraisal.
- (ii) Appraisal review.
- (iii) Appraisal consulting; and
- (iv) Mass appraisal.
- (B) All appraisal experience must be UPAP compliant.
- (6) Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the board's discretion that the work is compliant with USPAP must be provided as part of the board's experience verification process to support the experience claimed.
- (7) The burden of proving the amount and validity of experience claimed is entirely the responsibility of the applicant.

- (8) At a minimum, the applicant must be prepared to substantiate, on request by the board, the experience claimed with:
- (A) A true copy of appraisal assignment reports.
 - (B) Work file to support the nature or the experience claims; and
 - (C) True copies of time records or calendars which support actual work time associated with the assignments.
- (9) The verification for experience credit claimed by an applicant shall be on the forms prescribed by the board, which shall include:
- (A) Type of property.
 - (B) Date of report.
 - (C) Address of appraised property, including city name.
 - (D) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.
 - (E) Number of actual work hours by the applicant on the assignment; and
 - (F) The signature and credential number of the supervising appraiser, if applicable.
 - (G) Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.
- (10) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation of the amount of experience claimed on the application of any applicant.
- (11) There is no maximum time limit during which experience may be obtained.
- (c) Practical Applications of Real Estate Appraisal (PAREA) – PAREA programs approved by the AQB utilize simulated experience training and serve as an alternative to the traditional Supervisor/Trainee experience model, under section (b) above. To qualify as creditable experience, AQB-approved PAREA programs shall:
- (1) Contain, at a minimum, the content specified in the Practical Applications of Real Estate Appraisal section of *The Real Property Appraiser Qualification Criteria*.

- (2) Require participants to possess the following prerequisites prior to commencement of training:
- (A) For the State Licensed Module: 150 hours of qualifying education as specified in the Required Core Curriculum for the State Licensed Residential Real Property Appraiser classification.
 - (B) For the Certified Residential Module: 200 hours of qualifying education as specified in the Required Core Curriculum for the Certified Residential Real Property appraiser classification; and
 - (i) Possession of a valid State Licensed Residential Real Property Appraiser credential; or
 - (ii) Successful completion of an AQB-approved PAREA program for the State Licensed Real Property Appraiser classification.
- (3) Provide an adequate number of Mentors to ensure timely and competent mentoring for all program participants.
- (4) Ensure Mentors meet or exceed the following qualifications:
- (A) Mentors shall be state-certified appraisers and in "good standing" for a period of at least three (3) years prior to being eligible to become a Mentor; and
 - (B) Mentors shall not have been subject to any disciplinary action, within any jurisdiction, within the last three (3) years that affected the Mentor's legal eligibility to engage in appraisal practice, or to act as a Supervisory Appraiser. A Mentor subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion or termination of the imposed sanction; and
- (5) Ensure program participants produce demonstration appraisal reports that comply with USPAP, and meet or exceed the following requirements:
- (A) State Licensed
 - (i) No fewer than three (3) demonstration appraisal reports.
 - (ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the State Licensed program content; and

- (iii) Reports must comply with the edition of USPAP that is in effect at the time.

(B) Certified Residential

- (i) No fewer than three (3) demonstration appraisal reports.
- (ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the Certified Residential program content; and
- (iii) Demonstration reports must comply with the edition of USPAP that is in effect at the time; and

(6) Provide each program participant that successfully completes PAREA training with a certificate of completion, subject to the following:

- (A) Participants may not receive partial credit for PAREA training.
- (B) Participants may not receive a certificate of completion until all required components of PAREA training have been successfully completed and approved by a program Mentor.
- (C) Certificates of completion must be signed by an individual from the training entity qualified to verify a participant's successful completion; and
- (D) Certificates of completion must not contain an expiration date or other constraints that either limit or restrict the participant's ability to receive appropriate credit; and

(7) Allow participants successfully completing approved PAREA programs to receive the following experience credit:

- (A) For participants completing an approved State Licensed program:
 - (i) State Licensed classification: 100 percent of the required experience hours.
 - (ii) Certified Residential classification: 67 percent of the required experience hours.
 - (iii) Certified General classification: 33 percent of the total required experience, none of which is eligible towards the required non-residential hours.

(B) For participants completing an approved Certified Residential program:

- (i) State Licensed classification: 100 percent of the required experience hours.
- (ii) Certified Residential classification: 100 percent of the required experience hours.
- (iii) Certified General classification: 50 percent of the total required experience, none of which is eligible towards the required non-residential hours.

Rule 9 Registered Apprentice Appraiser Credential

(a) General

- (1) The scope of practice for the registered apprentice appraiser classification is the appraisal of those properties which the state-certified supervisory appraiser is permitted by his or her current credential and that the supervisory appraiser is competent to appraise.
- (2) The registered apprentice appraiser, as well as the supervisory appraiser, shall be entitled to obtain copies of appraisal reports or permitted appropriate access and retrieval arrangements for all work files for appraisals in which he or she participated in accordance with the Record Keeping Rule of USPAP.
- (3) Experience hours do not begin to accumulate until the appraiser is issued a registered apprentice appraiser credential.

- (b) Examination – there is no examination requirement for the registered apprentice appraiser classification, but the registered apprentice appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite qualifying education courses in order to earn credit for those courses.

(c) Qualifying education

- (1) As a prerequisite for application, an applicant must have completed seventy-five (75) hours of qualifying education.

(A) The required courses are:

- (i) Basic Appraisal Principles 30 Hours
- (ii) Basic Appraisal Procedures 30 Hours
- (iii) 15-Hour National USPAP Course (or its equivalent) 15 Hours

- (B) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course, or its AQB-approved equivalent and the examination as a part of the 75 hours.
- (2) All qualifying education must be completed within the five (5) year period immediately preceding the date of application for a registered apprentice appraiser credential.
- (d) Experience – no experience is required as a prerequisite for the registered apprentice appraiser classification.
- (e) Supervision
- (1) The registered apprentice appraiser shall be subject to the direct control and supervision by a supervisory appraiser in good standing, who shall be state certified.
- (2) A registered apprentice appraiser is permitted to have more than one (1) supervisory appraiser, but a supervisory appraiser may not supervise more than three (3) registered apprentice appraisers at one time.
- (3) The supervisory appraiser shall be responsible for the training, guidance, and direct control and supervision of the registered apprentice appraiser by:
- (A) Accepting responsibility for the appraisal by signing and certifying the appraisal complies with USPAP.
- (B) Reviewing and signing the registered apprentice appraiser appraisal report or reports; and
- (C) Personally inspecting each appraised property with the registered apprentice appraiser until the supervisory appraiser determines the registered apprentice appraiser is competent to inspect the property, in accordance with the Competency Rule of USPAP for the property type.
- (4) An appraisal experience log shall be maintained jointly by the supervisory appraiser and the registered apprentice appraiser.
- (A) It is the responsibility of both the supervisory appraiser and the registered apprentice appraiser to ensure the appraisal experience log is accurate, current, and complies with the requirements of the board.
- (B) At a minimum, the appraisal log requirements shall include:

- (i) Type of property.
- (ii) Date of report.
- (iii) Address of appraised property.
- (iv) Description of the:
 - (a) Work performed by the registered apprentice appraiser; and
 - (b) Scope of the review and supervision of the supervisory appraiser.
- (v) Number of actual work hours by the registered apprentice appraiser on the assignment; and
- (vi) The signature and state certification number of the supervisory appraiser.
- (C) Separate appraisal logs shall be maintained for the supervisory appraiser, if applicable.
- (5) Supervisory appraisers shall be state certified and in good standing for a period of at least three (3) years prior to being eligible to become a supervisory appraiser.
 - (A) Supervisory appraisers do not need to be state certified and in good standing in the jurisdiction in which the registered apprentice appraiser practices for any specific minimum period of time.
 - (B) Supervisory appraisers shall not have been subject to any disciplinary action, within any jurisdiction, within the last three (3) years that affected the supervisory appraiser's legal eligibility to engage in appraisal practice.
 - (C) A supervisory appraiser subject to a disciplinary action would be considered to be in good standing three (3) years after the successful completion or termination of the sanction imposed against the appraiser.
 - (D) Supervisory appraisers must comply with the Competency Rule of USPAP for the property type and geographic locations where the registered apprentice appraiser is being supervised.
- (6) Registered apprentice appraisers and supervisory appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically

oriented to the requirements and responsibilities of supervisory appraisers and registered apprentice appraisers.

(A) The course must be completed by the registered apprentice appraiser prior to obtaining a registered apprentice appraiser credential from the board.

(B) The course must be completed by the supervisory appraiser prior to supervising a registered apprentice appraiser.

(C) Further, the registered apprentice appraiser course is not eligible towards the seventy-five (75) hours of qualifying education required.

Rule 10 State-Licensed Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

(1) The state-licensed real property appraiser classification applies to:

(A) the appraisal of non-complex one-to-four residential units having a transaction value less than one million dollars (\$1,000,000), and

(B) complex one-to-four residential units having a transaction value less than four hundred thousand dollars (\$400,000).

(2) The classification includes the appraisal of vacant or unimproved land that is utilized for:

(A) One to four (1-4) residential units; or

(B) Which the highest and best use is for one to four (1-4) residential units.

(3) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(4) For non-federally related transaction appraisals, the market value

(A) The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.

(B) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(b) Examination

- (1) The AQB-approved state-licensed real property examination must be successfully completed.
- (2) The only alternative to successful completion of the state-licensed examination is the successful completion of the certified residential or certified general examination.
- (3) The prerequisites for taking the AQB-approved examination are completion of:
 - (A) One hundred fifty (150) creditable class hours as specified in Rule 10(c) below; and
 - (B) One thousand (1,000) hours of qualifying experience in no fewer than six (6) months.

(c) Qualifying Education

- (1) The state-licensed real property appraiser classification requires completion of one hundred fifty (150) creditable class hours as listed below.
 - (A) Basic Appraisal Principles, thirty (30) hours.
 - (B) Basic Appraisal Procedures, thirty (30) hours.
 - (C) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours
 - (D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours
 - (E) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours
 - (F) Residential Sales Comparison and Income Approaches, thirty (30) hours;
and
 - (G) Residential Report Writing and Case Studies, fifteen (15) hours.
- (2) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course, or its AQB-approved equivalent, and successfully pass the examination.
- (3) Appraisers holding a valid registered apprentice appraiser credential and who have completed the required seventy-five (75) hours of qualifying education may satisfy the educational requirements for the state-licensed real property credential by successfully completing the following additional education hours:

- (A) Residential Market Analysis and Highest and Best Use, fifteen (15) hours.
- (B) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours.
- (C) Residential Sales Comparison and Income Approaches, thirty (30) hours; and
- (D) Residential Report Writing and Case Studies, fifteen (15) hours.
- (4) Appraisers holding a valid certified residential real property appraiser credential satisfy the educational requirement for the state-licensed real property appraiser credential.
- (5) Appraisers holding a valid certified general real property appraiser credential satisfy the educational requirements for the state-licensed real property appraiser credential.
- (d) Experience
 - (1) The applicant for a state license credential shall demonstrate at least, at a minimum, one thousand (1,000) hours of appraisal experience, obtained in no fewer than six (6) months.
 - (2) While the hours may be cumulative, the required number of months must accrue before an individual can be licensed.
 - (3) The experience of the applicant must be of a type and nature sufficient to convince the board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state-license real property appraisal credential.

Rule 11 Certified Residential Real Property Appraiser Credential

- (a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.
 - (1) The certified residential real property appraiser classification qualifies the appraiser to appraise one to four (1-4) residential units without regard to value or complexity.
 - (2) The classification includes the appraisal of vacant or unimproved land:
 - (A) That is utilized for one to four (1-4) residential unit purposes; or
 - (B) For which the highest and best use is for one to four (1-4) residential units.

- (3) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(b) Examination

- (1) The AQB-approved certified residential property appraiser examination must be successfully completed.
- (2) The only alternative to successful completion of the certified residential examination is the successful completion of the certified general examination.
- (3) The prerequisites for taking the AQB-approved examination are completion of:
- (A) Two hundred (200) creditable class hours as specified in Rule 11(c) below; and
- (B) Completion of the requirements specified in the Rule 11(c)(3) or (4) below; and
- (C) One thousand five hundred (1,500) hours of qualifying experience obtained in no fewer than twelve (12) months.

(c) Qualifying Education

- (1) All college-level education must be obtained from a degree-granting institution accredited by:
- (A) The Commission on Colleges.
- (B) A national or regional accreditation association, or
- (C) An accrediting agency that is recognized by the US Secretary of Education.
- (2) Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:
- (A) An accredited degree-granting domestic college or university.
- (B) Foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services; or
- (C) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.

(3) Applicants for the certified residential credential must satisfy at least one (1) of the following five (5) options in subdivisions (3)(A) – (E) of this section:

(A) Possession of a bachelor's degree in any field of study.

(B) Possession of an associate's degree in a field of study related to:

(i) Business administration.

(ii) Accounting.

(iii) Finance.

(iv) Economics; or

(v) Real estate.

(C) Successful completion of thirty (30) semester hours of college-level courses that cover each of the following specific topic areas and hours:

(i) English composition, three (3) semester hours.

(ii) Microeconomics, three (3) semester hours.

(iii) Macroeconomics, three (3) semester hours.

(iv) Finance, three (3) semester hours.

(v) Algebra, geometry, or higher mathematics, three (3) semester hours.

(vi) Statistics, three (3) semester hours.

(vii) Computer science, three (3) semester hours.

(viii) Business or real estate law, three (3) semester hours; and

(ix) Two (2) elective courses in any of the topics listed above or in accounting, geography, agricultural economics, business management, or real estate, three (3) semester hours each.

(D) Successful completion of at least thirty (30) semester hours of College Level Examination Programs® (CLEP®) examinations from each of the following subject matter areas:

(i) College algebra, three (3) semester hours.

(ii) College composition, six (6) semester hours.

(iii) College composition modular, three (3) semester hours.

(iv) College mathematics, six (6) semester hours.

(v) Principles of macroeconomics, three (3) semester hours.

(vi) Principles of microeconomics, three (3) semester hours.

- (vii) Introductory business law, three (3) semester hours; and
 - (viii) Information systems, three (3) semester hours; or
 - (E) Any combination of subdivisions (3)(C) and (3)(D) of this section that ensures coverage of all topics and hours identified in subdivision (C) of this section.
- (4) As an alternative to the requirements in subsections (1) through (3) of this section, individuals who have held a state-licensed residential credential for a minimum of five (5) years may qualify for a certified residential credential by satisfying all of the following:
 - (A) No record of any adverse, final, and non-appealable disciplinary action affecting the state-licensed appraiser's legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a certified residential credential.
 - (B) Successful completion of the additional required qualifying education as listed below:
 - (i) Statistics, Modeling and Finance, fifteen (15) hours.
 - (ii) Advanced Residential Applications and Case Studies, fifteen (15) hours; and
 - (iii) Appraisal subject matter electives, twenty (20) hours.
 - (C) Successful completion of the required one thousand five hundred (1,500) hours of experience obtained in no fewer than twelve (12) months; and
 - (D) Successful completion of the AQB-approved certified residential real property appraiser examination.
- (5) The certified residential real property appraiser classification requires completion of two hundred (200) creditable class hours as listed below.
 - (A) Basic Appraisal Principles, thirty (30) hours.
 - (B) Basic Appraisal Procedures, thirty (30) hours.
 - (C) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours
 - (D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours
 - (E) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours

- (F) Residential Sales Comparison and Income Approaches, thirty (30) hours.
- (G) Residential Report Writing and Case Studies, fifteen (15) hours.
- (H) Statistics, Modeling and Finance, fifteen (15) hours.
- (I) Advanced Residential Applications and Case Studies, fifteen (15) hours;
and
- (J) Appraisal subject matter electives, twenty (20) hours.
- (6) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course, or its AQB-approved equivalent, and successfully pass the examination.
- (7) Appraisers holding a valid registered apprentice appraiser credential may satisfy the educational requirements for the certified residential real property appraiser credential by successfully completing the following additional education hours:
 - (A) Residential Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours.
 - (B) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours.
 - (C) Residential Sales Comparison and Income Approaches, thirty (30) hours.
 - (D) Residential Report Writing and Case Studies, fifteen (15) hours.
 - (E) Statistics, Modeling and Finance, fifteen (15) hours.
 - (F) Advanced Residential Applications and Case Studies, fifteen (15) hours;
and
 - (G) Appraisal subject matter electives, twenty (20) hours.
- (8) Appraisers holding a valid state-licensed residential real property appraiser credential may satisfy the educational requirements for the certified residential real property appraiser credential by successfully completing the following educational hours:
 - (A) Statistics, Modeling and Finance, fifteen (15) hours.
 - (B) Advanced Residential Applications and Case Studies, fifteen (15) hours;
and
 - (C) Appraisal subject matter electives, twenty (20) hours.

- (9) Appraisers holding a valid registered apprentice appraiser credential wishing to change to the certified residential real property classification must also satisfy the college-level education requirement as specified in this section.
- (10) Appraisers holding a valid state-licensed real property appraiser credential wishing to change to the certified residential real property appraiser classification who do not meet the requirements outlined in subsection (4) of this section must also satisfy the college-level education requirements as specified in subsection (3) of this section.
- (11) Appraisers holding a valid certified general real property credential satisfy the educational requirements for the certified residential real property credential.

(d) Experience

- (1) The applicant for a state certified residential appraiser credential shall demonstrate at least, at a minimum, one thousand five hundred (1,500) hours of appraisal experience that is obtained during no fewer than twelve (12) months.
- (2) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.
- (3) The experience of the applicant must be of a type and nature sufficient to convince the board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state certified residential real property appraisal credential.

Rule 12 Certified General Real Property Appraiser Credential

- (a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.
The certified general real property appraiser classification qualifies the appraiser to appraise all types of real property.
- (b) **Examination**
 - (1) The AQB-approved certified general real property appraiser examination must be successfully completed.
 - (2) There is no alternative to successful completion of the exam.

(3) The prerequisites for taking the AQB-approved examination are completion of:

(A) Three hundred (300) creditable class hours as specified in Rule 12(c)(2) below.

(B) Completion of the college-level education requirements specified in Rule 12(c)(1) below; and

(C) Three thousand (3,000) hours of qualifying experience obtained in no fewer than eighteen (18) months, where a minimum of one thousand five hundred (1,500) hours must be obtained in nonresidential appraisal work.

(c) Qualifying Education

(1) Applicants for the certified general credential must hold a bachelor's degree or higher from an accredited college or university.

(2) The college or university must be a degree-granting institution accredited by:

(A) The Commission on Colleges.

(B) A national or regional accreditation association, or

(C) An accrediting agency that is recognized by the US Secretary of Education.

(3) Applicants with a college degree from a foreign country may have their education evaluated for equivalency by one of the following:

(A) An accredited, degree-granting domestic college or university.

(B) Foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services; or

(C) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.

(4) The certified general real property appraiser classification requires completion of three hundred (300) creditable class hours as listed below.

(A) Basic Appraisal Principles, thirty (30) hours.

(B) Basic Appraisal Procedures, thirty (30) hours.

(C) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours.

- (D) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours.
 - (E) Statistics, Modeling, and Finance, fifteen (15) hours.
 - (F) General Appraiser Site Valuation and Cost Approach, thirty (30) hours.
 - (G) General Appraiser Sales Comparison Approach, thirty (30) hours.
 - (H) General Appraiser Income Approach, sixty (60) hours.
 - (I) General Appraiser Report Writing and Case Studies, thirty (30) hours; and
 - (J) Appraisal Subject Matter Electives, thirty (30) hours.
- (5) As a part of the three hundred (300) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course, or its AQB-approved equivalent, and successfully pass the examination.
- (6) Applicants must demonstrate that their education includes the core courses listed in this part, with particular emphasis on nonresidential properties.
- (7) Appraisers holding a valid registered apprentice appraiser credential may satisfy the educational requirements for the certified general real property appraiser credential by successfully completing the following additional education hours:
- (A) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours.
 - (B) Statistics, Modeling, and Finance, fifteen (15) hours.
 - (C) General Appraiser Site Valuation and Cost Approach, thirty (30) hours.
 - (D) General Appraiser Sales Comparison Approach, thirty (30) hours.
 - (E) General Appraiser Income Approach, sixty (60) hours.
 - (F) General Appraiser Report Writing and Case Studies, thirty (30) hours; and
 - (G) Appraisal subject matter electives, thirty (30) hours.
- (8) Appraisers holding a valid state-licensed real property appraiser credential may satisfy the educational requirements for the certified general real property appraiser credential by successfully completing the following additional education hours:

- (A) General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours.
 - (B) Statistics, Modeling, and Finance, fifteen (15) hours.
 - (C) General Appraiser Site Valuation and Cost Approach, fifteen (15) hours.
 - (D) General Appraiser Sales Comparison Approach, fifteen (15) hours.
 - (E) General Appraiser Income Approach, forty-five (45) hours.
 - (F) General Appraiser Report Writing and Case Studies, fifteen (15) hours; and
 - (G) Appraisal subject matter electives, thirty (30) hours.
- (9) Appraisers holding a valid certified residential real property appraiser credential may satisfy the educational requirements for the certified general real property credential by successfully completing the following additional educational hours:
- (A) General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours.
 - (B) General Appraiser Site Valuation and Cost Approach, fifteen (15) hours.
 - (C) General Appraiser Sales Comparison Approach, fifteen (15) hours.
 - (D) General Appraiser Income Approach, forty-five (45) hours; and
 - (E) General Appraiser Report Writing and Case Studies, ten (10) hours.
- (10) Registered apprentice appraisers, state-licensed real property appraisers, and certified residential real property wishing to change to the certified general real property appraiser classification must also satisfy the requirements in subsections (1) through (6) of this section.
- (d) Experience
- (1) Three thousand (3,000) hours of experience are required to be obtained during no fewer than eighteen (18) months.
 - (2) One thousand five hundred (1,500) hours must be in non-residential appraisal work.
 - (3) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

- (4) The experience of the applicant must be of a type and nature sufficient to convince the board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a certified general real property appraisal credential.

Rule 13 State Registered Real Property Appraiser Credential

- (a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.
- (1) The state-registered appraiser classification qualifies the appraiser to perform appraisals on any type of property except:
- (A) When the purpose of the appraisal is for use in federally related transactions; or
- (B) The client requires a state-licensed or certified appraiser.
- (2) All appraisal reports must include a statement that the appraisal may not be eligible for use in federally related transactions.
- (3) As a part of the application, the state-registered appraiser shall complete an approved four-hour course that, at minimum, complies with the specifications for a trainee/supervisor course content as established by the AQB and the board.
- (4) The state-registered appraiser classification may not be upgraded to any other classification.
- (b) Examination – There is no examination requirement for the state-registered appraiser classification, but the state-registered appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite qualifying education courses in order to earn credit for those courses.
- (c) Qualifying Education
- (1) As the prerequisite for application, an applicant must have completed seventy-nine (79) hours of qualifying education as listed below.
- (A) Basic Appraisal Principles, thirty (30) hours.
- (B) Basic Appraisal Procedures, thirty (30) hours.
- (C) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours; and
- (D) Supervisory Appraiser/Trainee Appraiser Course, four (4) hours.

- (2) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course, or its AQB-approved equivalent and the examination as a part of the seventy-nine (79) hours.
- (3) All qualifying education must be completed within the five-year period immediately preceding the date of application for a state-registered credential.

Rule 14 Non-Resident Licensure and Certification

(a) Reciprocity

- (1) A nonresident appraiser planning to develop an appraisal assignment in Arkansas for a federally related transaction must first apply for a state license or certification.
- (2) In the case of a non-federally related transaction, the appraiser shall apply to be registered, licensed, or certified in advance of initiating the appraisal assignment as a nonresident appraiser.
- (3) Only nonresident licensed or certified appraisers may apply for reciprocity.
- (4) Nonresident appraisers applying for state-registered appraiser or registered apprentice appraiser status shall, in addition to meeting the same requirements and utilizing the same forms as those required for Arkansas residents, include a notarized Consent for Service of Legal Process affidavit.
- (5) Reciprocity may be obtained by nonresidents of this state through recognition of another jurisdiction's program of licensing and certification in accordance with Arkansas Code § 17-14-306.
- (6) A person licensed or certified as a real property appraiser by another jurisdiction may register with the board to qualify to appraise real property in Arkansas if:
 - (A) The reciprocal applicant is currently in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry.
 - (B) The applicant's background meets the board's qualifications.
- (7) A person wishing to be credentialed under this section must:
 - (A) Submit an application for a reciprocal credential.
 - (B) Submit an irrevocable consent to service of process in this state.

- (C) Pay the required fees.
- (D) Submit to the board's criminal background check requirements under Rule 7; and
- (E) Provide all supporting documentation or information requested by the board in connection with the application for reciprocity.
- (8) Once an application for reciprocity has been approved, the individual credential holder will be held to the same laws, rules, and standards of a resident appraiser for the individual's credential level.
- (9) An individual who obtains an Arkansas credential through reciprocity is subject to the same renewal requirements as listed in Rule 15 for the individual's credential level.
- (b) Temporary Practice Permit

 - (1) Temporary practice permits may be obtained by nonresidents of this state through recognition of another jurisdiction's program of licensing and certification in accordance with Arkansas Code § 17-14-306.
 - (2) Temporary practice permits are issued on an assignment basis, with a term not to exceed six (6) months from the date of issuance.
 - (3) Only licensed or certified appraisers qualify for a temporary practice permit.
 - (4) A person licensed or certified as a real property appraiser by another jurisdiction may register with the board to qualify to appraise real property in Arkansas if:

 - (A) The appraiser's business in Arkansas is of a temporary nature not to exceed six (6) months; and
 - (B) The temporary practice permit applicant is currently in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry.
 - (5) A person wishing to be credentialed under this section must:

 - (A) Submit an application for a temporary practice permit.
 - (B) Submit an irrevocable consent to service of process in this state.
 - (C) Pay the required fees; and

- (D) Provide all supporting documentation or information requested by the board in connection with the application for a permit.
- (6) The term of a temporary practice permit shall extend for the duration of the particular assignment.
 - (A) If the assignment is not completed within six (6) months, the appraiser may apply for an extension to the original expiration date of the permit, provided the appraiser:
 - (i) Is continuing the same appraisal assignment listed on the original application for a temporary practice permit; and
 - (ii) Requests an extension on a form approved by the board before the expiration of the current temporary practice permit.
 - (B) Court testimony following the completion of an assignment performed by a nonresident appraiser holding a temporary practice permit shall not require an extension or issuance of an additional permit.
- (c) Transfer of Licensed or Certified Credential
 - (1) A person licensed or certified as a real property appraiser from another jurisdiction moving his or her residence to the State of Arkansas may apply with the board to transfer his or her appraiser credential if:
 - (A) The applicant is in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry; and
 - (B) The applicant's background meets the board's qualifications.
 - (2) A person wishing to be credentialed under this section must:
 - (A) Submit a transfer application.
 - (B) Submit a completion certificate indicating the most recent USPAP class completed.
 - (C) Pay the required fees; and
 - (D) Provide all supporting documentation or information requested by the board in connection with the application to transfer.

- (3) Once an application for transfer has been approved, the individual credential holder will be held to the same laws, rules and standards of a resident appraiser for the individual's credential level.
- (4) An individual who obtains an Arkansas credential through licensure transfer is subject to the same renewal requirements as listed in Rule 15 for the individual's credential level.

Rule 15 Renewal Requirements

- (a) Appraiser credentials must be renewed each year, or they will be placed on an expired status.
 - (1) Each state-licensed (SL), certified residential (CR) and certified general (CG) credential renewal is June 30 of each year.
 - (2) Each state-registered (SR) and registered apprentice (RA) credential renewal is December 31 of each year.
- (b) Applicants may renew electronically through a board-established electronic process.
 - (1) Credential holders shall file a timely and sufficient renewal application with the board by the renewal date each year.
 - (2) An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.
- (c) It is the policy of the board to send electronically a renewal notice to credential holders at the last email address on file with the board at least sixty (60) days prior to the expiration date of the credential. Neither the failure of the board to send such a notice nor the credential holder's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.
- (d) The board will issue a new pocket card indicating the new expiration date after receiving evidence of completion of the required continuing education and appropriate fee.
- (e) Any credential holder who fails to complete continuing education requirements will not be eligible to renew their credential.

- (f) The credential of a SR, RA, SL, CR and CG shall be placed on expired status unless the appraiser submits a timely and sufficient renewal application by the expiration date.
- (g) During the first one hundred eighty-four (184) days of expired status, a credential holder may renew their credential by submitting the appropriate renewal form.
 - (1) This includes:
 - (A) The payment of:
 - (i) Renewal fees; and
 - (ii) A late fee of fifty dollars (\$50.00) per month, or partial month elapsed since the renewal date; and
 - (B) Submitting the required continuing education completion certificates.
- (h) After one hundred eighty-five (185) days up to twelve (12) months of expired status, a credential holder may renew their credential by submitting the appropriate renewal form.
 - (1) This includes the payment of renewal fees and submitting the required continuing education completion certificates.
 - (2) This includes evidence of completion of the most recent edition of a 7-Hour National USPAP Update Course, or its AQB-approved equivalent.
- (i) A credential holder who fails to reinstate their appraiser credential within twelve (12) months of the expiration date of the credential may reinstate their credential by submitting:
 - (1) The appropriate reinstatement form.
 - (2) Renewal fee.
 - (3) Evidence of the completion of the required continuing education hours; and
 - (A) Credential holders in an expired status must complete all required continuing education that would have been required if the credential holder was in an active status.
 - (B) Continuing education hours required are fourteen (14) hours per year for each year or partial year the credential was expired plus any continuing education hours required at the time the credential was placed on expired status.

- (i) Example: Number of years expired multiplied by fourteen (14) hours, plus number of hours due when credential was placed on expired status equals the total number of continuing education hours that must be submitted.
- (C) Evidence of completion of the most recent edition of a 7-Hour National USPAP Update Course, or its AQB-approved equivalent must be included in those hours.
- (D) 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 rule to determine if the applicant possesses a background that does not call into question public trust or the applicant's fitness for:
 - (i) Registration.
 - (ii) Licensure; or
 - (iii) Certification.
- (j) Credential holders are not authorized to practice or to hold themselves out to the public as appraisers during the period that his or her appraiser credential is expired. Any violation of this shall be grounds for discipline.
- (k) These renewal and reinstatement rules do not apply to a person who has had his or her appraiser credential revoked or suspended.

Rule 16 Fees and Payment of Fees

- (a) Types of Fees – The following fees shall be paid for applications and for the issuance of original and renewal licenses and certificates and for other purposes and activities of the board:

(1) <u>Application Fee</u>	<u>\$125.00</u>
(2) <u>State Licensed, Certified Residential,</u> <u>& Certified General Appraiser</u>	<u>\$300.00(Annual)*</u>
(3) <u>Temporary Practice Permit</u>	<u>\$150.00(6 Months)</u>
(4) <u>Non-Resident Credential</u>	<u>\$300.00(Annual)*</u>
(5) <u>Application Fee (SR & RA)</u>	<u>\$200.00*</u>
(6) <u>Renewal Fee (SR & RA)</u>	<u>\$200.00*</u>

- (7) Delinquent Fees \$50.00(Monthly)
- (8) Qualifying Education Course
or Seminar Approval \$100.00
- (9) Continuing Education Course
or Seminar Approval \$100.00
- (10) National Registry Fee (Set by ASC) \$40.00(Annual)

*Pursuant to Arkansas Code § 17-14-203(10), registration and licensing fees may be reviewed and adjusted annually by the board as deemed necessary for its effective operation but shall in no way exceed three hundred dollars (\$300) annually.

(b) Payment of Fees

- (1) All fees shall be paid by cashier's check, money order, or personal check made payable to the board, unless paying through the board's electronic licensing platform.
 - (2) All fees are nonrefundable except in special circumstances when a refund petition has been submitted to the board and the board consents to the request.
 - (3) No license or certification fee of any classification or any portion of a fee will be refunded should any certificate or license be surrendered, suspended, or revoked during the term for which the license or certificate is issued.
 - (4) The initial application fee is acceptable for the first three (3) attempts at passing the examination. Upon successful completion of the examination, the application fee will be applied toward the appropriate license or certification fee.
- (c) Delinquency provision – Any credential holder who fails to pay their annual renewal fees or meet the required continuing education on or before the renewal deadline, shall be notified that their registration, license, or certificate is expired.

Chapter 3 – Appraisal Management Company

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Appraisal Management Company Registration Act

Rule 2 Definitions

- (a) "AMC" means appraisal management company.
- (b) "Assignment" means:
 - (1) An agreement between an appraiser and a client to perform a valuation service;
 - (2) The valuation service that is provided as a consequence of such an agreement.
- (c) "Audit" or "auditing" means a formal or official examination and verification of the accounts, correspondence, memoranda, papers, books, and other records of an appraisal management company for compliance with Arkansas Code Annotated § 17-14-401 et seq.
- (d) "Business name" means an assumed name or the name of a business entity such as a corporation, partnership, limited liability company, or other business entity recognized by law.
- (e) "Complaint" means any written document alleging a deficiency on the part of the appraiser or appraisal management company in the completion of an assignment for real property in Arkansas.
- (f) "Owner" means an individual owning more than ten percent (10%) of an appraisal management company.
- (g) "Registrant" means an appraisal management company or person that is registered under this subchapter.
- (h) "Subject Individual" means:
 - (1) A person designated as the controlling person or managing principal as defined in Arkansas Code Annotated § 17-14-402 (11);
 - (2) An individual with an ownership interest of ten (10) percent or more of an appraisal management company; or

(3) In cases where ownership interest of ten (10) percent or more of the appraisal management company is held by an entity other than an individual:

(A) An individual who wholly owns a corporation that owns ten (10) percent or more of an appraisal management company;

(B) An individual wholly owning and serving as the only general partner in a limited partnership that owns ten (10) percent or more of an appraisal management company;

(C) An individual wholly owning and managing a limited liability company that owns ten (10) percent or more of an appraisal management company; or

(D) An individual who wholly owns any other type of business entity that owns ten (10) percent or more of an appraisal management company.

(i) "System" means an organized or established procedure or method.

Rule 3 Registration and Renewal

(a) Before applying for registration in Arkansas, the appraisal management company must be registered with the Arkansas Secretary of State. The appraisal management company must maintain the registered business name with the Arkansas Secretary of State. The appraisal management company must use the registered business name for all transactions in this state.

(1) A domestic appraisal management company shall designate an agent for service of process pursuant to A.C.A. § 4-20-105 (a).

(2) A foreign appraisal management company shall provide a certificate of authority issued by the Arkansas Secretary of State and a copy of the company's filing with the Arkansas Secretary of State appointing an agent for service of process.

(b) General application requirements for initial registration and renewal

(1) An appraisal management company shall submit to the board the following information to apply for initial registration and renewal:

(A) A completed written application form, available on the Board's website or from the board office. Required information includes, but is not limited to:

- (i) The name, mailing address, website address, and telephone number of the AMC. The name on the application form must match the name registered with the Arkansas Secretary of State.
 - (ii) The name, mailing address, email address and telephone contact information of the controlling person or managing principal.
 - (iii) The name, mailing address, email address and telephone contact information of any subject individual that owns ten (10) percent or more of the AMC.
 - (iv) For all subject individuals, the credential numbers issued by any state to do business as an appraiser.
 - (v) For appraisal management companies, the registration numbers issued by any state to do business as an AMC
 - (vi) If the AMC is not domiciled in Arkansas, the name, mailing address, email address and telephone contact information for the entity's agent for service of process in this state.
 - (vii) The application shall be accompanied with a surety bond in the amount of twenty thousand dollars (\$20,000) in a form and format approved by the board. Cash or securities may, with the board's approval, be deposited in lieu of a bond.
 - (viii) The AMC shall submit with the application the required filing fee stipulated on the form.
 - (ix) A completed criminal history report authorization form for all subject individuals.
- (B) A disclosure and documentation of any administrative disciplinary action must be included with the application, if an AMC, in whole or in part, directly or indirectly, is owned by any person or subject individual, who has had his or her appraiser credential refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause.

- (C) The application shall include a signed and dated certification attesting to all the requirements found in Arkansas Code Annotated § 17-14-405 (a)(6).
- (D) A signed and dated certification attesting the following.
 - (i) That the AMC maintains for a least five (5) years:
 - (a) A record of each appraisal management services request the company receives and the appraiser who performs the real estate appraisal activity contained in the request;
 - (b) A copy of each written complaint received by the appraisal management company, along with proof of documentation showing the complaint was forwarded to the AMC's client for the appraisal assignment; and
 - (ii) A certification that any employee of the appraisal management company that performs the act or process of developing and communicating a reviewer's own opinion of value as part of the appraisal review for a property located in this state is an Arkansas credentialed real estate appraiser.
 - (iii) Maintain a system to verify the competency of appraisers on the AMC's appraiser panel that meets the minimum requirements in Arkansas Code Annotated § 17-14-405 (6) (E).
- (2) If the Board finds that there is substantial reason to deny the application, the Board shall notify the applicant that the application has been denied and shall afford the applicant an opportunity for a hearing before the Board to show cause why the application should not be denied. All proceeding concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq.
- (3) The acceptance by the Board of an application for registration does not constitute the approval of its contents or waive the authority of the Board to take disciplinary action.
- (4) Initial registrations are issued for a period of twelve (12) months.
- (c) Criteria specific to renewal

- (1) An appraisal management company's registration will be placed in an inactive status if the renewal fees are not paid by the expiration date.
- (2) An AMC whose registration is in an inactive status shall cease operating as an appraisal management company in Arkansas.
- (3) Renewal applications received after the expiration date and within six months of the expiration of the registration shall be assessed a late fee of fifty dollars (\$50) per month or partial month, in addition to the renewal fee.
- (4) If an AMC whose registration is in an inactive status does not submit a complete renewal application within six (6) months from the date of expiration of the registration, the appraisal management company must reapply and pay all applicable fees.
- (5) It is the policy of the board to mail or send electronically a renewal notice to registrants at the last mailing address or email address on file with the board at least thirty (30) days prior to the expiration date of the registration. Neither the failure of the board to send such a notice nor the registrant's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.
- (d) Criminal background checks
 - (1) When an applicant applies for initial registration or renewal, and the board receives the appropriate application form and the appropriate fee, the board staff will provide the applicant with instructions to obtain his or her background check.
 - (2) If the applicant does not have a criminal history, agency personnel will issue the AMC registraion when all other requirements are fulfilled.
 - (3) If the applicant's criminal history report contains a disqualifying conviction or convictions the applicant's application will not be approved.
 - (A) A letter indicating there is a disqualifying conviction will be sent to the applicant by restricted and certified mail with the applicant as the only person who may sign for the receipt of the letter at the United States Postal Service.

- (4) It is the policy of the board not to provide a copy of the Federal Bureau of Investigation criminal history record to the applicant.
 - (A) The applicant may obtain a copy of the record by submitting fingerprints and a fee to the Federal Bureau of Investigation.
 - (B) Information regarding this process may be obtained on the Federal Bureau of Investigation's website.
- (5) Each applicant with a disqualifying conviction who requests a waiver may:
 - (A) Appear before the board; or
 - (B) Choose to allow the board to make a determination on the request for a waiver based on the file documentation obtained by the board and submitted by the applicant.
- (6) Waiver requests for a disqualifying conviction may be made in accordance with Chapter 1 Rule 3(e).

Rule 4 Appraisal management company National Registry fees

- (a) An appraisal management company shall annually submit to the board on February 28 an annual AMC national registry fee that is determined by the Appraisal Subcommittee on a form provided by the board.
- (b) The fee will be based on the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas during January 1 to December 31 of the previous year.
- (c) The calculations are as follows.
 - (1) If the AMC has been existence for more than a year, twenty-five dollars (\$25) multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas during the previous year; and
 - (2) If the AMC has not been in existence for more than a year, twenty-five dollars (\$25) multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas since the AMC commenced doing business.
- (d) The fee will also apply to AMC that are subsidiaries of Federal Financial Institutions that are exempt from state regulation but are subject to the national registry fees.

- (e) If the report and fees are not paid by February 28 of each calendar year, the AMC will be placed on inactive status on the AMC National Registry.
- (f) A late fee of fifty dollars (\$50) must be paid for each month or partial month the form and AMC National Registry fees are delinquent.
- (g) The AMC National Registry fees collected will be remitted to the Appraisal Subcommittee as invoiced.

Rule 5 Fees

- (a) The initial application fee for each AMC shall not exceed one thousand five hundred dollars (\$1,500).
- (b) The renewal application fee for each AMC shall not exceed one thousand five hundred dollars (\$1,500).
- (c) Late fees are assessed at fifty dollars (\$50) per month or partial month from the AMC 's expiration date or when the AMC National Registry fees are delinquent.
- (d) A criminal history report fee not to exceed fifty dollars (\$50).
 - (1) Paid by the AMC for each person owning more than ten (10%) percent of the appraisal management company.
 - (2) The amount to be paid is included on the criminal history report authorization form.
- (e) The AMC National Registry Fee of twenty-five dollars (\$25) is calculated according to Rule 4(c) above.

Rule 6 Registrant responsibilities and duties

- (a) The registrant shall comply with the responsibilities and duties outlined in Arkansas Code Annotated § 17-14-407 et seq.
- (b) The registrant shall disclose to an appraiser within their engagement documents verification of their AMC Arkansas Registration.
- (c) An AMC must submit to the board a notice of business name change within thirty (30) calendar days of the change. Such notification shall be in writing on a form prescribed by the board along with the following:
 - (1) A corrected surety bond; and
 - (2) A copy of the Arkansas Secretary of State business registration with the company's new name.

- (d) An AMC with a change of individual ownership greater than fifty (50) percent interest in the AMC, shall submit to the board a notice of change of ownership. Such notification shall be in writing on a form prescribed the by the board, along with the following:
- (1) A completed surety bond;
 - (2) A copy of the Arkansas Secretary of State business registration showing a change of registered agent; and
 - (3) A completed background check authorization form for the new owner.
- (e) If the surety bond maintained by an AMC is terminated or cancelled, the AMC shall file a replacement surety bond as soon as practicable or within ten (10) calendar days of the cancellation or termination, whichever occurs sooner.
- (f) An AMC that does not file a replacement surety bond shall:
- (1) Surrender the AMC's registration; and
 - (2) Cease operating as an AMC effective on the date of cancellation of the surety bond.
- (g) Every subject individual and employee of an AMC must:
- (1) Cooperate with the board;
 - (2) Respond fully and truthfully to board inquiries; and
 - (3) Comply with any requests from the board, subject only to the exercise of any applicable right or privilege.
- (h) Failure to cooperate with the board is unethical and is grounds for discipline including:
- (1) Revocation of a registration;
 - (2) Suspension of a registration;
 - (3) Imposition of a civil penalty;
 - (4) Denial of a registration; or
 - (5) Any combination of the above.

Rule 7 Discipline: Grounds, Complaints, and Adjudication

- (a) Grounds for disciplinary action –
- (1) The board may deny, suspend, revoke, or refuse to issue a renewal registration of an appraisal management company or may restrict or limit the

activities of said company or a person who owns an interest in or participates in the business of the appraisal management company if the Board finds that any of the following circumstances apply to the applicant, owner, registrant, a partner, a member, a manager or officer, director, managing principal, controlling person, or persons occupying a similar status or performing similar functions or a person directly or indirectly controlling the registrant.

- (A) The person's application for registration is found to contain statements that considering the circumstances under which it was made is false or misleading with respect to a material fact.
 - (B) The person has violated or failed to comply with these Rules and Arkansas Statutes.
 - (C) The person has pleaded guilty or nolo contendere to or been found guilty of:
 - (i) A felony listed in A.C.A. § 17-3-102; or
 - (ii) Within the past ten (10) years:
 - (a) a misdemeanor involving mortgage lending or real estate appraising; or
 - (b) an offense involving breach of trust or fraudulent or dishonest dealing.
 - (D) The person is permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing to conduct any practice involving appraisal management services or operating an AMC.
 - (E) The person is the subject of an order by the board or any other state AMC regulatory agency denying, suspending, or revoking the person's privilege to operate as an AMC.
 - (F) The person acted as an AMC while not properly registered by this board.
 - (G) The person failed to pay the proper filing or renewal fees at the appropriate time; or
- (2) A violation of the prohibited activities outlined in Arkansas Code Annotated § 17-14-408 are grounds on which the board may file its own complaint against the AMC or on which any party may make a written complaint.

(b) Complaints and board procedures

- (1) The board may conduct disciplinary proceedings from time-to-time and may cause the actions of an AMC against whom a complaint has been filed to be investigated.
- (2) For a complaint to be considered the complainant shall file the complaint in writing.
 - (A) Complaints shall be filed within three (3) years from the date of the actions complained of.
 - (B) The written complaint shall specifically state:
 - (i) the issues of the complaint; and
 - (ii) the date or dates on which the events causing or leading to the complaint occurred.
- (3) The Executive Director, Chief Investigator, or authorized employee of the board, upon receiving any such complaint shall present the complaint to a board committee or panel to determine if the board has jurisdiction to proceed.
- (4) The board may initiate its own complaint when sufficient documents and information (i.e., appraisal reports, reviews or outlined deficiencies) are available on which to conclude that the Uniform Standards, the State law, or these rules may have been violated.
- (5) If jurisdiction is established or the board initiates its own complaint, the Executive Director, or board staff, shall notify in writing every person complained against, and provide that person an opportunity to respond in writing.
 - (A) A copy of the written complaint shall be furnished to the AMC under investigation and a copy of the AMC's response shall be furnished to the complainant.
 - (B) AMCs failing to respond in writing within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without benefit of the AMC's input.

- (6) The Executive Director, Chief Investigator, or authorized employee may proceed at any time after jurisdiction has been established, to investigate said complaint and take statements from any person thought to have any knowledge of any facts pertaining thereto.
- (7) The Board may request the AMC to:
- (A) Answer the charges made against him or her in writing;
 - (B) Produce relevant documentary evidence; and
 - (C) Appear before the board.
- (8) Every properly filed complaint shall be presented to and reasonably disposed of by the board.
- (9) The board may:
- (A) Subpoena and issue subpoena duces tecum and bring before it any person in this State or licensed by the board;
 - (B) Take testimony by deposition, in the same manner as prescribed by law in judicial proceedings in the courts of this State; or
 - (C) Require production of any records relevant to any inquiry or hearing by the board.
- (10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedures Act, Arkansas Code Annotated §25-15-201 et seq.
- (c) Complaint adjudication and publication of action
- (1) Any AMC who fails to timely renew their registration or elects to surrender their registration while a complaint is pending, will be unable to have their registration reinstated until the complaint has been resolved.
 - (2) If a disciplinary hearing or informal conference is pending at the time of surrender:
 - (A) The scheduled hearings will proceed with or without the AMC's participation; and
 - (B) Any disciplinary action resulting from the hearing shall be placed in the AMC's file and addressed prior to any reinstatement of their credentials.

Rule 8 Audits

- (a) An audit of an AMC registered to provide appraisal management services in Arkansas may be conducted by the board.
- (b) In the case of a subsidiary or affiliate of a financial institution engaging in business as an AMC without obtaining a registration to provide appraisal management services in Arkansas, the board may conduct an audit of the appraisal management company in a joint or alternating manner with the appropriate federal banking agency or the Consumer Financial Protection Bureau as permitted or required by applicable law.
- (c) The board may audit an AMC at any time or times and may require the production of such records at the office of the board as often as necessary.
- (d) An AMC that refuses to submit to an audit shall be considered to have failed the audit and may be subject to disciplinary action.

Chapter 4 – Abstracters

Rule 1 Certificate of Registration

- (a) The board shall approve and issue certificates of registration to qualified applicants or disapprove applications for registration for applicants who do not meet the minimum requirements for registration as prescribed in the Arkansas Abstracters' Licensing Law of 1969 §17-11-101 et seq.
- (b) Every applicant to the board as a certificate of registration holder, except those individuals authorized to practice law in this state, shall have the following qualifications:
 - (1) The applicant shall have a minimum of one (1) year land title-related experience or training prior to the time he or she applies to sit for the registration exam.
 - (2) The applicant shall not have a criminal record as described in Chapter 1, Rule 3(c).
 - (3) The applicant shall pass the registration exam as described in Rule 2 below.
- (c) All applications for certificates of registration shall be made on forms provided by the board and completed and signed by the applicant.
 - (1) The application may require the signature acknowledged before a notary public.
 - (2) All applications shall include the appropriate fees.
 - (3) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.
 - (4) All applications shall include a summary or digest of the applicant's land title-related experience or training.
- (d) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation, the application of any applicant before issuing a certificate.
- (e) Upon successful completion of the application, the board shall notify the applicant by mail of the time and place of the next scheduled examination.

Rule 2 Certificate of Registration – Examination

- (a) The examination shall be in the form of written interrogatories as may be prescribed by the board to determine the proficiency of the applicant.

- (b) The examination shall be comprised of two (2) sections:
 - (1) Legal descriptions; and
 - (2) General knowledge of the practice of abstracting.
- (c) The test for a certificate of registration shall be given at least twice a year and at such other times and locations as designated by the board.
- (d) Tests shall be graded either pass or fail. Seventy percent (70%) of the questions must be answered correctly to pass.
- (e) If failed, the test can be taken two (2) additional times during the next twelve (12) months.
- (f) After failure to pass the test, an applicant shall be required to submit a new application and applicable fees if:
 - (1) The applicant has failed to pass the test three (3) times; or
 - (2) A twelve-month period within which the applicant has taken the test one or more times expires.
- (g) No application shall be submitted sooner than six (6) months following the date on which the last previous examination was administered to the applicant.

Rule 3 Certificate of Registration – Renewal

- (a) Certificates of registrations must be renewed on or before July 1 of each year or they will be placed in expired status.
- (b) Applicants may renew electronically through a board-established electronic process.
 - (1) Certificate holders shall file a timely and sufficient renewal application with the board by the renewal date each year.
 - (2) An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.
- (c) It is the policy of the board to mail or send electronically a renewal notice to credential holders at the last mailing address or email address on file with the board at least sixty (60) days prior to the expiration date of the credential. Neither the failure of the board to send such a notice nor the credential holder's failure to

receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.

(d) Failure to renew

(1) If a holder of a certificate of registration fails to apply for renewal of his or her authority and to pay the fee, the board shall mail 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.

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

(B) 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.

(e) Late Renewal – The certificate of registration shall be placed in expired status unless the certificate holder submits a timely and sufficient renewal application by the expiration date.

(1) Certificates of registration may be renewed with twelve (12) months by submitting a renewal application and fee.

(2) Certificates of registration in an expired status more than twelve (12) months may renew by submitting:

(A) A renewal application;

(B) The renewal fee; and

(C) One (1) abstract completed prior to the certificate being placed in expired status for the board's review.

Rule 4 Temporary Certificate of Registration

(a) The board may grant a temporary certificate of registration without examination to any person:

(1) Succeeding to the ownership of any abstract plant or business by any means other than by purchase; or

(2) any person who by reason of the incapacity of any registered abstracter owner of any abstract plant or business is required to assume the operation of the abstract plant or business.

- (b) Temporary certificates of registration shall expire according to whichever period is longer of the following:
 - (1) Six (6) months after its date of issuance; or
 - (2) Sixty (60) days after the next regularly scheduled examination which could be taken by the applicant.
- (c) All applications for temporary certificates of registration shall be made on forms provided by the board and shall include the appropriate fee.
- (d) Upon a completed application, the board shall notify the applicant by mail the time and place of the examination.
- (e) Should a holder of a temporary certificate of registration not proceed with full certification by passing the examination, the holder shall return the certificate of registration to the board office at the expiration of the certificate.

Rule 5 Certificate of Registration – Reciprocity and Out of State Certification

(a) Reciprocity

- (1) An applicant for a reciprocal certificate of registration pursuant to Arkansas Code Annotated § 17-1-108(c), (d)(1)(A) shall meet the following requirements:
 - (A) The applicant shall hold a substantially similar certificate in another United States' jurisdiction.
 - (i) The applicant shall hold his or her certificate in good standing;
 - (ii) The applicant shall not have had a certificate revoked for:
 - (a) An act of bad faith; or
 - (b) A violation of law, rule, or ethics;
 - (iii) The applicant shall not hold a suspended or probationary certificate in a United States' jurisdiction.
 - (B) The applicant shall be sufficiently competent as an abstractor.
- (2) An applicant for a reciprocal certificate of registration shall submit a fully executed application, the required fee, and the documentation described below.

(A) As evidence that the applicant's certificate from another jurisdiction is substantially similar to Arkansas's, the applicant shall submit the following information:

- (i) Evidence of current and active certification in that state.
- (ii) Evidence that the other state's certification requirements match those listed in Rule 1 above.

(B) To demonstrate the applicant meets the requirement in (a)(1)(A)(ii) & (iii) above, the applicant shall provide the board with:

- (i) The names of all states in which the applicant is currently certified or has been previously certified and
- (ii) Letters of good standing or other information from each state in which the applicant is currently or has ever been certified showing that the applicant has not had his or her certificate revoked for bad faith or a violation of law, rule or ethics and does not hold a certificate on suspended or probationary status.

(C) As evidence that the applicant is sufficiently competent, an applicant shall:

- (i) Provide proof of at least one (1) year of verified land title related experience to the board; and
- (ii) Provide proof of the passage of a proficiency examination given by the board or other jurisdiction.

(3) Provisional Certificate

(A) A provisional certificate of registration pursuant to Arkansas Code Annotated § 17-1-108 shall be issued immediately upon receipt of:

- (i) An application;
- (ii) the twenty-five-dollar (\$25.00) examination fee; and
- (iii) the documentation required under (2) above.

(B) The provisional certificate of registration shall be effective for at least ninety (90) days or until the next regularly scheduled examination that can be taken by the applicant.

(C) After issuance of the provisional certificate of registration, if the board determines that the applicant does not meet the requirements of (1)

above, the board may immediately revoke the provisional certificate of registration.

(D) An applicant may provide the rest of the documentation required above to receive a certificate of registration, or the applicant may provide only the information necessary for the issuance of a temporary certificate of registration under Rule 4 above.

(4) An applicant from a state that does not register abstractors shall meet the following requirements in accordance with Arkansas Code Annotated § 17-1-108(d)(2) to be registered in Arkansas:

(A) Submit an application and appropriate fee;

(B) Demonstrate sufficient competency as an abstractor by providing proof of at least one (1) year of verified land title related experience to the board; and

(C) Pass a proficiency examination given by the board.

(b) Out of State Certification

(1) The board shall grant automatic certification to an applicant that is a resident of the State of Arkansas and meets the following requirements:

(A) An applicant does not have a disqualifying criminal offense under Arkansas Code Annotated § 17-3-102 and does not have a complaint, allegations, or violations pending for his or her abstractor activity;

(2) Applicant shall:

(A) Be in good standing for one (1) year as a certified abstractor in another state, territory, or district of the United States with similar scope of practice; or

(B) An individual who worked:

(i) In another state, territory, or district of the United States that does not use an occupational certification to regulate abstractors but is regulated by certification in this state; and

(ii) At least three (3) years in the abstractor or land title related field;

- (3) An applicant shall meet all other certificate of registration requirements for a resident of this state and all renewal requirements of the certificate of registration; and
- (4) Notwithstanding the requirements in (b) (1) through (3) above, an applicant:
 - (A) May be required to pass an examination specific to relevant state laws that regulate abstracters.
 - (B) The board may waive the examination requirement if it finds that:
 - (i) The applicant's education, training, and experience is sufficient substitute for the requirement; and
 - (ii) Such waiver of the requirements will not harm public health, safety, or welfare.

Rule 6 Certificate of Authority

- (a) Any person, firm or corporation desiring to engage in the business of abstracting in this state shall make application to the board for a certificate of authority.
- (b) All applications for certificates of authority shall be made on forms provided by the board and completed and signed by the applicant.
 - (1) The application may require the signature acknowledged before a notary public.
 - (2) All applications shall include the appropriate fees.
 - (3) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.
 - (4) All applications shall include proof that:
 - (A) The applicant has available an abstract plant for each county for which abstracts will be prepared, which abstract plant shall be made available for examination by the board;
 - (B) The applicant is or has employed a registered abstracter; and
 - (C) The bond requirements provided for in Arkansas Code Annotated §17-11-324 have been complied with.
- (c) Upon successful completion of the application and approval by the board, the board shall issue a certificate of authority in such a form as prescribed by the board which includes the county of this state wherein the applicant may operate.

Rule 7 Certificate of Authority – Renewal

- (a) Expiration dates of the certificates of authority, either renewal or original, shall be the July 1 following the year from the preceding expiration date.
- (b) Certificates of authority shall be renewed for a one (1) year period upon payment of the renewal fee.
- (c) No more than sixty (60) days nor less than thirty (30) days before the expiration date of the certificate of authority issued, the board shall mail a notice of expiration and application for renewal to the last known address on file with the board.
- (d) Failure to renew
 - (1) If a holder of a certificate of authority fails to apply for renewal of his or her authority and to pay the fee, the board shall mail 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.
 - (A) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.
 - (B) 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.
 - (2) Any holder of a certificate of authority who fails to renew his or her authority within the sixty (60) days above, shall be removed from the board's roster and no longer engage in the business of abstracting in this state until authorized by the board.

Rule 8 Fees

- | | |
|--|-----------------|
| (a) <u>Certificate of Registration – Exam</u> | <u>\$25.00</u> |
| (b) <u>Certificate of Registration – Temporary</u> | <u>\$15.00</u> |
| (c) <u>Certificate of Registration – Renewal</u> | <u>\$50.00</u> |
| (d) <u>Certificate of Authority – Application</u> | <u>\$25.00</u> |
| (e) <u>Certificate of Authority – Renewal</u> | <u>\$145.00</u> |

Rule 9 Discipline

- (a) The board is authorized, after a hearing as provided in Arkansas Code Annotated §17-11-341, to cancel and revoke any certificate of registration issued to any person:
- (1) For a violation of any of the provisions of Arkansas Code Annotated §17-11-101 et seq.;
 - (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.
- (b) The board is authorized, after a hearing as provided in Arkansas Code Annotated §17-11-341, to cancel and revoke any certificate of authority issued to any person, firm, or corporation for:
- (1) Failure to furnish the bond or bonds, or other securities, required by Arkansas Code Annotated §17-11-324;
 - (2) Failure to properly maintain an abstract plant;
 - (3) Failure to have employed a registered abstractor as provided in Arkansas Code Annotated §17-11-301; or
 - (4) Otherwise violating any of the provisions of Arkansas Code Annotated §17-11-101 et seq.
- (c) All disciplinary proceedings shall be held in accordance with Arkansas Code Annotated §17-11-341 and the Arkansas Administrative Procedure Act, Arkansas Code Annotated §25-15-201 et seq.

Chapter 5 – Home Inspectors

Rule 1 Registration

(a) General Requirements

- (1) All persons who advertise as a home inspector or perform or attempt to perform a home inspection for a fee, in the state of Arkansas, shall first register with the Board and comply with the Arkansas Home Inspector Registration Act and rules of the board.
- (2) Every applicant for registration as a home inspector shall have the following qualifications:

 - (A) The applicant shall have a good reputation for honesty, truthfulness, and fair dealing, and be competent to transact the business of a registered Home Inspector in such a manner as to safeguard the interests of the public.
 - (B) The applicant shall meet the current educational and experience requirements for registration prior to the time he or she applies to sit for the registration exam.
 - (C) The applicant shall not have a criminal record as described in Chapter 1, Rule 3 (c).
 - (D) The applicant shall be at least eighteen (18) years old and shall have received a high school diploma or its equivalent.
- (3) In addition to those qualifications listed in Section (2) above, a non-resident applicant shall be in good standing as a home inspector in every jurisdiction where registered.
- (4) All applicants for registration, renewal, or reinstatement shall be made on forms provided by the board and completed and signed by the applicant. The application shall be made under oath. All applications shall include the appropriate fees. The board shall not consider an application which is incomplete or with which the correct fees have not been submitted.
- (5) The board may require each applicant for registration to furnish, at his or her expense, a recent passport type photograph of him or herself, as well as any

other information or form of identification deemed necessary by the board to determine the applicant's qualifications for registration.

- (6) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation, the application of any applicant before issuing a registration.

(b) Exemption from Registration

- (1) A person by virtue of his or her employment by a public entity does home inspection work for that agency shall not be required to be registered as a home inspector if the inspections are conducted:

- (i) Solely for the benefit of that entity; and
- (ii) For no compensation other than the employee's salary.

- (2) Any person holding a valid registration, certificate, or license issued by the State if the person's activity is limited to the activity authorized by his or her registration, certificate or license.

- (3) A person who inspects his or her home; or

- (4) A public entity that inspects its residential units with its own personnel specifically trained for the home inspection.

(c) Initial Application Requirements – An applicant for an initial home inspector registration shall submit:

- (1) A completed Application for Registration.

- (2) A certificate of course completion from a qualifying education course provider approved by the board pursuant to Chapter 4 Rule 2.

- (3) The applicant's passing examination score from a test provider approved by the board pursuant to Chapter 4 Rule 2.

- (4) A certificate of liability insurance pursuant to Chapter 4 Rule 3.

- (5) If applicable, other state or local licensure, certification, registration or permit; and

- (6) A nonrefundable fee pursuant to Chapter 4 Rule 10.

(d) Certificates of Registration – The board shall issue to each registered holder a certificate in a form as shall be prescribed by the board.

- (1) The certificate shall show the name of the registered holder, a certificate number assigned by the board and any other matters as shall be prescribed by the board.
- (2) Certificates of registration of a home inspector shall be issued for a period of at least one year.
- (3) Certificates of registration shall be maintained in sound, fully legible condition and shall be replaced as necessary. The registered holder shall have the certificate at the inspection site and shall present it to anyone who may request to see it.
- (e) Effective Date – Initial certificates of registration are valid until December 31st of the calendar year following the issuance of the initial certificate of registration. Renewal certificates of registration are issued on a calendar year basis extending from January 1st through December 31st. For example, an applicant who receives a certificate of registration on March 1, 2023 would hold a valid license until December 31, 2024, at which time the holder would submit a renewal application and receive a certificate of registration for the following calendar extending from January 1, 2025 through December 31, 2025.

Rule 2 Qualifying Education and Examinations

(a) Qualifying Education

- (1) An applicant for initial home inspector registration, not applying under Chapter 1 Rule 3 or Chapter 4 Rule 4, shall have successfully completed eighty (80) hours of qualifying education in a course of study pursuant to Chapter 4 Rule 7.
- (A) All qualifying education must be completed within the three (3) year period immediately preceding the date of application for initial home inspector registration.
- (B) Qualifying education requirements shall only be accepted from education providers and courses approved by the Board.
- (2) The following persons shall be exempt from the qualifying education requirements for initial registration, but not from the requirements concerning

the competency examination. Individuals under this exemption may be required to provide proof of qualification for exemption.

(A) City inspectors certified by the International Code Council; and

(B) Contractors who hold a builder's license and have ten (10) years' experience as a contractor.

(b) Competency Examinations

(1) An applicant for initial home inspector registration, not applying under Reciprocity, shall successfully pass both:

(A) The current version of the National Home Inspector Examination as provided by the Examination of Professional Home Inspectors; and

(B) The current version of the Standards and Ethics Examination as provided by the American Society of Home Inspectors.

(2) A request to sit for the examination shall be made directly to the test provider.

(3) A passing score for the examination is set by the test provider and shall be valid for a period of five (5) years.

(4) The applicant shall follow all written and oral instructions, procedures, and appropriate standards of conduct established by the board or testing service administering the examination.

(5) Failure to comply with all instructions, procedures, and appropriate standards of conduct established by the board or the testing service shall be grounds for denial of the application or disciplinary action.

Rule 3 Liability Insurance

(a) Coverage – All registered home inspectors must maintain current general liability insurance in the amount of at least one hundred thousand dollars (\$100,000).

(b) Requirements

(1) 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 board.

(2) The registered home inspector may add the board as a certificate holder but not as an additional insured and with no additional cost to ensure board

notification in the event such liability policy is cancelled for any reason or expires for non-payment of premiums.

(3) The registered home inspector shall provide the certificate of insurance to the board at the time of initial registration, at the time of renewal of registration, and any other time necessary to ensure the board has the most current and effective certificate of insurance.

(4) It is the responsibility of the registered home inspector to notify the board in writing of any lapses in coverage, including but not limited to the expiration of current coverage or cancellation of the current policy. The board may mail or send electronically a renewal reminder if the certificate of insurance on file with the board reflects that the policy has expired. However, failure of the board to send such a reminder nor the registered home inspector's failure to receive such a notice shall excuse the requirement of the registered home inspector to maintain a current policy on file with the board.

(c) Failure to Maintain Liability Insurance – Failure on the part of the registered home inspector to maintain liability insurance and provide proof of insurance to the board shall result in the registration of the affected home inspector being suspended until the insurance is reinstated or replaced.

Rule 4 Registration for Out of State Home Inspectors

(a) Automatic Occupational Licensure for Out-of-State Licensure Act

(1) The board shall grant automatic registration to an applicant that:

(A) Is a resident of the State of Arkansas;

(B) Does not have a disqualifying criminal offense under § 17-4-102 or any additional state law relating to home inspectors;

(C) Does not have a complaint, allegations, or violations pending for his or her home inspector activity; and

(D) Meets the following requirements:

(i) Applicant shall:

(a) Be the holder in good standing for one (1) year of a home inspector license, registration or certificate with similar scope of practice issued by another state, territory, or district of the United States; or

(b) An individual who worked:

(1) In another state, territory, or district of the United States that does not use an occupational licensure to regulate home inspectors but is regulated by occupational licensure in this state; and

(2) At least three (3) years in the home inspector occupation.

(2) An applicant shall meet all other home inspector registration requirements for a resident of this state and all renewal requirements of the home inspector registration, including without limitation a criminal background check and continuing education hours. All requirements must be completed prior to registration renewal.

(b) Reciprocity

(1) Required Qualifications – An applicant applying for reciprocal registration shall meet the following requirements:

(A) The applicant shall hold a substantially similar license, registration or certification in another United States' jurisdiction.

(B) The applicant shall hold his or her home inspector license, registration or certification in good standing.

(C) The applicant shall not have had a license, registration, or certificate revoked for:

(i) An act of bad faith; or

(ii) A violation of law, rule, or ethics;

(D) The applicant shall not hold a suspended or probationary license, registration, or certification in a United States' jurisdiction;

(E) The applicant shall be sufficiently competent in the practice of home inspection.

(2) Required documentation – An applicant shall submit a fully-executed application, the required fee, and the documentation described below.

(A) Evidence of current and active license, registration, or certificate in another United States' jurisdiction. The board may verify this information

online if the jurisdiction at issue provides primary source verification on its website or by telephone to the other state's regulatory board.

(B) To demonstrate that the applicant meets the requirement in Section (b)(1)(A)(ii) through (iv) above, the applicant shall provide the board with:

(i) The names of all states in which the applicant is currently licensed, registered, or certified or has been previously licensed, registered, or certified;

(ii) Letters of good standing or other information from each state in which the applicant is currently or has ever been licensed, registered, or certified showing that the applicant has not had his or her license, registration, or certificate revoked for the reasons listed in Section (b)(1)(A)(iii) and does not hold a license, registration, or certification on suspended or probationary status as described in Section (b)(1)(A)(iv). The board may verify this information online if the jurisdiction at issue provides primary source verification on its website or by telephone to the other state's licensing board.

(C) As evidence that the applicant is sufficiently competent in the practice of home inspection, an applicant shall submit:

(i) Proof of successful passage of the National Home Inspector Examination.

(ii) Proof of successful passage of a Standards and Ethics Examination; and

(iii) Two (2) home inspection reports.

(D) Proof of General Liability Insurance as required under Rule 3 above.

(E) Proof of Workers' Compensation Insurance if applicable.

(3) Temporary and Provisional Registration

(A) The board shall issue a temporary and provisional registration immediately upon receipt of the application, the required fee, and evidence of a current and active license, registration, or certificate.

- (B) A temporary and provisional registration shall be effective for ninety (90) days during which time the applicant shall provide the remaining documentation required under section (b)(2) above.
- (C) Failure to submit all documentation required under section (b)(2) prior to the expiration of the ninety (90) day temporary and provisional registration will result in the applicant's inability to practice as a home inspector in Arkansas until such time as all requirements have been fulfilled.
- (4) Registration for an Individual from a non-regulated state

 - (A) Required Qualifications – An applicant from a state that does not regulate home inspectors shall meet the following requirements:

 - (i) The applicant shall be sufficiently competent in the practice of home inspection; and
 - (ii) Has passed the National Home Inspector Examination and the current version of the Standards and Ethics Examination of the American Society of Home Inspectors.
 - (B) Required Documentation – An applicant shall submit a fully executed application, the required fee and the documentation described below to show the applicant is sufficiently competent in the practice of home inspection:

 - (i) Proof that the applicant has passed the National Home Inspector Examination and the current version of the Standards and Ethics Examination of the American Society of Home Inspectors; and
 - (ii) Four (4) home inspection reports.

Rule 5 Renewal

- (a) Home inspector registration must be renewed each year, with the exception of initial certificates of registration, or they will be placed in an expired status. Each home inspector registration renewal is December 31st of each year.
- (b) An application to renew a registration shall be submitted on a form obtained from the board office or on the board's website. Applicants may renew electronically through the board's electronic licensing portal.

- (c) Renewal Notification – The board shall mail a notice of upcoming registration expiration to each currently registered home inspector no more than sixty (60) days and no less than forty-five (45) days before the expiration of the certificate of registration. However, failure of the board to send such a reminder nor the registered home inspector's failure to receive such a notice shall excuse the requirement of the registered home inspector to renew a certificate of registration.
- (d) Registered home inspectors shall file a timely and sufficient renewal application with the board by the renewal date each year. An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.
- (e) The board will issue a new certificate of registration indicating the new expiration date after receiving evidence of completion of the required continuing education, a current certificate of insurance, the appropriate renewal fee, and, if requested by the board, copies of home inspection reports.
- (f) Late Renewal
- (1) The registration of a home inspector shall be placed in an expired status unless the home inspector submits a timely and sufficient renewal application by the expiration date.
- (2) During the first one hundred and eighty-four (184) days of expired status a registered home inspector may renew their registration by submitting the appropriate renewal form. This includes the payment of the renewal fees, a late fee of fifty dollars (\$50) per month or partial month elapsed since the renewal date and submitting the required continuing education reporting form and completion certificates.
- (3) After one hundred and eighty-five (185) days up to twelve (12) months of expired status a registered home inspector may renew their registration by submitting the appropriate renewal form. This includes the payment of renewal fees and submitting the required continuing education reporting form and completion certificates. This includes evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(4) A registered home inspector who fails to reinstate their registration within twelve (12) months of the expiration date of the registration may reinstate their registration by submitting the appropriate reinstatement form. This includes payment of the appropriate renewal fee and evidence of the completion of the required continuing education hours.

(A) Registered home inspectors in an expired status must complete all required continuing education that would have been required if the certificate holder was in active status. The required hours must also include evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(B) Continuing education hours required are fourteen (14) hours per year for each year or partial year the registration was expired plus any continuing education hours required at the time the registration was placed in an expired status.

(i) For example – Number of years expired X 14 hours + number of hours due when registration was placed on expired status = Total number of continuing education hours that must be submitted.

(5) Registered home inspectors are not authorized to practice or to hold themselves out to the public as home inspectors during the period of time that his or her registration is expired. Any violation of this shall be grounds for discipline.

(g) These renewal and reinstatement rules do not apply to a person who has had his or her registration revoked or suspended.

Rule 6 Continuing Education

(a) A home inspector who makes application to renew his or her home inspector registration shall successfully complete the equivalent of fourteen (14) hours per year of approved continuing education preceding the renewal.

(b) A minimum of eight (8) hours of continuing education must be approved as mandatory courses, as defined by section (k)(1) below.

- (c) Credit towards the continuing education hour requirements for home inspector registration may be granted only where the length of the educational offering is at least two (2) hours.
- (d) A maximum of three (3) hours per renewal year may be granted for participation, other than as a student, in home inspector educational processes and programs. Examples of activities for which credit may be granted include, but are not limited to, teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.
- (e) In addition to the general requirements described in Chapter 4 Rule 7, asynchronous distance education courses intended for use as continuing education must include at least one of the following:
 - (1) A written examination proctored by an official approved by the college, university, or by the sponsoring organization. Remote proctoring, including bio-metric procedures as noted in Chapter 4 Rule 7 is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or other device. Oral exams are not acceptable, or
 - (2) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.
- (f) The board may award continuing education credit to registered home inspectors who attend a board meeting, under the following conditions:
 - (1) Credit may be awarded for a single board meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed four (4) hours; and
 - (2) The board must ensure that the registered home inspector attends the meeting for the required period of time.
- (g) Failure to complete continuing education requirements shall result in suspension of the home inspector's registration.

(h) The board may waive all or part of the continuing education requirements for any registered home inspector who submits satisfactory evidence of the registered home inspector's inability to meet the continuing education requirements due to debilitating health, hardship, or extenuating circumstances beyond the registered home inspector's control.

(1) Loss of income resulting from cancellation of license is not a hardship.

(2) Waiver request shall be submitted in writing at least sixty (60) days prior to the date of registration renewal and shall include an explanation and any supporting documentation to verify hardship. Should a registered home inspector not submit the waiver request prior to renewal, the request may be submitted at the time of renewal and should further include an explanation as to why the request was not made in a timely manner.

(i) Registered home inspectors shall maintain and submit with registration renewal a Continuing Education Credit Reporting form. The reporting form shall be completed in its entirety to list all completed courses being submitted for continuing education credit. Certificates of completion shall be submitted with the reporting form.

(j) Copies of the Continuing Education Credit Reporting form, certificates of completion, and any other supporting documentation submitted to the board shall be retained by the registered home inspector for at least two (2) years after submission.

(k) Continuing education courses for home inspectors shall include course work designed to increase the home inspector's skill, knowledge and competency in home inspections and shall cover topics such as, but not limited to:

(1) Mandatory courses, including, but not limited to:

(A) Identifying and inspecting the following components and systems:

(i) Exteriors:

(ii) Interiors:

(iii) Roofing:

(iv) Plumbing:

(v) Electrical:

(vi) HVAC;

(vii) Structural;

(viii) Miscellaneous appliances; and

(ix) Solid fuel burning appliances; and

(B) Applicable laws and standards of practice.

(2) Elective courses include, but are not limited to:

(A) Business concepts and marketing techniques; and

(B) Report writing/customer relations overview.

**Rule 7 General Education Approval, Requirements, and Provider
Information**

(a) General Requirements for Education Offerings

(1) The board may approve or disapprove all course offerings for qualifying education and continuing education. The approval process shall apply to course content, facilities, text, course delivery mechanism, and other materials utilized in the offering and instructors. The board may, at its sole discretion employ the services of an advisory education panel for the purpose of reviewing educational offerings for quality, content, and qualifications of instructors.

(2) Time requirements for the purpose of all educational offerings include:

(A) A class hour defined as sixty (60) minutes, of which at least fifty (50) minutes are instruction attended by the student.

(B) The prescribed number of class hours includes time for examinations.

(3) Credit for class hour requirements may be obtained only from the following providers:

(A) Colleges or universities;

(B) Community or junior colleges;

(C) Home Inspector or Home Inspector-related organizations;

(D) State or federal agencies or commissions;

(E) Proprietary schools;

(F) Providers approved by the board; or

(G) The American Society of Home Inspectors.

- (4) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.
- (A) In synchronous educational offerings, the instructor and students interact simultaneously online, video chat or live webinar, or web- based meeting.
- (i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.
- (B) In asynchronous educational offerings, the instructor and student interaction are non-simultaneous; the students progress at their own pace and follow a structured course content and quiz/exam schedule.
- (i) An asynchronous distance education course is acceptable to meet class hour requirements if:
- (a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor, and
- (b) Content approval is obtained from the board, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the us Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the board; and
- (c) Course delivery mechanism approval is obtained from one of the following sources:
- (1) a college or university that qualifies for content approval in (i)(b) above that awards academic credit for the distance education course; or

- (2) a qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.
 - (d) If the certification of the course delivery mechanism expires prior to the board's expiration date of the course, the course will not be accepted for credit until the provider can provide an updated certification.
- (C) Hybrid courses, also known as blended courses, are learning environments that allow both in-person and online (synchronous, or asynchronous) interaction.
 - (i) Hybrid courses meet class hour requirements if each of its sessions meet the requirement for the delivery method employed:
 - (a) In-person sessions meet (a)(2) and (3) above.
 - (b) Synchronous course sessions meet (a)(2) and (3) above.
 - (c) Asynchronous course sessions must meet (a)(2), (3), and (4)(B) above.
- (5) A list of approved education providers and courses is available on the board's website. If a course is taken that is not on that list, it may be submitted to the board for individual consideration by submitting the following:
 - (A) A course completion certificate.
 - (B) A timed outline provided by the education provider, and
 - (C) A course description from the education provider.
- (6) Education course approval by the board is initially granted for a period of two (2) years provided no substantive changes in course content is made. Approval may be extended by an additional two (2) years on the written request by the provider. Failure to timely request an extension will result in automatic termination of the education offerings approval status.
- (7) A provider shall apply for course approval no later than forty-five (45) days prior to the date of expiration of the original course approval.
- (8) All persons or providers requesting approval from the board for an education course shall submit to the board office a completed "Education Course

Approval Application” that is found on the board’s website. The application must be accompanied by the following:

- (A) A timed outline allocating each heading and subtopic; and
- (B) A copy of the course materials; and
- (C) Instructor resume(s); and
- (D) All course delivery mechanism approval certificates, if applicable; and
- (E) Applicable fees.

- (9) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and all written advertising materials for the course.
- (10) The board may at its discretion adopt and implement various procedures for the auditing of any offerings that have been accepted for qualifying and continuing education approval by the board.
- (11) Substantial changes, such as a change in the agenda, published course description, or instructor, made in any course shall require new approval of that course.
- (12) Examination Proctor Qualifications
 - (A) The person shall not be related to the student by blood or marriage and may not be engaged in any association (personal or business) with the student.
 - (B) The proctor may be selected from the following professions:
 - (i) A university, college, or community college professor or instructor.
 - (ii) A public and private school professional (superintendent, principal, guidance counselor, librarian, etc.)
 - (C) Proctor(s) shall be approved, in advance, by the board.
- (13) Examination Proctor Duties
 - (A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver’s license, student ID card, etc.).
 - (B) Be in the room while the student is taking the exam. Assure that the student does all the work him or herself without aids of any kind including

books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, the reason for the interruption and the board, or its designee, must approve the request to resume.

(D) Upon completion of the examination, the proctor shall submit a certificate indicating the verification of the identity of the student, that the examination was completed on the date assigned during the time permitted and that the student has done all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource while taking the examination, including access to Internet search engines or web pages other than that displaying the examination.

(b) Criteria Specific to Qualifying Education

(1) Qualifying Education Course Requirements of Education Providers

(A) For purposes of this section, a course shall be defined as a course of instruction that meets the curriculum requirements of below and shall be at least seven (7) hours in length.

(B) Each course shall conform with the appropriate course curriculum prescribed by (b)(2) below.

(C) An exit examination of a minimum of one hundred and twenty-five (125) questions covering all topics in section (b)(2) below is required at the end of the qualifying education program. The questions shall be either multiple choice or true-false or a combination of multiple choice and true-false. Open book examinations shall not be accepted. No student shall be deemed to have successfully completed the program unless he or she has scored a minimum of 70% on the exit examination.

- (D) The board shall only grant approval for courses that are part of an overall qualifying education program for a home inspector registration. An education provider must have a complete eighty (80) hour qualifying education program approved by the board.
- (E) In addition to the generic requirements described in Rule 7(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination. The examination must be proctored in person or remotely by a board approved proctor. Bio-metric proctoring is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or device. Oral exams are not acceptable. The testing must comply with the examination requirements of this section.
- (F) No approved education provider shall advertise that it is endorsed, recommended or accredited by the board. The education provider may indicate that the course of study has been approved by the board.
- (G) Each education provider shall provide a prospective student, prior to enrollment, with information that specifies the course of study to be offered, the tuition, the provider's policy regarding refunds, any additional fee for supplies, materials or books, and other matters that are material to the relationship between the provider and the student.
- (H) Each education provider shall provide certificates of completion to all students who successfully complete board approved courses.
- (2) Qualifying Education Course Curriculum – Qualifying education course work to obtain a registration as a home inspector shall consist of a minimum of sixty-four (64) hours of instruction and a minimum of sixteen (16) hours of field training. The content for qualifying education instruction courses shall not be repetitive and shall represent a progression of instruction in that the student's knowledge is increased in topics that include, but are not limited to:
- (A) Exteriors: Exterior study must contain the following, at a minimum.
- (i) Identification and inspection of exposed foundations.

- (ii) Identification and inspection of siding and exterior wall covering material, flashing and trim, including: aluminum, brick, vinyl, steel asphalt, hardboard, stucco, wood and exterior insulation finish system.
 - (iii) Identification and inspection of gutter and drainage control systems.
 - (iv) Inspection of porches, steps and railings, including the structural composition.
 - (v) Identification and implications of vegetation, grading and surface drainage, including: retaining walls, walkways and driveways leading to a dwelling entrance.
- (B) Interiors: Interior study must contain the following, at a minimum:
- (i) Identification and inspection of wall, ceiling and floor defects.
 - (ii) Identification and inspection of step, stair and railing defects.
 - (iii) Identification and inspection of countertop, cabinet and island defects, as they pertain to a kitchen or other type room.
 - (iv) Identification and inspection of interior and exterior door defects.
 - (v) Identification and inspection of window defects and operation.
 - (vi) Identification and inspection of garage door defects, garage door opener defects, and garage structure defects, including fire safety and habitability.
- (C) Roofing: Roofing study must contain the following, at a minimum:
- (i) Identification of the types and styles of roofs.
 - (ii) Identification and inspection of the roofing materials used, including: asphalt, cedar shake, cedar shingle, tar, residential rolled roofing, clay or concrete tiles, slate, metal and asbestos.
 - (iii) Identification and inspection of skylights and flashing.
 - (iv) Identification of chimneys and other penetrations, including proper height and composition.
- (D) Plumbing: Plumbing study must contain the following, at a minimum:
- (i) Identification and description of the main distribution system, including all fixtures, faucets and materials.

- (ii) Identification and description of all drain, waste and vent systems, including all fixtures and materials.
- (iii) Identification and description of water heating systems.
- (iv) Identification and description of fuel distribution systems and materials.
- (v) Description and identification of all drainage control devices, including sump pumps, ejector pumps or other related piping.
- (vi) Identification of water source and sewer distribution.
- (E) Electrical: Electrical study must contain the following, at a minimum:
 - (i) Identification and inspection of the main service, including the size, location, overcurrent protection such as a breaker or a fuse, service, entrance conductors, cables and raceways.
 - (ii) Identification and inspection of the branch distribution, including fuse boxes, breaker boxes and subpanels.
 - (iii) Identification and inspection of all overcurrent protection devices and wire type identification.
 - (iv) Identification and inspection of installed lighting fixtures, switches and receptacles.
 - (v) Identification and inspection of safety devices, including ground fault circuit interrupters.
- (F) Heating, ventilation and air conditioning (HVAC): HVAC study must include the following, at a minimum:
 - (i) Identification and inspection of the installed heating equipment, including: gas forced air, fuel oil forced air, heat pumps, electric forced air, and hydronic heating equipment, as well as the distribution related to the various types.
 - (ii) Identification and inspection of fuel sources and distribution.
 - (iii) Identification and inspection of flue pipes and spent gas removal systems.
 - (iv) Identification and inspection of all related safety devices.
 - (v) Identification and inspection of installed cooling systems, including central and window mounted systems.

(G) Structural: Structural study must contain the following, at a minimum:

- (i) Identification and inspection of all structural components, including floor and wall framing.
- (ii) Identification and inspection of all foundation support systems, including poured concrete, concrete block, brick, stone and wood, and all related perimeter footing systems.
- (iii) Identification and inspection of water related or seepage related sources.
- (iv) Identification and inspection of flood control devices.
- (v) Identification and inspection of roof structure and systems related to composition.
- (vi) Identification and inspection of under-roof and under-floor ventilation.
- (vii) Identification and inspection of insulation and vapor protection systems.

(H) Miscellaneous Appliances: Appliance study must contain the following, at a minimum:

- (i) Identification of all fireplaces, solid fuel burning appliances, chimneys and vents.
- (ii) Identification and inspection of all major appliances, including but not limited to range, stove, oven, refrigerator, window air conditioner, washer, dryer, trash compactor and garbage disposal, and other appliances that may be part of a transaction.

(I) Standards of Practice: Standards of practice study must contain the following, at a minimum:

- (i) The full content of the current version of the American Society of Home Inspectors Standards of Practice.
- (ii) The current version of the American Society of Home Inspectors Code of Ethics.
- (iii) Required disclosures to a client.
- (iv) Required report content.
- (v) Competent report writing.

(vi) Specific knowledge of business practices and standards of practice.

Rule 8 Standards of Practice, Code of Ethics, and Inspection Reports

- (a) Except where in conflict with Arkansas law or the rules of the board, the board adopts the most current American Home Inspectors Association Standards of Practice for all registered home inspectors.
- (b) Except where in conflict with Arkansas law or the rules of the board, the board adopts the most current American Home Inspectors Association Code of Ethics for all registered home inspectors.
- (c) A copy of the Standards of Practice and the Code of Ethics is available on the board's website.
- (d) Home Inspection Reports
 - (1) Identification – All written or electronic home inspection reports presented to clients shall prominently contain:
 - (A) The printed name, signature, registration number and expiration date, mailing address, and phone number of any person or persons properly registered who participated significantly in the performance of the home inspection.
 - (B) The date of the inspection.
 - (C) The full physical address of the inspected property; and
 - (D) The name of the client or intended user.
 - (2) Content – All written or electronic home inspection reports presented to clients shall, at a minimum, list each item required to be inspected by the Standards of Practice.
 - (A) Each item shall be displayed in the report in a manner which indicates that the item has or has not been inspected, along with any reason for not having been inspected.
 - (B) Any item listed in the report which is not required to be inspected by the Standards of Practice shall also be displayed in a manner which indicates that the item has or has not been inspected, or that the item is not present in the home.

- (3) Retention – the home inspector shall retain an exact copy of all home inspection reports presented to clients for a period of at least five (5) years following the dates of the inspection.
- (e) Violation of the Standards of Practice, Code of Ethics, or failure to include the required information in a home inspection report may result in disciplinary action by the board.

Rule 9 Discipline: Grounds, Complaints, and Adjudication

- (a) Grounds for Disciplinary Action – the board may take appropriate disciplinary action for, but not limited to, the following:
 - (1) Any violation of the provisions of the Arkansas Home Inspector Registration Act or board rules.
 - (2) Falsifying any application for registration or otherwise providing false information to the board.
 - (3) Conviction of any felony listed under Arkansas Code Annotated §17-3-102.
 - (4) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Home Inspector Registration Act or board rules.
 - (A) Dishonest, unethical or unprofessional conduct may include, but not limited to, the following:
 - (i) The home inspector expresses an opinion not based on practical experience or education and honest conviction.
 - (ii) The home inspector fails to act in good faith in dealing with a client.
 - (iii) The home inspector discloses any information concerning the results of a home inspection without the approval of the client, unless conditions that threaten health, safety or welfare exist that require emergency action. If any dangerous situations exist, the home inspector is required to report those findings to the home owner.
 - (iv) The home inspector accepts compensation from more than one interested party for the same service without the consent of all interested parties.

- (v) The home inspector offers or accepts commissions or allowances, directly or indirectly, from other parties dealing with a client while providing a home inspection.
 - (vi) The home inspector fails to promptly disclose in writing to a client any interest in a business or the subject property that may affect or have the potential to affect the client.
 - (vii) The home inspector allows an interest in any business to affect the quality of the results of a home inspection.
 - (viii) The home inspector fails to disclose in writing to the client prior to the home inspection any limitations or exclusions of systems or components being inspected.
 - (ix) The home inspector aids or assists another in the violation of the Arkansas Homes Inspector Registration Act or board rules.
 - (x) The home inspector fails to satisfy a material term of a consent to administrative supervision order or consent order.
 - (xi) The home inspector aids, assists or facilitates another to use or appropriate credentials or a license for the purpose of preparing a home inspection report knowing that person to be unlicensed.
 - (xii) The home inspector advises a client as to whether the client should or should not engage in a real estate transaction or provides an opinion of value regarding the residential real property that is the subject of the home inspection.
- (5) Adjudication of insanity.
- (6) Use of advertising or solicitation that is false, misleading, or is otherwise deemed unprofessional by the board; or
- (7) Habitual or excessing use of intoxicants or illegal drugs.
- (b) Complaints
- (1) Complaints shall be filed within three (3) years from the date of the actions complained of.
 - (2) For a complaint to be considered, the complainant shall file the complaint in writing. The written complaint shall specifically state the issues of the

complaint, and the date(s) on which the events causing or leading to the complaint occurred.

(3) The board may initiate its own complaint when sufficient documents and information are available on which to conclude that the Standards of Practice, Code of Ethics, the State law, or the board rules may have been violated.

(4) The registered home inspector will be notified in writing of the complaint. A copy of the complaint and a request for a written response within thirty (30) days shall be furnished to the home inspector. Failure to respond within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without the benefit of the home inspector's input.

(5) The board's staff, legal representative, and board investigator (appointed board member or contracted investigator) will review the complaint and all corresponding documents and make recommendations to the board.

Recommendations may include:

(A) Dismissal of complaint.

(B) Informal proceedings (including, but not limited to, caution letters, corrective action agreements, or consent agreements); or

(C) Disciplinary hearing.

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

(c) Hearings

(1) Hearings to revoke or suspend a registration or to impose other disciplinary sanctions are adjudicative hearings. The board acts in a quasi-judicial capacity when it conducts an adjudicative hearing.

(2) All adjudicative hearings before the board are held under the Arkansas Administrative Procedure Act, Arkansas Code Annotated §25-15-201 et seq.

Rule 10 Fees

- (a) Types of Fees – the following fees shall be paid for pre-registration applications and for the issuance of original and renewal registrations and for other purposes and activities of the board:

(1) <u>Initial Registration Fee</u>	<u>\$250.00</u>
(2) <u>Registration Renewal Fee</u>	<u>\$250.00</u>
(3) <u>Delinquent Fee</u>	<u>\$50.00 (monthly)</u>
(4) <u>Returned Check Fee</u>	<u>\$25.00(plus State</u>
<u>Treasure fee)</u>	
(5) <u>Change of Address Fee</u>	<u>\$10.00</u>
(6) <u>Qualifying Education Course or Seminar</u>	
<u>Approval Fee</u>	<u>\$200.00</u>
(7) <u>Continuing Education Course or Seminar</u>	
<u>Approval Fee</u>	<u>\$45.00</u>
(8) <u>Renewal of Qualifying Education Fee</u>	<u>\$100.00</u>
(9) <u>Renewal of Continuing Education Fee</u>	<u>\$25.00</u>

*Pursuant to Arkansas Code Annotated §17-52-316, registration fees may be reviewed and adjusted annually by the board as deemed necessary for its effective operation but shall in no way exceed three hundred dollars (\$300) annually.

(b) Payment of Fees

- (1) All fees shall be paid either by cashier's check, money order or personal check made payable to the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or electronic payment through the board's electronic licensing platform.
- (2) All fees are non-refundable except in special circumstances when a refund petition has been submitted to the board and the board consents to the request. No registration fee or any portion of a fee will be refunded should any registration be surrendered, suspended, or revoked during the term for which the registration is issued.

- (c) Delinquency Provision (Fees, Continuing Education, and Certificate of Insurance)
– Registered home inspectors who fail to pay their annual renewal fees, meet the required continuing education on or before the renewal deadline, or fail to submit a current certificate of insurance, shall be notified that their registration is expired.

DRAFT

State of ArkansasAs *Engrossed: S2/6/23 S2/15/23 S2/28/23 S3/1/23 S3/6/23*
H3/15/23

94th General Assembly
Regular Session, 2023

A Bill

SENATE BILL 90

By: Senators Hill, Hester
By: Representatives McCollum, Underwood

For An Act To Be Entitled

AN ACT TO CREATE THE AUTOMATIC OCCUPATIONAL LICENSURE
FOR OUT-OF-STATE *LICENSURE* ACT; TO AUTHORIZE
OCCUPATIONAL LICENSING ENTITIES TO PROVIDE FOR
AUTOMATIC OCCUPATIONAL LICENSURE FOR *NEW RESIDENTS*
WHO ARE LICENSED IN ANOTHER STATE, TERRITORY, OR
DISTRICT OF THE UNITED STATES; AND FOR OTHER
PURPOSES.

Subtitle

TO CREATE THE AUTOMATIC OCCUPATIONAL
LICENSURE FOR OUT-OF-STATE LICENSURE ACT.

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

SECTION 1. Arkansas Code Title 17, is amended to add an additional
chapter to read as follows:

CHAPTER 7 - AUTOMATIC OCCUPATIONAL LICENSURE FOR OUT-OF-STATE *LICENSURE* ACT

17-7-101. Title.

This chapter shall be known and may be cited as the "*Automatic*
Occupational Licensure for Out-of-State Licensure Act".

17-7-102. Definitions.

As used in this chapter:

(1) "Automatic occupational licensure" means the granting of



1 occupational licensure to an individual who establishes residency in this
2 state without the individual's having met occupational licensure requirements
3 provided under this title or by the rules of the relevant occupational
4 licensing entity;

5 (2) "Occupational licensing entity" means an office, board,
6 commission, department, council, bureau, or other agency of state government
7 having authority to license, certify, register, permit, or otherwise
8 authorize an individual to engage in a particular occupation or profession,
9 not including occupations or professions within the judicial branch of
10 government or occupations or professions subject to the superintending
11 control of the Supreme Court; and

12 (3) "Occupational licensure" means a license, certificate,
13 registration, permit, or other form of authorization, including without
14 limitation military occupational specialty, required by law or rule that is
15 required for an individual to engage in a particular occupation or
16 profession.

17
18 17-7-103. Applicability.

19 Unless otherwise stated in this chapter, this chapter applies to an
20 individual who has occupational licensure in another state, territory, or
21 district of the United States and has established a residence in this state.
22

23 17-7-104. Automatic occupational licensure.

24 (a) If the individual does not have a disqualifying criminal offense
25 under § 17-3-102 or any additional state law relating to the occupational
26 licensure and does not have a complaint, allegation, or investigation pending
27 for his or her occupational activity, an occupational licensing entity shall
28 grant automatic occupational licensure to engage in an occupation or a
29 profession to an individual who is:

30 (1) The holder in good standing for one (1) year of an
31 occupational licensure with similar scope of practice issued by another
32 state, territory, or district of the United States; or

33 (2) An individual who worked:

34 (A) In another state, territory, or district of the United
35 States that does not use an occupational licensure to regulate an occupation
36 or profession but is regulated by occupational licensure in this state; and

1 (B) At least three (3) years in the occupation.

2 (b) An individual who is granted automatic occupational licensure
3 under this subchapter shall meet all other occupational licensure
4 requirements for a resident of this state and all renewal requirements of the
5 occupational licensure, including without limitation a criminal background
6 check and continuing education hours.

7 (c)(1) Notwithstanding subsections (a) and (b) of this section, an
8 occupational licensing entity may require an applicant to pass an examination
9 specific to relevant state laws that regulate the occupation or profession.

10 (2) Notwithstanding subsections (a) and (b) of this section, an
11 occupational licensing entity shall require an applicant to furnish a bond,
12 financial statement, or proof of insurance coverage if required by state law.

13 (d) An occupational licensing entity may waive the requirements of
14 subdivision (c)(1) of this section if the occupational licensing entity finds
15 that:

16 (1) The combination of the applicant's education, training, and
17 experience is a sufficient substitute for the requirement; and

18 (2) A waiver of the requirement will not harm public health,
19 safety, or welfare.

20
21 17-7-105. Responsibilities of occupational licensing entities.

22 An occupational licensing entity shall:

23 (1) Provide automatic occupational licensure to an individual
24 listed in § 17-7-104;

25 (2) Post prominently on the occupational licensing entity's
26 website a link entitled "Out-of-State Licensure" that leads directly to
27 information applicable to an individual licensed under § 17-7-104; and

28 (3) Provide to the Legislative Council an annual report stating
29 the number of individuals granted automatic occupational licensure under this
30 chapter.

31
32 17-7-106. Exemptions.

33 (a) This subchapter does not apply to licensure or certification of:

34 (1) Medical professions under Title 17, Subtitle 3;

35 (2) Legal professionals; or

36 (3) Individuals under reciprocity agreements.

1 (b) This subchapter does not apply to an existing multistate or
2 interstate compact if the subchapter would result in a nullification of the
3 multistate or interstate compact.

4
5 /s/Hill

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8 **APPROVED: 4/4/23**
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State of Arkansas *As Engrossed: S3/7/23 H3/27/23*

94th General Assembly

Regular Session, 2023

A Bill

SENATE BILL 354

By: Senators K. Hammer, J. English

By: Representative Cavanaugh

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.



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

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

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

13
14 **SECTION 2. DO NOT CODIFY. Abolition of Arkansas Home Inspector**
15 **Registration Board.**

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

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

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

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

33
34 **SECTION 3. DO NOT CODIFY. Abolition of Arkansas Appraiser Licensing**
35 **and Certification Board.**

36 **(a) The Arkansas Appraiser Licensing and Certification Board is**

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

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

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

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

20
21 SECTION 4. Arkansas Code § 14-15-205(b)(3), concerning professional
22 development recognition payments for county assessors, is amended to read as
23 follows:

24 (3) To the extent moneys are available, county assessors, full-
25 time employees of county assessors' offices, and state employees who actively
26 work with ad valorem taxes designated as certified residential appraisers by
27 the ~~Arkansas Appraiser Licensing and Certification Board~~ State Board of
28 Appraisers, Abstracters, and Home Inspectors or as certified professional
29 designees by the International Association of Assessing Officers shall
30 annually receive a professional development recognition payment in an amount
31 not to exceed one thousand dollars (\$1,000).
32

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

36 (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 abstracter, 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 abstracters, 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 abstracter 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.

1
2 SECTION 10. Arkansas Code § 17-11-321(a), concerning the application
3 and issuance of certificates of authority for abstracters, is amended to read
4 as follows:

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

9
10 SECTION 11. Arkansas Code § 17-11-322(b), concerning the expiration
11 and renewal of certificates of authority for abstracters, is amended to read
12 as follows:

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

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

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

29
30 SECTION 13. Arkansas Code § 17-11-340(a), concerning the revocation of
31 certificates for abstracters, is amended to read as follows:

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

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

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

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

6
7 SECTION 14. Arkansas Code § 17-11-341(a)(1), concerning the revocation
8 of certificates, procedures and appeals for abstracters, is amended to read
9 as follows:

10 (a)(1) Upon a verified complaint's being filed with the ~~Arkansas~~
11 ~~Abstracters' Board~~ State Board of Appraisers, Abstracters, and Home
12 Inspectors or upon the board's own motion filing a complaint charging the
13 holder of a certificate of registration with a violation of any of the
14 provisions of this chapter, or conviction of a crime under § 17-3-102, or
15 habitual carelessness or fraudulent practices in the conduct of the business
16 of abstracting, or charging the holder of a certificate of authority with
17 failure to furnish the bond or bonds, or other securities, required by § 17-
18 11-324, or with failing to have employed a registered abstracter as provided
19 in § 17-11-301, or with a violation of any of the provisions of this chapter,
20 the board shall immediately notify in writing by registered mail, with return
21 receipt, the holder of the certificate of the filing of the complaint and
22 furnish the holder with a copy of the complaint.

23
24 SECTION 15. Arkansas Code § 17-11-342 is amended to read as follows:
25 17-11-342. Seal.

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

31
32 SECTION 16. Arkansas Code § 17-11-401 is repealed.

33 ~~17-11-401. Creation—Members.~~

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

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

1 ~~(2) Two (2) members shall:~~
2 ~~(A) Be actively involved in the making of abstracts of~~
3 ~~real estate titles in this state for a period of at least five (5) years~~
4 ~~before appointment; and~~
5 ~~(B) Serve an initial term of six (6) years.~~
6 ~~(3) Two (2) members shall:~~
7 ~~(A) Be citizens of this state; and~~
8 ~~(B) Serve an initial term of four (4) years.~~
9 ~~(4) One (1) member shall:~~
10 ~~(A) Be knowledgeable of the abstract business; and~~
11 ~~(B) Serve an initial term of two (2) years.~~
12 ~~(c) A vacancy on the board caused by death, resignation, or otherwise~~
13 ~~shall be filled by appointment of the Governor, subject to confirmation by~~
14 ~~the Senate.~~
15 ~~(d)(1) A member may be appointed to successive terms.~~
16 ~~(2) No two (2) members shall be appointed from the same county.~~
17 ~~(e)(1) Each member shall serve without compensation.~~
18 ~~(2) However, a member may be entitled to receive travel and~~
19 ~~expense reimbursement in accordance with § 25-16-901 et seq.~~

20
21 SECTION 17. Arkansas Code § 17-11-402 is repealed.

22 ~~17-11-402. Organization and proceedings.~~

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

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

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

29
30 SECTION 18. Arkansas Code § 17-11-403 is amended to read as follows:

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

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

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

1 application for registration and each application for certification;

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

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

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

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

11
12 SECTION 19. Arkansas Code § 17-14-103(8), concerning the definitions
13 in the Arkansas Appraiser Licensing and Certification Act, is repealed.

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

18
19 SECTION 20. Arkansas Code § 17-14-103(26), concerning the definitions
20 in the Arkansas Appraiser Licensing and Certification Act, is amended to read
21 as follows:

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

29
30 SECTION 21. Arkansas Code § 17-14-104(c)(1), concerning, exceptions to
31 registration, licensing, or certification under the Arkansas Appraiser
32 Licensing and Certification Act, is amended to read as follows:

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

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

5
6 SECTION 22. Arkansas Code § 17-14-105(c), concerning the rights and
7 privileges of appraisers, is amended to read as follows:

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

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

18 (a) Financial institutions or affiliates hiring the services of
19 appraisers registered, licensed, or certified by the ~~Arkansas Appraiser~~
20 ~~Licensing and Certification Board~~ State Board of Appraisers, Abstracters, and
21 Home Inspectors in nonfederally related transactions, including transactions
22 below the federally established threshold, shall not be liable to any party
23 asserting damages due to the alleged actions of the appraiser, nor shall the
24 financial institution or affiliate be subject to any requirements to report
25 to the board regarding such transactions other than as may be required by the
26 Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., §
27 17-14-201 et seq., and § 17-14-301 et seq., and the rules promulgated by the
28 board.

29
30 SECTION 24. Arkansas Code § 17-14-201 is amended to read as follows:
31 17-14-201. Composition – Membership – Chair.

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

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

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

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

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

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

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

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

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

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

23 (2) At least ~~five (5)~~ four (4) real estate appraiser members
24 appointed to the board shall be members in good standing of:

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

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

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

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

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

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

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

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

10
11 SECTION 25. Arkansas Code § 17-14-202 is amended to read as follows:
12 17-14-202. Powers and duties – Reporting standards – Qualification
13 standards.

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

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

21 (2) Will further demonstrate the continued compliance with:

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

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

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

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

1 Appraisal Foundation; and

2 (2) At all times seek compliance with:

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

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

9
10 SECTION 26. Arkansas Code § 17-14-203 is amended to read as follows:

11 17-14-203. Powers and duties – In general.

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

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

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

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

23 (3) Establish administrative procedures for processing
24 applications;

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

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

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

1 Appraisers, Abstracters, and Home Inspectors;

2 (5)(A) Maintain a roster of the names, addresses, email
3 addresses, and telephone numbers of all persons licensed and certified under
4 the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq.,
5 § 17-14-201 et seq., and § 17-14-301 et seq., and, in accordance with
6 sections 1103(a)(3) and 1109(a)(1) of Title XI of the Financial Institutions
7 Reform, Recovery, and Enforcement Act of 1989, shall submit this roster
8 monthly to the Appraisal Subcommittee.

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

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

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

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

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

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

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

1 establish by rule.

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

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

11 (ii) The application fee to upgrade a credential
12 from state-licensed to state-certified shall not exceed fifty dollars
13 (\$50.00).

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

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

21 (ii) Criminal background check fees.

22 (H) Courses, schools, seminars, and any other educational
23 programs must be recognized by the ~~Arkansas Appraiser Licensing and~~
24 ~~Certification Board~~ State Board of Appraisers, Abstracters, and Home
25 Inspectors as acceptable to satisfy registration, licensing, and
26 certification standards and continuing education requirements under the
27 Arkansas Appraiser Licensing and Certification Act, § 17-14-101 et seq., §
28 17-14-201 et seq., and § 17-14-301 et seq.;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (e) Trafficking in narcotics or controlled
31 substances;

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

34 (g) Theft of personal property or funds;

35 (h) An act of violence or threatened violence
36 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:

1 (a) In fulfilling its duties under the Arkansas Appraiser Licensing
2 and Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-
3 301 et seq., the ~~Arkansas Appraiser Licensing and Certification Board~~ State
4 Board of Appraisers, Abstracters, and Home Inspectors shall comply with the
5 Arkansas Administrative Procedure Act, § 25-15-201 et seq., and any person
6 aggrieved by any rule or other actions of the board for which an appeal is
7 not provided for in the Arkansas Administrative Procedure Act, § 25-15-201 et
8 seq., may appeal to the Pulaski County Circuit Court.

9
10 SECTION 30. Arkansas Code § 17-14-206(a), concerning complaints and
11 disciplinary procedures under the Arkansas Appraiser Licensing and
12 Certification Act, is amended to read as follows:

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

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

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

26 (3) [Repealed.]

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

32 (5) Adjudication of insanity;

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

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

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

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

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

7
8 SECTION 31. Arkansas Code § 17-14-305(a)(1), concerning compliance
9 with uniform standards and code of ethics, seals, and licensing and
10 certification documents under the Arkansas Appraiser Licensing and
11 Certification Act, is amended to read as follows:

12 (a)(1) Each state-registered appraiser, each state-licensed appraiser,
13 each registered apprentice appraiser, and each state-certified appraiser
14 shall comply with the Uniform Standards of Professional Appraisal Practice
15 and ~~Code of Ethics~~ code of ethics adopted by the ~~Arkansas Appraiser Licensing~~
16 ~~and Certification Board~~ State Board of Appraisers, Abstracters, and Home
17 Inspectors and shall authenticate all written appraisal reports with a seal
18 that shall indicate the registration, license, or certification number.

19
20 SECTION 32. Arkansas Code § 17-14-306(b)(1), concerning additional
21 licenses and nonresidents under the Arkansas Appraiser Licensing and
22 Certification Act, is amended to read as follows:

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

31
32 SECTION 33. Arkansas Code § 17-14-307(1), concerning minimum
33 qualifying requirements for registered appraisers, is amended to read as
34 follows:

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

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

3 (A) The current edition of the Uniform Standards of
4 Professional Appraisal Practice;

5 (B) The board's statutes; and

6 (C) The board's rules;
7

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

11 (b) Withholding payment for an appraisal based
12 upon a bona fide dispute concerning the appraiser's compliance with the
13 appraisal standards adopted by the ~~Arkansas Appraiser Licensing and~~
14 ~~Certification Board~~ State Board of Appraisers, Abstracters, and Home
15 Inspectors under this chapter.
16

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

20 ~~(9) "Board" means the Arkansas Appraiser Licensing and~~
21 ~~Certification Board established under the Arkansas Appraiser Licensing and~~
22 ~~Certification Act, § 17-14-101 et seq., § 17-14-201 et seq., and § 17-14-301~~
23 ~~et seq.;~~
24

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

26 17-14-403. Registration of appraisal management companies required.

27 A person shall not act as an appraisal management company or perform
28 appraisal management services in this state unless registered by the ~~Arkansas~~
29 ~~Appraiser Licensing and Certification Board~~ State Board of Appraisers,
30 Abstracters, and Home Inspectors.
31

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

33 17-14-404. Rulemaking authority.

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

1 prescribe:

2 (1) Forms and procedures for submitting information to the
3 board;

4 (2) Standards of practice for a person registered under this
5 subchapter; and

6 (3) Standards for the operation of appraisal management
7 companies.

8
9 SECTION 38. Arkansas Code § 17-14-405(a)(1), concerning the
10 requirements for registration for an appraisal management company, is amended
11 to read as follows:

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

18
19 SECTION 39. Arkansas Code § 17-14-406(a)(1), concerning the fees and
20 renewals for registration of appraisal management companies, is amended to
21 read as follows:

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

27
28 SECTION 40. Arkansas Code § 17-14-407(a)(2), concerning registrant
29 responsibilities and duties, is amended to read as follows:

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

35
36 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 (1) The person's application for registration when filed or
2 after filing contained a statement that in light of the circumstances under
3 which it was made is false or misleading with respect to a material fact;

4 (2) The person has violated or failed to comply with this
5 subchapter;

6 (3) The person has pleaded guilty or nolo contendere to or been
7 found guilty of:

8 (A) A felony listed under § 17-3-102; or

9 (B) Within the past ten (10) years:

10 (i) A misdemeanor involving mortgage lending or real
11 estate appraising; or

12 (ii) An offense involving breach of trust or
13 fraudulent or dishonest dealing;

14 (4) The person is permanently or temporarily enjoined by a court
15 of competent jurisdiction from engaging in or continuing any conduct or
16 practice involving appraisal management services or operating an appraisal
17 management company;

18 (5) The person is the subject of an order of the board or any
19 other state appraisal management company regulatory agency denying,
20 suspending, or revoking the person's privilege to operate as an appraisal
21 management company;

22 (6) The person acted as an appraisal management company while
23 not properly registered by the board; or

24 (7) The person failed to pay the proper filing or renewal fee
25 under this subchapter.
26

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

29 (a) ~~The Arkansas Appraiser Licensing and Certification Board~~ State
30 Board of Appraisers, Abstracters, and Home Inspectors may appear in its own
31 name in a circuit court of competent jurisdiction to obtain injunctive relief
32 to prevent a person from violating this subchapter.
33

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

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

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

4
5 SECTION 47. Arkansas Code § 17-14-414 is amended to read as follows:
6 17-14-414. Appraisal review.

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

14
15 SECTION 48. Arkansas Code § 17-52-302(b), concerning the purpose and
16 intent of licensing home inspectors, is amended to read as follows:

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

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

27
28 SECTION 49. Arkansas Code § 17-52-304 is repealed.

29 ~~17-52-304. Arkansas Home Inspector Registration Board — Creation —~~
30 ~~Members.~~

31 ~~(a) There is created the Arkansas Home Inspector Registration Board.~~

32 ~~(b) The board shall consist of seven (7) members, to be appointed by~~
33 ~~the Governor as follows:~~

34 ~~(1) Four (4) members shall be registered home inspectors;~~

35 ~~(2) One (1) member shall be a licensed real estate professional;~~

36 ~~(3) One (1) member shall be a licensed real estate appraiser;~~

1 and

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

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

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

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

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

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

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

18
19 SECTION 50. Arkansas Code § 17-52-305 is repealed.

20 ~~17-52-305. Meetings.~~

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

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

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

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

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

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

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

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

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

5
6 SECTION 51. Arkansas Code § 17-52-306 is amended to read as follows:

7 17-52-306. Powers and duties of the board.

8 The ~~Arkansas Home Inspector Registration Board~~ State Board of
9 Appraisers, Abstracters, and Home Inspectors may:

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

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

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

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

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

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

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

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

27 (8) Develop competency exams for home inspectors;

28 (9) Establish a standard of practice and code of ethics for home
29 inspectors;

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

33 (11) Maintain working files as it deems necessary;

34 (12) Contract for administrative support services and meet
35 financial obligations of those contracts using moneys from the fund;

36 (13)(A) Develop and implement a means for conducting internet

1 board meetings, which may be observed by the public in real time.

2 (B) Public participation in the meetings may be permitted
3 in accordance with rules developed by the board;

4 (14) Establish and maintain an ~~internet site~~ website devoted to
5 home inspection registration and related subjects; and

6 (15) [Repealed.]

7 (16) Establish educational requirements for registration to
8 begin after July 1, 2004, including the standards and procedures for approval
9 of educational programs if the maximum number of hours required shall not
10 exceed ninety (90) classroom hours.

11
12 SECTION 52. Arkansas Code § 17-52-307(a), concerning hearings,
13 reviews, and access to records of the Arkansas Home Inspector Registration
14 Board, is amended to read as follows:

15 (a) As part of an investigation or as a condition of renewal, the
16 ~~Arkansas Home Inspector Registration Board~~ State Board of Appraisers,
17 Abstracters, and Home Inspectors may require a home inspector to submit in
18 writing home inspection reports and other documents to be reviewed by the
19 board.

20
21 SECTION 53. Arkansas Code § 17-52-308(a), concerning complaints and
22 disciplinary procedures of the Arkansas Home Inspector Registration Board, is
23 amended to read as follows:

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

32
33 SECTION 54. Arkansas Code § 17-52-309(b)(1), concerning Arkansas Home
34 Inspector Registration Board violations of law, civil penalties, injunctions,
35 and venue, is amended to read as follows:

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

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

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

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

13
14 SECTION 55. Arkansas Code § 17-52-310(a), concerning continuing
15 education for home inspectors, is amended to read as follows:

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

20
21 SECTION 56. Arkansas Code § 17-52-311 is amended to read as follows:

22 17-52-311. ~~Role of Secretary of the Department of Labor and Licensing~~
23 Custodian of records.

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

29 (2) The ~~secretary~~ executive director shall maintain the
30 permanent records of the ~~Arkansas Home Inspector Registration Board~~ State
31 Board of Appraisers, Abstracters, and Home Inspectors.

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

34
35 SECTION 57. Arkansas Code § 17-52-312(e), concerning the Arkansas Home
36 Inspectors Registration Fund, is amended to read as follows:

1 (e) ~~The Arkansas Home Inspector Registration Board~~ State Board of
2 Appraisers, Abstracters, and Home Inspectors will process disbursements of
3 those funds as necessary in the administration of this subchapter.
4

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

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

13 (2) ~~The Secretary~~ Executive Director of the ~~Arkansas Home~~
14 ~~Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home
15 Inspectors shall institute a system of books and financial records
16 satisfactory to the Secretary of the Department of Finance and
17 Administration.
18

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

22 (4) ~~The Secretary~~ Executive Director of the ~~Arkansas Home~~
23 ~~Inspector Registration Board~~ State Board of Appraisers, Abstracters, and Home
24 Inspectors shall deposit all funds of the board that he or she receives with
25 the State Treasury within forty-eight (48) hours, excluding holidays and
26 Sundays, after he or she receives the funds.
27

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

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

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

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

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

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

6
7 SECTION 61. Arkansas Code § 17-52-316(a)(1), concerning fees and
8 reimbursements for the Arkansas Home Inspector Registration Board, is amended
9 to read as follows:

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

13
14 SECTION 62. Arkansas Code § 17-52-317(a)(1), concerning certificates
15 of registration issued by the Arkansas Home Inspector Registration Board, is
16 amended to read as follows:

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

21
22 SECTION 63. Arkansas Code § 17-52-318(b), concerning insurance
23 required of home inspectors, is amended to read as follows:

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

29
30 SECTION 64. Arkansas Code § 17-52-319(b), concerning standards of care
31 for home inspectors, is amended to read as follows:

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

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

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

7
8 SECTION 66. Arkansas Code § 19-6-415 is amended to read as follows:

9 19-6-415. Arkansas Abstracters' Board Fund.

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

14
15 SECTION 67. Arkansas Code § 22-6-601(c)(2)(C), concerning the sale
16 procedure for state agencies, is amended to read as follows:

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

20
21 SECTION 68. Arkansas Code § 25-16-903(5), concerning stipends for
22 state boards, is amended to read as follows:

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

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

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

29
30 SECTION 70. Arkansas Code § 25-43-1102(2), concerning state entities
31 transferred to the Department of Labor and Licensing, is amended to read as
32 follows:

33 (2) The ~~Arkansas Appraiser Licensing and Certification Board~~
34 State Board of Appraisers, Abstracters, and Home Inspectors, created under §
35 17-14-201;

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

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

5
6 SECTION 72. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions –
7 Appointment of members of the State Board of Appraisers, Abstracters, and
8 Home Inspectors – Terms.

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

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

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

17 (i) Two (2) appraiser members;

18 (ii) Two (2) home inspector members;

19 (iii) The financial institution representative; and

20 (iv) The abstracter representative; and

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

23 (i) Three (3) appraiser members;

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

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

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

30
31 SECTION 73. TEMPORARY LANGUAGE. DO NOT CODIFY. Transition provisions –
32 Board members – Duties.

33 Upon the effective date of this section:

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

36 (2) The members of the Arkansas Appraiser Licensing and

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

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

9
10 SECTION 74. EMERGENCY CLAUSE.

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

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

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

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

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

1 be provided in an efficient and cost-effective manner; that this act
2 abolishing and transferring the duties of the Arkansas Abstracter's Board,
3 the Arkansas Home Inspector Registration Board, and the Arkansas Appraiser's
4 Board to the State Board of Appraisers, Abstracters, and Home Inspectors
5 should become effective on July 1, 2023, to coincide with the appropriation
6 bills of the Department of Labor and Licensing and ensure that the State
7 Board of Appraisers, Abstracters, and Home Inspectors provides its expanded
8 vital services as the transfer of duties is implemented and does not
9 experience any issues with funding under the transfer of duties. Therefore,
10 an emergency is declared to exist, and this act being necessary for the
11 preservation of the public peace, health, and safety shall become effective
12 on July 1, 2023, except as provided in subsection (a) of this section.

13
14 */s/K. Hammer*

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17 **APPROVED: 4/11/23**
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