

ARKANSAS HOME INSPECTOR REGISTRATION BOARD

Enabling Laws

Act 28 of 2010
A.C.A. §17-52-301 et seq.

History and Organization

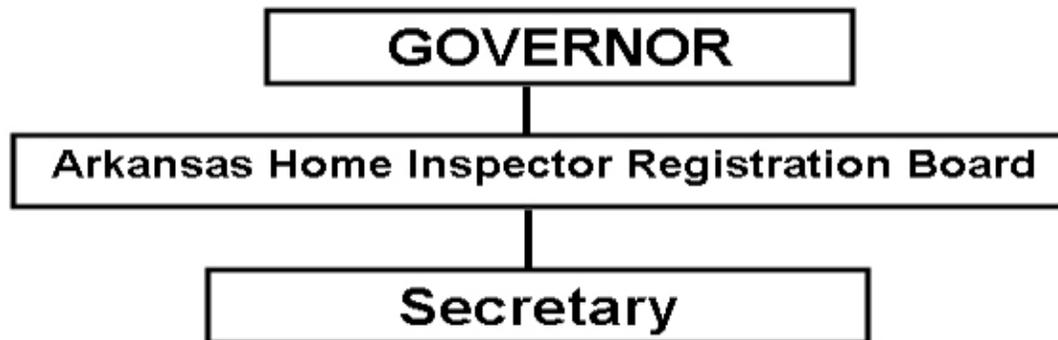
The Arkansas Home Inspector Registration Board was created by Act 1328 of 2003.

The purpose of the Board is to protect the public from those persons who are untrained and unqualified to perform home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before it.

The Board evaluates qualifications of applicants, and investigates complaints or allegations of violations of the Act.

The Board is composed of seven (7) members appointed by the Governor as follows: four (4) registered home inspectors, one (1) licensed real estate professional, one (1) licensed real estate appraiser, and one (1) at large member to serve as a consumer advocate.

The Board currently contracts for part-time administrative support and office facilities in order to provide a central place for records storage, board meetings, and service to licensees and the general public.



Agency Commentary

The mission of the Board is to protect the public from those persons who are untrained and unqualified to perform home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before it. The Board evaluates qualifications of applicants, and investigates complaints or allegations of violations of the Act. Funding for appropriations for the Board are from license fees, fines, and fees charged to review and certify educational programs of commercial providers.

In addition to Base Level, the Agency is requesting the following:

The Base Level appropriation request of \$46,090 leaves only a small margin over and above the \$44,896 in minimal actual expenditures for the 2010FY. Annual revenue is currently conservatively estimated at \$67,000. A total appropriation increase of \$34,600 each fiscal year is requested. \$11,000 each year is requested as a contingency to cover the cost of unpredictable investigation, court, and court reporter fees, as well as Board member mileage reimbursement, which may once again become a significant budget item if new Board appointees are not local to the Little Rock area. \$3,600 each year is requested to increase compensation for the Board's administrative support contract if the Board determines that additional duties are required, especially to administer and monitor a public awareness program. \$20,000 per year is requested to develop and broadcast a series of public service announcements to acquaint the public with the benefits of using a licensed home inspector, and the pitfalls of not having a home inspection prior to purchase. This last request would be funded from the Board's existing fund balance.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS HOME INSPECTOR REGISTRATION BOARD

Findings

Recommendations

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010					FY2010 - 2011						
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 2JV - Operations

Funding Sources: MHR - Home Inspector Registration Board - Cash

The Arkansas Home Inspector Registration Board was created by Act 1328 of 2003. Act 1328 repealed Subchapters 1 and 2 of Arkansas Code Title 17, Chapter 52 and added an additional subchapter. Subchapter 3 cited as "The Arkansas Home Inspectors Registration Act" created the Arkansas Home Inspector Registration Board. The Board became a state agency effective July 1, 2004, having met fund balance requirements.

The purpose of the Board is to protect the public from those persons who are untrained and unqualified to conduct home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before the Board. The Board is funded by license fees.

The Board requests an increase for the Various Operating Expense line item of \$34,600 for FY12 and for FY13. This includes an increase of \$2,000 for board member mileage, \$5,000 for investigation of complaints and \$4,000 for court and court reporter fees for each year of the biennium. An increase of \$3,600 is requested for each year of the biennium for the Board's administrative support contractor if the board determines that additional duties are required, especially to administer and monitor a public awareness program. The Board requests \$20,000 to implement a public awareness program to promote the benefits of using a licensed home inspector, and to acquaint the public with the pitfalls of not having a sanctioned home inspection prior to purchase. This is a trial basis, primarily the development and broadcast of TV and radio spots.

The Executive Recommendation provides for Base Level appropriation. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2JV - Operations

Funding Sources: MHR - Home Inspector Registration Board - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Operation Expenses 5900046	44,896	46,090	46,090	46,090	80,690	46,090	46,090	80,690	46,090
Total	44,896	46,090	46,090	46,090	80,690	46,090	46,090	80,690	46,090
Funding Sources									
Fund Balance 4000005	269,081	293,030		313,940	313,940	313,940	300,250	300,250	334,850
Cash Fund 4000045	68,845	67,000		32,400	67,000	67,000	32,400	67,000	67,000
Total Funding	337,926	360,030		346,340	380,940	380,940	332,650	367,250	401,850
Excess Appropriation/(Funding)	(293,030)	(313,940)		(300,250)	(300,250)	(334,850)	(286,560)	(286,560)	(355,760)
Grand Total	44,896	46,090		46,090	80,690	46,090	46,090	80,690	46,090

Change Level by Appropriation

Appropriation: 2JV - Operations
Funding Sources: MHR - Home Inspector Registration Board - Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	46,090	0	46,090	100.0	46,090	0	46,090	100.0
C01	Existing Program	34,600	0	80,690	175.1	34,600	0	80,690	175.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	46,090	0	46,090	100.0	46,090	0	46,090	100.0
C01	Existing Program	0	0	46,090	100.0	0	0	46,090	100.0

Justification

C01	The Board's change level request of \$34,600, of which \$2,000 is for Board member mileage, \$5,000 to investigate complaints against licensed and unlicensed home inspectors, and \$4,000 for court and court reporter fees. An increase of \$3,600 in Professional Fees for the Board's administrative support contractor if the Board determines that additional duties are required, especially to administer and monitor a public awareness program. The Board requests \$20,000 to implement a public awareness program to promote the benefits of using a licensed home inspector, and to acquaint the public with the pitfalls of not having a sanctioned home inspection prior to purchase. This will fund on a trial basis, a variety of efforts, primarily the development and broadcast of TV and radio spots.
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