

# CONTRACTORS LICENSING BOARD

## Enabling Laws

Act 250 of 2010  
A.C.A. §17-25-201  
A.C.A. §17-25-103  
A.C.A. §17-25-508

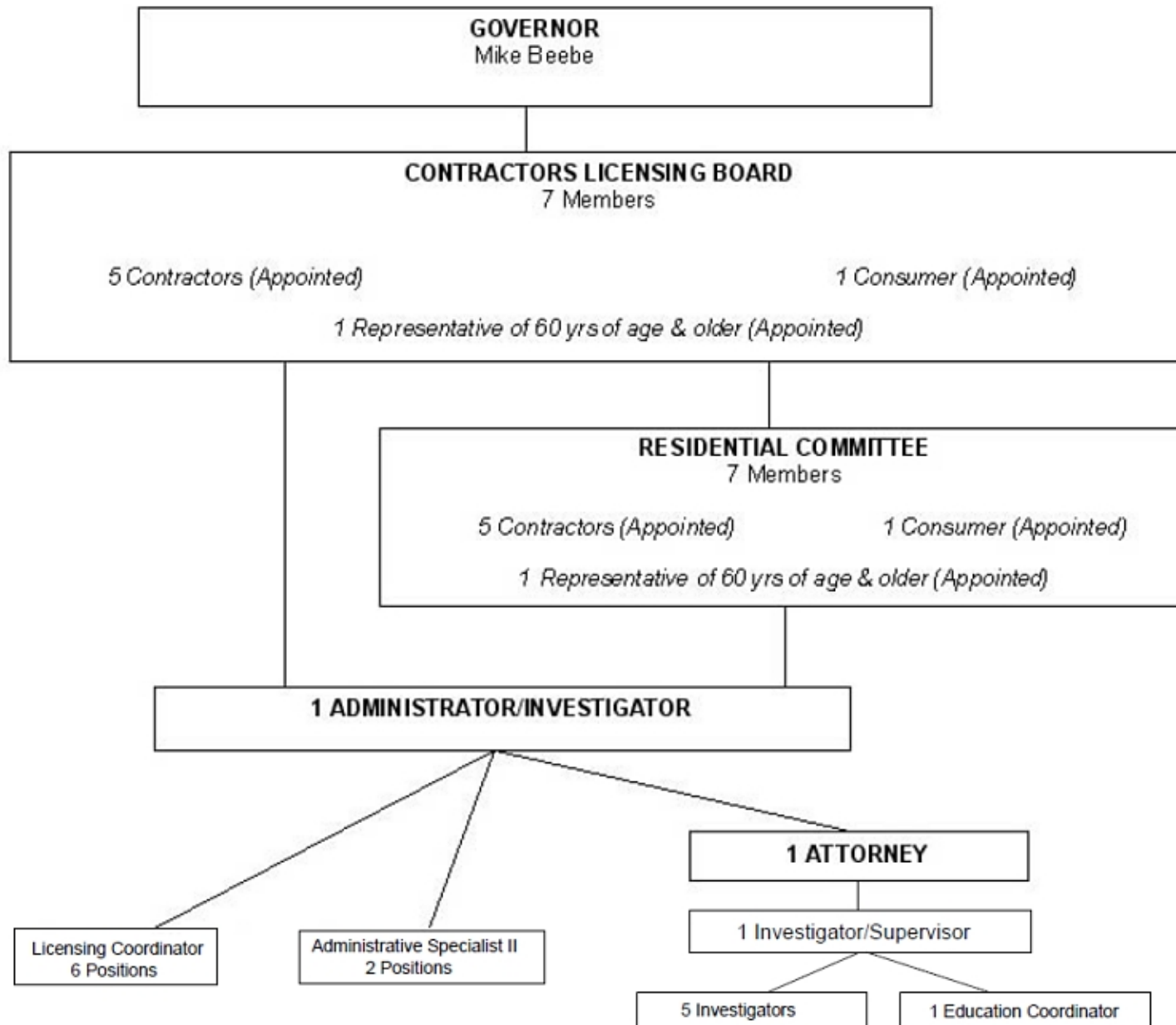
## History and Organization

The Contractors Licensing Board was established by Act 124, approved on February 24, 1939, with the intent to preserve public health and safety in the construction industry in the State of Arkansas. Act 150 of 1965, as amended, has been established to efficiently insure public health and safety as well. The Contractors Licensing Board acting within the guidelines of the above mentioned Acts, with the diligence and concern, has endeavored to bring all contractors into compliance with the above mentioned Act.

Act 37 of the special legislative session of 1992 amended Act 162 of 1987 and placed the responsibility of the Contractors Bond Law within the frame work of the Contractors Licensing Board. The Board works well with other agencies to insure the financial obligations of contractors to the State of Arkansas are met. The Contractors Bond Law has closed many gaps of lost revenue for the Revenue Department and other agencies.

The Contractors Licensing Board and its administration is very conscious of cost in relation to services rendered and has been able to implement a program that places this agency in a very cost efficient, economic position.

The Contractors Licensing Board is made up of seven (7) members appointed by the Governor and confirmed by the Senate. Act 950 of 1999 placed the Home Builders Licensure Act with the Contractors Licensing Board. The Residential Committee is made up of seven (7) members appointed by the Governor.



## Agency Commentary

The operation and programs for the Contractors Licensing Board are prescribed by Act 150 of 1965, as amended, Act 162 of 1987, as amended, and by Act 950 of 1999 as amended. More specifically these operations are: determining qualifications of applicants for contractor license and authorizing the issuance of new and renewal licenses, investigating all alleged and factual violations of the Contractors Licensing Law, the Contractors Bond Law, and the Residential Licensing Law, and bringing such to a conclusion, holding hearings and meetings to bring compliance to the laws of the State of Arkansas. The maximum fee set forth is \$100. At the present time, all original applications require a \$100 fee and renewal applications, which are received on time, require a \$50 fee. We currently have 8,000 licensed contractors who are qualified to perform work in the State of Arkansas. The Contractors Licensing Board will meet 23 times a year in the normal course of their business. The Residential Committee will meet 12 times per year. The Contractors Licensing Board staff consists of 1 administrator/investigator, 1 investigator/supervisor, 5 investigators, 6 licensing coordinators, 2 administrative specialist positions, 1 attorney position, and 1 education coordinator position for a total of 17 filled positions.

The Board is requesting Base Level for the 2011-2013 biennium.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
CONTRACTORS LICENSING BOARD

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### Findings

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.

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### Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	7	9	16	94 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	6 %
	Total Minorities		1	6 %
	Total Employees		17	100 %

## Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
3110000	\$2,906,245	Checking, Management Fund	Regions Bank, State Treasury

### Statutory/Other Restrictions on use:

A.C A. 17-25-205 - 17-25-402 Fees shall be deposited in banks to be used by board in the manner prescribed by law.

### Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-25-103 - 17-25-303 - 17-25-402 Authorizes agency to collect fees and penalties.

### Revenue Receipts Cycle:

Fees and penalties are collected throughout the year.

### Fund Balance Utilization:

It will be necessary to use these surplus funds for normal operations in the future.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Contractors License, Law, Bond Law and Rules Regulations	A.C.A. §17-25-315	N	N	3,000	Public Use
New and Renewal Applications	A.C.A. §17-25-303	N	N	1,500	Necessary for Licensure Process
Newsletters Annually	A.C.A. §17-25-206	N	N	12,000	Information Purposes

## 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		
18	17	1	18	0	5.56 %	18	17	1	18	0	5.56 %	18	17	1	18	0	5.56 %

## **Analysis of Budget Request**

**Appropriation:** A03 - Cash Operations

**Funding Sources:** 311 - Contractors Licensing Board - Cash

The Contractors Licensing Board is responsible for determining qualifications of applicants for contractor's licenses and authorizing the issuance of new and renewal licenses. The Board investigates all alleged and factual violations of the contractor's licensing law and contractor's bond law, as well as holds hearings and assesses penalties to ensure compliance. The Contractors Licensing Board is funded from the receipt of fees charged for examination, issuance and renewal of commercial and residential contractor's licenses and penalties associated with violations of regulations pursuant to A.C.A. §17-25-101 et seq.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency is requesting Base Level of \$2,363,576 each year of the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** A03 - Cash Operations

**Funding Sources:** 311 - Contractors Licensing Board - Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	817,132	856,942	863,563	852,842	852,842	852,842	852,842	852,842	852,842
<b>#Positions</b>		<b>17</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
Personal Services Matching	5010003	231,602	249,558	251,747	255,349	255,349	255,349	255,349	255,349	255,349
Operating Expenses	5020002	321,756	345,481	345,481	345,481	345,481	345,481	345,481	345,481	345,481
Conference & Travel Expenses	5050009	5,306	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Professional Fees	5060010	43,938	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	149,290	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Refunds/Reimbursements	5110014	40,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	0	12,000	12,000	0	0	0	0	0	0
Investments	5120013	0	156,504	156,504	156,504	156,504	156,504	156,504	156,504	156,504
Special Maintenance	5120032	80,961	0	0	0	0	0	0	0	0
Constr Trades Trng Grants	5900046	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Construction Industry Training Gr	5900047	299,995	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
<b>Total</b>		<b>2,139,980</b>	<b>2,373,885</b>	<b>2,382,695</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,656,129	2,906,245		1,832,360	1,832,360	1,832,360	768,784	768,784	768,784
Cash Fund	4000045	1,390,096	1,300,000		1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
<b>Total Funding</b>		<b>5,046,225</b>	<b>4,206,245</b>		<b>3,132,360</b>	<b>3,132,360</b>	<b>3,132,360</b>	<b>2,068,784</b>	<b>2,068,784</b>	<b>2,068,784</b>
Excess Appropriation/(Funding)		(2,906,245)	(1,832,360)		(768,784)	(768,784)	(768,784)	294,792	294,792	294,792
<b>Grand Total</b>		<b>2,139,980</b>	<b>2,373,885</b>		<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>	<b>2,363,576</b>