

Alabama Department of Examiners of Public Accounts

Sunset Report Home Builders Licensure Board Montgomery, Alabama

October 1, 2019 through September 30, 2023

ALABAMA STATE HOUSE

Rachel Laurie Riddle, Chief Examiner



Rachel Laurie Riddle Chief Examiner State of Alabama Department of Examiners of Public Accounts P.O. Box 302251, Montgomery, AL 36130-2251 401 Adams Avenue, Suite 280 Montgomery, Alabama 36104-4338 Telephone (334) 242-9200

FAX (334) 242-1775

August 21, 2024

Representative Margie Wilcox Chairman, Sunset Committee Alabama State House Montgomery, Alabama 36130

Dear Representative Wilcox:

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Home Builders Licensure Board in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Home Builders Licensure Board in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

Jachel Jamie Kiddle

Rachel Laurie Riddle Chief Examiner

Examiner Gerald Dedon

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PROFILE

Purpose/Authority

The Home Builders Licensure Board (the "Board") was created by Act Number 1992-608, Acts of Alabama. The Board operates under the authority of the *Code of Alabama 1975*, Sections 34-14A-1 through 34-14A-20. The Board provides for the licensure of those persons who engage in home building, private residence construction, and home improvement industries, including remodeling, and to provide home building standards and to support education within the construction trades in the State of Alabama. In addition to its licensing function, the Board maintains a recovery fund from which an aggrieved homeowner may recover actual economic damages, not including interest and court costs, sustained within the state as the direct result of conduct of a licensee in violation of this chapter or the rules of the Board, within limits set by law.

The *Code of Alabama 1975*, Section 41-9A-5 states that the Board shall adopt rules to allow for a waiver process allowing an employing entity, and its employed licensees, to continue operations on a temporary basis after the incapacity of the designated qualifying representative, license holder, or certificate holder. The Board may impose a waiver fee in an amount equal to one half of the total renewal fee.

The following legislation has passed since the last Sunset Review and is codified in the Board's current statutory authority.

Act Number 2021-272, Acts of Alabama, relating to consumer protection; to establish the Alabama State of Emergency Consumer Protection Act; to add Section 13A-9-111.1 to the *Code of Alabama 1975*, to create the crime of aggravated home repair fraud and to provide criminal penalties; to amend Sections 13A-9-114, 34-14A-14, 34-31-32, 34-36-16, and 34-37-17, *Code of Alabama 1975*, to provide further for criminal penalties; and in connection therewith would have as its purpose or effect the requirement of a new or increased expenditure of local funds within the meaning of Amendment 621 of the *Constitution of Alabama 1901*, now appearing as Section 111.05 of the Official Recompilation of the *Constitution of Alabama 1901*, as amended.

The following Act passed since the last Sunset Review and has not been codified in the current statutory authority. A copy of the Act can be found in Appendix II of this report.

Act Number 2024-443, Acts of Alabama, relating to building codes; to designate Sections 34-14A-1 through 34-14A-20 as Article 1 of Chapter 14A of Title 34, *Code of Alabama 1975*; to amend Sections 34-14A-1, 34-14A-2, 34-14A-7, 34-14A-12, 34-14A-20, *Code of Alabama 1975*, to provide for the establishment of the Alabama Residential Building Code and its authority; to further provide for the practice of residential home building; to further provide for the duties of the Home Builders Licensure Board; to add Sections 34-14A-12.1 and 34-14A-12.2 to the *Code of Alabama 1975*, to add Article 2, commencing with Section 34-14A-41, to Chapter 14A of Title 34, *Code of Alabama 1975*, to establish the Alabama Residential Building Code Division within the Home Builders Licensure Board and provide for its duties; to establish the Alabama Residential Building Code Division within the Home Builders Licensure Board and provide for its duties; to establish the Alabama Residential Building Code Division within the Home Builders Licensure Board and provide for its duties; to establish the Alabama Residential Building Code Division within the Home Builders Licensure Board and provide for its administration; to add Article 3, commencing with Section 34-14A-80, to Chapter 14A of Title 34, *Code of Alabama 1975*, to establish the Alabama Residential Building Code Ivision and Provide for its administration; to add Article 3, commencing with Section 34-14A-80, to Chapter 14A of Title 34, *Code of Alabama 1975*, to establish the Alabama Residential Building Code Advisory Council and provide for its membership and duties; to add

Article 3, commencing with Section 34-8-80, to Chapter 8 of Title 34, *Code of Alabama 1975*, to establish the Alabama Commercial Energy Code Advisory Committee within the State Licensing Board for General Contractors and provide for its membership and duties; to repeal Article 5, commencing with Section 41-23-80, of Chapter 23, Title 41, *Code of Alabama 1975*, relating to the Alabama Energy and Residential Codes Board within the Alabama Department of Economic and Community Affairs; and to provide requirements for certain local building codes adopted or amended after a date certain. This Act will become effective October 1, 2024.

<u>Characteristics</u>		
Members and Selection	 Nine members are selected from a list of three qualified individuals for each position, provided by the governing body of the Home Builders Association of Alabama. Three members appointed by the Governor Three members appointed by the Lieutenant Governor Three members appointed by the Speaker of the House of Representatives 	
Term	Three year staggered terms. There are no term limits and members serve until a successor is appointed and qualified.<i>Code of Alabama 1975</i>, Section 34-14A-3	
Qualifications	 Seven of the members shall be residential home builders with at least five years' experience as a residential home builder. One member shall be a building official or inspector currently employed by a city, county, or state governmental entity and actively engaged in inspecting or regulating residential construction in this state. One shall be a consumer member of the general public not employed by or affiliated with a licensee hereunder, and who has no spouse or immediate family member employed by or affiliated with a licensee hereunder. Each member of the Board shall be a citizen of this state. 	
Consumer Representation	One consumer member required by statute. One consumer member serving. <i>Code of Alabama 1975</i> , Section 34-14A-3	

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Racial Representation	No specific statutory requirement.
	One black member currently serving.
Geographical Representation	No statutory requirement.
Other Representation	The membership of the Board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.
	Code of Alabama 1975, Section 34-14A-3
Compensation	Board members may be compensated in an amount not to exceed \$350.00 per day, not to exceed 15 days per year, for attending meetings of the Board or its committees. In addition, Board members may be reimbursed for such necessary travel expenses as are paid to state employees.
	Board members currently receive \$350.00 per day in compensation.
	<i>Code of Alabama 1975</i> , Section 34-14A-4(c)
Attended Board	Nine Board Members
Member Training	Executive Director
	Four staff members
Operations	
Administrator	J.R. Carden, Jr. serves as the Board's Executive Director. His annual compensation is \$172,677.84. This amount is fixed by the Board with the approval of the Governor and the State Personnel Board.
	<i>Code of Alabama 1975</i> , Section 34-14A-4(d)
Location	445 Herron Street Montgomery, AL 36104
	Office Hours: M-F 7:30 a.m. through 4:30 p.m.
Real Property	The Board owns the property located at 445 Herron Street, Montgomery, AL. This property is used as the Board's office.
Employees	21 employees

Legal Counsel	 The Board utilizes the following individuals as legal counsel: J. Seth Gowan: Deputy Attorney General/Chief Legal Counsel, an employee of the Board. Lauren Razick: Assistant Attorney General, an employee of the Board. Tara Hetzel: Assistant Attorney General, an employee of the Attorney General's Office.
Subpoena Power	The Board does not have subpoena power except as provided by the Administrative Procedures Act <i>Code of Alabama 1975</i> , Section 41-22-12 for hearings in contested cases.
Internet Presence	www.hblb.alabama.gov
	The website contains the Board's current statutes, administrative rules, licensee search, disciplinary actions, newsletters, and forms.
Financial	
Source of Funds	Licensure, administrative, and recovery fund fees as well as fines and penalties.
State Treasury	 Yes, the Board operates out of the following funds maintained in the State Treasury: Special Revenue Fund 0719: Home Builders Licensure Board Fund Special Revenue Fund 0720: Homeowners' Recovery Fund Special Revenue Fund 1163: Home Builders Property Acquisition Fund <i>Code of Alabama 1975</i>, Sections 34-14A-5, 34-14A-15, and 34-14A-18
Required Distributions	None.

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Unused Funds	Home Builders Licensure Board Fund: Any funds remaining in the State Treasury to the credit of the Home Builders Licensure Board Fund shall be paid into the Homeowners' Recovery Fund or the Home Builders Property Acquisition Fund. The Board may, at all times, retain a sum sufficient to meet any emergency that may arise which may affect its efficient operation.
	<i>Code of Alabama 1975</i> , Section 34-14A-5(c)
	Homeowners' Recovery Fund: Funds are held in trust by the Board for carrying out the purposes of the Homeowners' Recovery Fund. These sums may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the Homeowners' Recovery Fund shall be deposited into the Homeowners' Recovery Fund.
	<i>Code of Alabama 1975</i> , Section 34-14A-15(g)
	Home Builders Property Acquisition Fund: Funds are held in trust by the Board for carrying out the purposes of the Home Builders Property Acquisition Fund. The funds received may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the property acquisition fund shall be deposited into the fund. At the end of each fiscal year, any unencumbered and unexpended balance of the amount appropriated for that fiscal year shall carry over to the next fiscal year.
	<i>Code of Alabama 1975</i> , Section 34-14A-18(c)

Licensees	As of May 16, 2024:	
	Home Builders:	
	Corporate Unlimited Active	4,152
	Individual Unlimited Active	3,014
	Corporate Limited Active	189
	Individual Limited Active	63
	Corporate Unlimited Inactive	238
	Individual Unlimited Inactive	641
	Corporate Limited Inactive	0
	Individual Limited Inactive	1
	Total	8,298
	Roofers:	
	Corporate Roofer Active	582
	Individual Roofer Active	330
	Corporate Roofer Inactive	1
	Individual Roofer Inactive	0
	Total Roofer	913
	Total Number of Licensees – 9,211	
	<i>Source</i> : Board Staff	

Licensure Qualifications	 Each applicant shall be a citizen of the United States or a person who is legally present in the United States. The Board, in examining the applicant, shall consider the following qualifications of the applicant: Experience Ability Character Business-related financial condition Ability and willingness to serve the public and conserve public health and safety Any other pertinent information the board may require. Code of Alabama 1975, Section 34-14A-7 Requirements for License Without Limitation: In order to receive a license without limitation (unlimited license), a residential home builder must successfully complete the following actions: File an accurate, complete, timely, and notarized application for license with the Board. Pay the application fee, the Homeowners' Recovery Fund fee, and any other fee required. Demonstrate proof of financial responsibility by submitting to the Board, at the applicant's expense: A credit report with business-related credit and financial information in a form satisfactory to the Board. An applicant must not have any outstanding business-related collection account(s), or foreclosure account(s), with some exceptions.
	 An applicant must not have any outstanding judgments, judgment liens or any perfected liens, with some exceptions. Disclosure of Social Security Number.
	• Successfully completing the examination required by the Board. <i>Administrative Rule</i> 465-X-304(3)
	Requirements for License with Limitation: In order to receive a license with limitation (limited license), a residential home builder must successfully complete the requirements for licensure as required under <i>Administrative Rule</i> 465-X-304(3) with the exception of the requirement to successfully complete the examination and must satisfy the experience and ability requirements.

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Licensure Qualifications	Any person applying for a license with limitation (limited license) shall be deemed to have satisfied the experience and ability
(continued)	requirements for licensure if such person submits an application
	establishing:
	 The applicant possesses sufficient building qualifications and experience to receive a license. Proof that the applicant currently holds or held on or before one (1) year prior to the date the application is received by the Board, a business or occupational license, issued by a governmental instrumentality of this state, as a contractor, roofer, or other related construction trade, shall provide sufficient evidence of the applicant's building qualifications and experience. The applicant is recommended for licensure by a licensed builder holding a current and valid unlimited home builders license issued by Alabama or any other state. The recommendation must be in writing and signed by the licensed home builder; or the applicant is recommended for licensure by a building official in Alabama or any other state.
	Administrative Rule 465-X-304(4)
	Requirements for License With Limitation, Limited to Roofing (Roofer's License): In order to receive a roofer's license, a residential roofer must successfully complete the requirements for licensure as required under <i>Administrative Rule</i> 465-X-304(3) with the exception of the requirement to successfully complete the examination, and providing proof of financial responsibility with a credit report. Applicants still must satisfy the experience and ability requirements and demonstrate proof of financial responsibility by submitting to the Board, at the applicant's expense, a bond issued by a licensed bonding or surety company. The bond:
	 Must be in an amount not less than \$10,000. Must name the Home Builders Licensure Board as the obligee of the bond. Must be valid for coverage from the date of issuance to December 31 of the current licensure year. Must include a legal instrument sufficient to authorize the Board to exercise the bond.

Licensure Qualifications (continued)	Any person acting as a residential home builder within the State of Alabama applying for a license with limitation, limited to roofing (roofer's license) shall be deemed to have satisfied the experience and ability requirements for licensure if such person submits an application establishing:
	 The applicant possesses sufficient roofing qualifications and experience to receive a license. Proof that an applicant currently holds or held on or before one (1) year prior to the date the application is received by the Board, a business or occupational license, issued by a governmental instrumentality of this state, as a contractor, roofer, or other construction trade, shall provide sufficient evidence of the applicant's building qualifications and experience, or The applicant is a manufacturer-certified roofing installer, or The applicant is recommended for licensure by a licensed home builder holding a current and valid unlimited home builders license in Alabama or any other state, or The applicant is recommended for licensure by a building official in Alabama or any other state.

Examinations	The Board has contra	cted with Prov	v, Inc. to deve	lop, and admin	ister
	their licensing examination program for state license			nsed home build	ders.
	Candidates seeking to	Candidates seeking to be licensed as Home Builders in the State of			
		Alabama must successfully complete two examinations. The first test			
		covers the technical trade elements of home building, whereas the			
		second test covers the business and legal requirements as a licensed home builder. Both exams are open book and are timed. Payments for the examinations are made directly to Prov, Inc.			
	the examinations are f				
	All examinations are s	cored and gra	ded against a c	ut-score of 70%	6 for
	the Alabama Home E	-	-		
	Alabama Home Build				
		prise, Hunt			bile,
	Montgomery, Sheffiel	d, and Tuscal	oosa.		
	Applicants are not required to have post-secondary education in or to take examinations, therefore, there are no pass/fail statistics				
		, therefore, th	ere are no pa	ss/fail statistics	s by
	to take examinations, education institution.	, therefore, th	ere are no pa	ss/fail statistics	s by
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	education institution. Fiscal Year 2020 2021 2022 2023 Fiscal Year 2020 2020 2021	Business a # Taken 519 586 746 863 Skill Exar # Taken 500 564	Image: mail of the system # Passed 375 424 444 536 mination # Passed 356 364	% Passed 72% 60% 62% % Passed 71% 65%	s by
	education institution. Fiscal Year 2020 2021 2022 2023 Fiscal Year 2020	Business a # Taken 519 586 746 863 Skill Exar # Taken 500	Image: mail of the system # Passed 375 424 444 536 mination # Passed 356	% Passed 72% 72% 60% 62% % Passed 71%	s by

Reciprocity	 Any applicant holding a valid license as a residential home builder issued by a jurisdiction outside of the state of Alabama shall be deemed to have satisfied the experience and ability requirements for licensure only upon a determination by the Board that: The licensing requirements of the other jurisdiction are substantially similar to those of Alabama. The other jurisdiction exempts Alabama licensees from any examination (testing experience and ability) requirements imposed on residential home builders in that jurisdiction. If an applicant holds a residential construction license in Tennessee, South Carolina, Mississippi, Louisiana, or North Carolina they may be exempt from the Skills Examination, but are still required to take and pass the Business and Law Examination. Administrative Rule 465-X-304(7) Source: Board's website 	
Renewals	The annual license fee shall be for a period of 12 months beginning January 1. A license is valid only during the calendar year indicated on the license. At the end of that calendar year, the license expires unless it is timely renewed by the licensee. Code of Alabama 1975 , Section 34-14A-5(b)(3)	
	Administrative Rule 465-X-306	
	Percentage of online renewals: 88%	
	<i>Source:</i> Board staff	
Licensee Demographics	Data not collected by the Board.	
Continuing Education	All licensees must obtain six credit hours taught by a Board approved provider or instructor. The designated qualifying representative must obtain the six credit hours of continuing education hours for corporations, limited liability companies, and partnerships. Two of the six credits must be in areas specific to Alabama as designated by the Board.	
	Administrative Rule 465-X-306	

SIGNIFICANT ISSUES FROM QUESTIONNAIRES

<u>Significant Issue 2024-001</u>: In response to the survey question, "What do you consider the most significant issue(s) facing your profession in Alabama?", the following items were noted:

- Seven of the seventeen (41%) company home builder licensees and eight of the eighteen (44%) individual home builder licenses who responded to our survey stated cost of materials, labor, and the cost to do business as the most significant issue.
- Five of the seventeen (29%) company home builder licensees who responded to our survey indicated unlicensed builders as the most significant issue facing their profession.

<u>Significant Issue 2024-002</u>: Thirteen of the eighteen (72%) individual home builder licensees, five of the seventeen (29%) company home builder licensees, and six of the fourteen (43%) company roofer licensees who responded to our survey do not think mandatory continuing education is necessary for the competent practice of their profession.

<u>Significant Issue 2024-003</u>: Nine of the thirty-eight (24%) complainants who responded to our survey stated the Board did not communicate the results of the investigation to them. A review of a sample complaint files indicated that letters regarding the disposition of complaints had been sent to complainants.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

All prior findings/significant issues have been resolved.

STATUS OF PRIOR SIGNIFICANT ISSUES FROM QUESTIONNAIRES

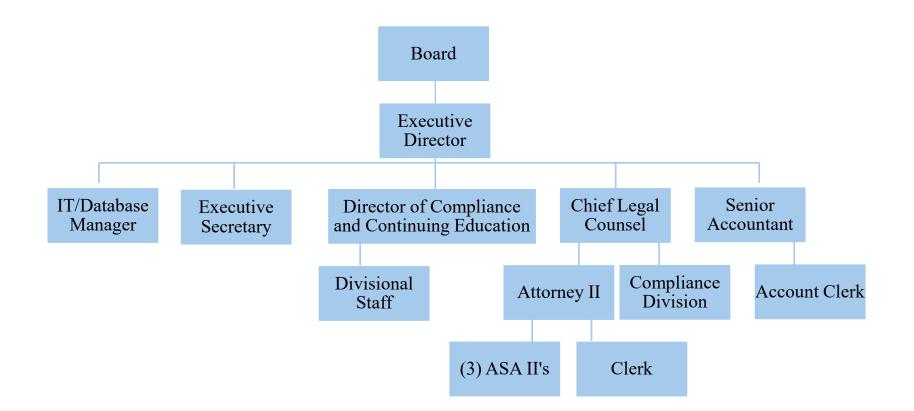
<u>Significant Issue 2020-01</u>: Five of the seven board members responding to our survey stated that the most significant issue currently facing the Home Builders Licensure Board is staffing. The Board needs additional investigators and needs to recruit, retain, and competitively compensate qualified investigators in order to enforce the Board's laws and regulations.

<u>Current Status</u>: Three of the five (60%) Board members who responded to our survey indicated hiring inspectors is the most significant issue and two of the five (40%) do not think the board is adequately staffed.

<u>Significant Issue 2020-03</u>: Sixteen of twenty-five complainants responding to our survey stated that they do not believe the Board exhausted all options in resolving their complaints, and seventeen of the complainants stated that they were dissatisfied with their experiences with the Board.

<u>**Current Status:**</u> Twenty of the thirty-eight (53%) complainants who responded to our survey do not think the Board did everything it could to resolve their complaint and thirteen of the thirty-eight (34%) indicated dissatisfaction with their experience with the Board.

ORGANIZATION



PERSONNEL

Employees

Schedule of Employees							
	#	W/M	B/F	W/F	Salary or Salary Range	Vehicle Assigned	
Position							
Executive Director	1	1			\$172,677.84	5 ¹	
Chief Legal Counsel	1	1			\$165,165.60	1	
Attorney II	1			1	\$86,788.80		
Paralegal	1			1	\$49,267.20		
Senior Accountant	1			1	\$89,030.40		
Programmer Analyst II	1			1	\$59,865.60		
Senior Investigator	1			1	\$56,971.20	1	
Chief Investigator	1	1			\$78,549.60	1	
Investigator	3	3			\$51,727.20 -	3	
					\$56,971.20		
Account Clerk	1			1	\$39,484.80		
Administrative Support	2		1	1	\$30,828.00 -		
Assistant I					\$37,612.80		
Administrative Support	2		1	1	\$30,828.00 -		
Assistant II					\$45,758.40		
Administrative Support	3		1	2	\$40,459.20 -		
Assistant III					\$51,727.20		
Executive Secretary	1		1		\$38,541.60		
Director of Compliance and	1		1		\$78,549.60		
Continuing Education							
Total	21	6	5	10		11	

¹Includes vehicle assigned to Executive Director to use while engaging in Board business; vehicle for attorneys to use when representing the Board in legal matters; vehicle for employees to use while engaging in Board business; and spare vehicle in case an Investigator's vehicle breaks down.

Legal Counsel

Seth Gowan, Deputy Attorney General, and Lauren Razick, Assistant Attorney General, are both employed by the Board. Seth Gowan serves as the Board's Chief Legal Counsel. Tara Hetzel, Assistant Attorney General and an employee of the Attorney General's Office, is assigned to the Board.

PERFORMANCE CHARACTERISTICS

Number of Licensees per Employee (FY2023) - 451

Number of Licensees for the Past Four Fiscal Years

	Fiscal Year					
Type of Licenses	2020	2021	2022	2023		
Corporate Unlimited Active	3,837	4,018	4,102	4,243		
Individual Unlimited Active	3,697	3,402	3,156	3,084		
Corporate Limited Active	137	163	159	188		
Individual Limited Active	51	63	64	61		
Corporate Unlimited Inactive	245	261	238	222		
Individual Unlimited Inactive	376	673	725	689		
Corporate Limited Inactive	1					
Total Home Builders	8,344	8,580	8,444	8,487		
Corporate Roofer Active	377	521	580	596		
Individual Roofer Active	370	447	416	387		
Corporate Roofer Inactive				1		
Individual Roofer Inactive				2		
Total Roofers	747	968	996	986		
Grand Total of Licenses	9,091	9,548	9,440	9,473		

Operating Disbursements per Licensee (FY 2023) - \$278.93

Fines/Penalties as a Percentage of Operating Receipts

	2020	2021	2022	2023
Total Receipts	\$2,478,479.76	\$2,727,581.96	\$2,699,144.50	\$2,823,366.58
Fines	\$221,500.00	\$270,100.00	\$257,999.00	\$315,505.09
Percentage	8.94%	9.90%	9.56%	11.17%

Notification of Board Decisions to Amend Administrative Rules

The Board complied with notification procedures prescribed in the Administrative Procedure Act, which includes publication of proposed rules in the Administrative Monthly, and public hearings on proposed rules. Licensees are not specifically notified of proposed changes. Proposed rule changes are posted on the Board's website.

COMPLAINT HANDLING

The *Code of Alabama 1975*, Sections 34-14A-8 and 34-14A-14 as well as *Administrative Rules* 465-X-5-.01 through 465-X-5-.15 provide the procedures for documentation, receipt, and investigation of complaints received by the Board. The Board does not have jurisdiction over persons not licensed by the Board; however, the Board may institute proceedings against any person or business entity engaging in residential home building without first having procured a valid license. The Board may present evidence to the appropriate governmental authority within the county in which the residential home builder has acted and may file a complaint regarding the violations directly with the sheriff in the appropriate county.

The Board, in its discretion, may follow the complaint procedures set forth in *Administrative Rule* 465-X-5-.03 against any unlicensed residential home builder or residential roofer.

Initial Contact/Documentation	 Complaints can be brought by the original homeowner or the Board. Complaint forms are available on the Board's website. Complaints must be made in writing and sworn to by the person making the complaint. Complaints must be submitted within 6 years of substantial completion of construction of the residence, or within 6 years of the date the original owner took possession. If a complaint is against a Board member, that member will be notified and thereafter will not participate in any matter related to the complaint. Complaints are notified by certified mail that the complaint has been received.
Anonymous Complaints Accepted	Anonymous or oral complaints are not accepted.
Investigative Process / Probable Cause Determination	In the event a consumer complaint is filed against a licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction, or the Board determines from other information that an investigation is necessary, the procedure for investigation or complaint shall be as follows:
	 Upon undertaking an investigation of a licensee, the Board shall notify the licensee of the investigation and the specific charges being investigated. The notice shall include the applicable residential building code for investigation purposes. An investigation initiated against a licensee, where the residential construction has occurred in a local jurisdiction (county, municipality, or otherwise) that has an adopted building law or code, the Board shall apply the adopted building law or code for determining probable cause if the licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction has violated the Act.

Investigative Process / Probable Cause Determination (continued)	 An investigation initiated against a licensee, where the residential construction has occurred in a local jurisdiction (county, municipality, or otherwise) that has not adopted a local building law or code, the Board shall apply the 2015 International Residential Building Code (IRC), to include, but not limited to, the Alabama Energy Code requirements as adopted by the Alabama Energy and Residential Codes Board for determining probable cause if the licensee has violated the Act. Each year the Board shall designate a member and two alternate members to serve on an investigative committee. The Board members designated to serve on the investigative committee shall consist of the designated Board member, or a designated alternate member, the Executive Director, and the Board's attorney. The committee shall investigate the information or complaint to determine whether there is probable cause for disciplinary and/or enforcement proceedings, and shall, on behalf of the Board, direct the Board's counsel to initiate proceedings consistent with its finding(s). The Board member or the alternate member who participates on the investigative committee shall member or the alternate member who participates and shall, are commendation to the Board as to whether probable cause exists that a violation of the Act has occurred, and for the Board to initiate disciplinary proceedings and/or to forward any necessary information to the appropriate governmental authorities. If the investigative committee determines following its investigation that no probable cause exists, the proceedings will terminate.
Negotiated Settlements Notification of Resolution	Yes A letter is mailed notifying the complainant of the decision of the
to the Complainant	Board.

Source: Staff

<u>Complaint Data</u>

Schedule of Complaints Resolved Fiscal Years 2020 through 2023							
Year/Number of		Year/I	Number Re	esolved			
Complaints Received	2020	2021	2022	2023	2024 ¹	Pending	
2020 / 141	59	64	16	1		1	
2021 / 190		83	93	12	1	1	
2022 / 193			94	89	9	1	
2023 / 208				93	41	74	
⁽¹⁾ As of May 6, 2024						·	
Source: Board Attorney							

Average Time to Resolve Complaints - 137 business days

Disposition of Resolved Complaints

# of Complaints	Resolution
144	Administrative fine and additional education
135	No probable cause
97	Outside Board jurisdiction
89	Unlicensed builders
74	Resolved between owner and licensee (No action by Board)
74	Outstanding disciplinary
24	Withdrawn
15	Closed with probable cause
2	Voluntary surrender of license
1	Dismissed

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

According to the *Code of Alabama 1975*, Section 34-14A-6(3), general contractors holding a current or valid license, issued prior to January 1, 1992, are exempt from being licensed by the Home Builders Licensure Board to perform residential construction.

Licensees of the Alabama General Contractors Board are limited to performing commercial construction except for those general contractors holding valid general contracting licenses that were issued prior to January 1, 1992. Those general contractors are exempt from holding a home builders license in order to perform residential construction. According to the Alabama General Contractors Board, as of May 11, 2024, there are 765 active general contractors who qualify for this exemption.

FINANCIAL INFORMATION

<u>Source of Funds</u> – Licensure fees, administrative fees, fines and penalties.

Funds/Accounts Description(s)

The Board operates through the State Treasury from the following funds:

Home Builders Licensure Board Fund: The fund, established by the *Code of Alabama 1975*, Section 34-14A-5, receives licensing fees and administrative fines/penalties used to pay for the operations of the Board. Any funds remaining in the State Treasury to the credit of the Home Builders Licensure Board Fund shall be paid into the Homeowners' Recovery Fund or the Home Builders Property Acquisition Fund. The Board may, at all times, retain a sum sufficient to meet any emergency that may arise which may affect its efficient operation.

Homeowners' Recovery Fund: The fund was established by the *Code of Alabama 1975*, Section 34-14A-15, for the purpose of consumer protection, consumer education, and consumer awareness. An aggrieved homeowner may recover actual economic damages, not including interest and court costs, sustained within the state as the direct result of conduct of a licensee in violation of this chapter or the rules of the Board from the Homeowners' Recovery Fund. Each active licensee pays an annual fee not to exceed \$60.00 per year to this fund. This annual fee, currently set at \$15.00, is set by the Board after considering all expenses incurred in defending, satisfying, or settling any claims paid from the fund. The fund may also receive transfers of all or part of any balance at year-end in the Home Builders Licensure Board Operating Fund. Funds may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the Homeowners' Recovery Fund shall be deposited into the Homeowners' Recovery Fund.

Home Builders Property Acquisition Fund: The fund, established by the *Code of Alabama 1975*, Section 34-14A-18, may be used for the acquisition of real property to be used by the Board in accomplishing its responsibilities. The Board may levy a fee of up to \$60.00 for each active home builder license per year. The fund may receive transfers from the Home Builders Licensure Board's Operating Fund. The funds received may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the property acquisition fund shall be deposited into the fund. At the end of each fiscal year, any unencumbered and unexpended balance of the amount appropriated for that fiscal year shall carry over to the next fiscal year.

Schedule of Fees

The Board's fees are set in *Administrative Rule* 465-X-4-.04.

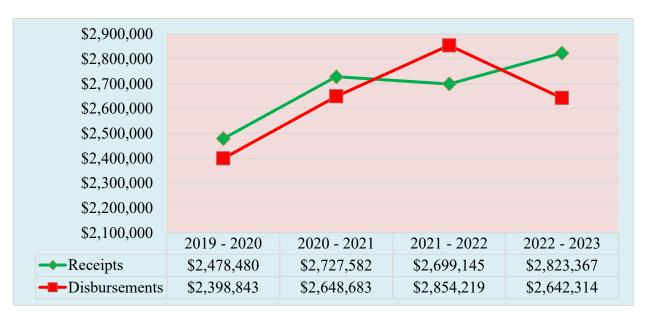
	Statutory	Amount Authorized by	Amount
Fee Type/Purpose	Authority	Statute	Collected
Annual Home Builder License, Without	34-14A-5(b)(1)	Set by Board	\$235.00
Limitation			***
Annual Home Builder License, With	34-14A-5(b)(1)	Set by Board	\$235.00
Limitation			<u></u>
Annual Home Builder License, Limited	34-14A-5(b)(1)	Set by Board	\$150.00
to Roofing		.	* • • • • •
Annual Homeowners' Recovery Fee	34-14A-15(c)	≤\$60.00	\$15.00
Application Processing Fee, New	34-14A-5(b)(2)	Set by Board	\$100.00
Applicants			
Application Processing Fee, Expired	34-14A-5(b)(2)	Set by Board	\$350.00
Licenses Without Limitation & With			
Limitation Less than 3 Years			.
Application Processing Fee, Expired	34-14A-5(b)(2)	Set by Board	\$150.00
Licenses Limited to Roofing Less than 3			
Years			* • • • • • • •
Inactive License, Licenses Without	34-14A-5(b)(2),	Set by Board	\$125.00
Limitation & With Limitation	34-14A-7(h)(1)		*-------------
Inactive License, Licenses Limited	34-14A-5(b)(2),	Set by Board	\$75.00
to Roofing	34-14A-7(h)(1)		* • • • • •
Record Fee	34-14A-7(b)(2)	Set by Board	\$15.00
Late Fee	34-14A-5(b)(2)	Set by Board	\$50.00
Bad Check Fee	8-8-15(b)	≤\$30.00	\$30.00
Application Package Fee	34-14A-5(b)(2)	Set by Board	\$25.00
New Continuing Education Provider Fee	34-14A-5(b)(2)	Set by Board	\$250.00
Continuing Education Provider Renewal	34-14A-5(b)(2)	Set by Board	\$125.00
Fee			
New Instructor Fee	34-14A-5(b)(2)	Set by Board	\$100.00
Instructor Renewal Fee	34-14A-5(b)(2)	Set by Board	\$50.00
New Course Fee	34-14A-5(b)(2)	Set by Board	\$50.00
Course Renewal Fee	34-14A-5(b)(2)	Set by Board	\$25.00
Continuing Education Late Fee	34-14A-5(b)(2)	Set by Board	\$50.00
Non-Traditional Approval Fee	34-14A-5(b)(2)	Set by Board	\$50.00
Credit Hour Fee	34-14A-5(b)(2)	Set by Board	\$5.00
Licensee Designated Qualifying	41-9A-5	Set by Board	\$125.00
Representative Hardship Waiver Fee			
(Limited or Unlimited License)			
Licensee or Designated Qualifying	41-9A-5	Set by Board	\$75.00
Representative Hardship Waiver Fee			
(Roofing)			

Fee Type/Purpose	Statutory Authority	Amount Authorized by Statute	Amount Collected
Lost or Stolen Replacement License Fee	Cost Recovery	Set by Board	\$25.00
Change of Designated Qualifying Representative for Corporation, LLC, and Partnership	41-9A-5	Set by Board	\$100.00
Public Records Fees – Standard Request for Public Records	Executive Order 734	Standard, minimum fee of \$20.00	\$20.00
Time-Intensive Request for Public Records	Executive Order 734	Up to \$20.00 per hour	\$20.00 per hour

Schedule of Receipts, Disbursements and Balances Home Builders Licensure Fund

October 1, 2019 through September 30, 2023

	2019-2020	2020-2021	2021-2022	2022-2023
Receipts				
Home Builders License Fees	\$ 2,084,111.00	\$ 2,305,808.00	\$ 2,283,900.00	\$ 2,329,042.50
Fees- Professional or Occupational Exam	650.00	625.00	500.00	200.00
Miscellaneous Fees Not Otherwise				
Classified	120.00	120.00	156.96	180.00
Contract Fees				2.56
Other Fines and Forfeits Not Otherwise				
Classified	71,700.00	149,900.00	156,000.00	177,960.00
Professional/Occupational Board	.)	-))	,
Penalties	221,500.00	270,100.00	257,999.00	315,505.09
Prior Year Refunds	239.00	1,028.96	588.54	476.43
Salvage Equipment or Other Property	159.76	,		
Total	2,478,479.76	2,727,581.96	2,699,144.50	2,823,366.58
<u>Disbursements</u>				
Personnel Costs	1,083,182.75	1,189,589.65	1,287,726.97	1,325,595.73
Employee Benefits	460,968.26	489,657.01	507,492.98	518,816.23
Travel, In-State	26,825.20	41,417.88	40,760.14	39,750.13
Travel, Out-of-State	4,656.03	4,987.86	11,037.54	18,959.70
Repairs and Maintenance	40,555.48	16,133.06	16,184.85	10,516.93
Rentals and Leases	6,496.99	4,460.00	10,462.66	15,701.44
Utilities and Communications	81,091.85	95,523.27	104,139.41	100,771.58
Professional Services	244,725.38	308,126.14	319,268.29	427,316.26
Supplies, Materials, and Operating	244,725.58	500,120.14	519,200.29	427,510.20
Expenses	83,312.79	129,810.87	112,668.14	137,160.52
Transportation Equipment Operations	14,737.48	32,648.17	38,567.73	28,900.75
Transportation Equipment Operations	77,574.73	44,074.80	58,507.75	28,900.75
Other Equipment Purchases	83,666.13	11,907.78	16,644.37	18,825.17
Transfers to the Homeowners Recovery	85,000.15	11,907.78	10,044.37	10,023.17
Fund	191,050.24	280,346.34	389,265.43	
Total	2,398,843.31	2,648,682.83	2,854,218.51	2,642,314.44
Excess (Deficiency) of Receipts over		· · · ·	, ,	
Disbursements	79,636.45	78,899.13	(155,074.01)	181,052.14
Cash Balance at Beginning of Year	998,528.30	1,078,164.75	1,157,063.88	1,001,989.87
Cash Balance at End of Year	1,078,164.75	1,157,063.88	1,001,989.87	1,183,042.01
Reserved for Year-End Obligations	(139,303.13)	(100,004.05)	(123,914.88)	(92,790.61)
Unobligated Cash Balance at End of Year	\$ 938,861.62	\$ 1,057,059.83	\$ 878,074.99	\$ 1,090,251.40



Operating Receipts vs. Operating Disbursements

Schedule of Receipts, Disbursements and Balances Homeowners Recovery Fund October 1, 2019 through September 30, 2023

	2019-2020	2020-2021	2021-2022	2022-2023
Receipts				
Home Builders License Fees	\$ 118,265.00	\$ 117,420.00	\$ 147,382.34	\$ 121,445.00
Professional/Occupational Board Penalties Transfers from the Home Builders				8,000.00
Licensure Fund	191,050.24	280,346.34	389,265.43	
Total	309,315.24	397,766.34	536,647.77	129,445.00
Disbursements				
Legal Claims and Awards	75,059.87	118,017.00	140,000.00	60,000.00
Excess of Receipts over Disbursements	234,255.37	279,749.34	396,647.77	69,445.00
Cash Balance at Beginning of Year	143,027.05	377,282.42	657,031.76	1,053,679.53
Cash Balance at End of Year	377,282.42	657,031.76	1,053,679.53	1,123,124.53
Repurchase Agreements/Mutual & Money Market Funds	1,261,687.90			
Reserved for Year-End Obligations	(40,000.00)	(80,000.00)	(40,000.00)	(60,000.00)
Unobligated Cash Balance at End of Year	\$1,598,970.32	\$ 577,031.76	\$ 1,013,679.53	\$ 1,063,124.53

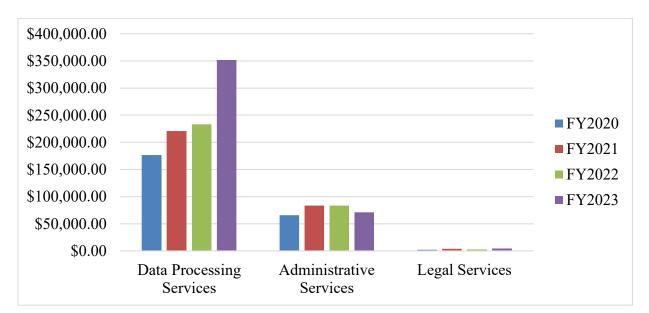
Schedule of Receipts, Disbursements and Balances Home Builders Property Acquisition Fund October 1, 2019 through September 30, 2023

	2019-2020	2020-2021	2021-2022	2022-2023
<u>Receipts</u>				
Insurance Recoveries	\$ 252.46	\$	\$ 1,733.75	\$
<u>Disbursements</u>				
Repairs & Maintenance	4,895.60	4,673.71	6,198.57	538.90
Professional Services	24,295.20			513.69
Capital Outlay	91,939.36			
Total	121,130.16	4,673.71	6,198.57	1,052.59
Excess (Deficiency) of Receipts over Disbursements	(120,877.70)	(4,673.71)	(4,464.82)	(1,052.59)
Cash Balance at Beginning of Year	145,791.71	24,914.01	20,240.30	15,775.48
Cash Balance at End of Year	24,914.01	20,240.30	15,775.48	14,722.89
Reserved for Year-End Obligations	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
Unobligated Cash Balance at End of Year	\$ 19,914.01	\$ 15,240.30	\$ 10,775.48	\$ 9,722.89

Summary Schedule of Professional Services Disbursements Home Builders Licensure Fund

As of September 30 th						
Type of Service	FY 2020	FY 2021	FY 2022	FY 2023		
Data Processing	\$ 176,846.65	\$ 220,668.64	\$ 233,210.16	\$ 351,584.52		
Administrative Services	65,576.03	83,524.85	83,152.78	71,042.24		
Legal Services	2,302.70	3,932.65	2,905.35	4,689.50		
Total	\$ 244,725.38	\$ 308,126.14	\$ 319,268.29	\$ 427,316.26		

Detailed information is presented in Appendix III of this report.



<u>Professional Services Disbursements</u> <u>Home Builders Licensure Fund</u>

<u>Summary Schedule of Professional Services Disbursements</u> <u>Home Builders Property Acquisition Fund</u>

As of September 30 th					
Type of Service	FY 2020	FY 2021	FY 2022	FY 2023	
Administrative Services	\$ 24,295.20	\$ 0.00	\$ 0.00	\$ 513.69	

Detailed information is presented in Appendix III of this report.

QUESTIONNAIRES

Board Member Questionnaire

A letter was sent to all nine members of the Home Builders Licensure Board requesting participation in our survey. Five participated in the survey. The percentages shown are based on the number who responded to the question.

1. What do you consider the most significant issue(s) facing the Home Builders Licensure Board and how is the Board addressing these issues?

Board Member #1 – "No current significant issues I am aware of."

Board Member #2 – "Having enough inspectors or investigators to do a thorough job."

Board Member #3 – "The need of statewide inspections on homes built by our builders in Alabama. We are currently working with the legislature to try and get statewide inspections." **Poard Member #4** – "I think recruiting and keeping investigators needed. Staff trias to get them

Board Member #4 – "I think recruiting and keeping investigators needed. Staff tries to get them competitive pay."

Board Member #5 – "WE HAVE A REAL SIGNIFICANT PROBLEM WITH HIRING INSPECTORS DUE TO THE SALARY RANGE THAT THIS POSITION HAS TO OPERATE UNDER. THE OTHER THING IS KEEPING THEM AFTER HIRING BECAUSE THEY GO SOMEWHERE ELSE FOR THE SAME REASON!

THERE IS NOTHING THAT THE BOARD HAS CONTROL OVER IN THIS SITUATION. PERHAPS WE COULD GO OUTSIDE THE PROCESS OF HIRING WITHIN THE STATE!"

2. What, if any, changes to the Board's laws are needed?

Board Member #1 – "No changes needed."

Board Member #2 – "There are two issues that are extremely important to me. One is to have a statewide building code. We have tried for years to get legislation passed for the code. It appears that we get significant push back from the rural areas. The other issue is to add to the previous question. It is very difficult to hire good investigators for the salaries that we have to offer. An increase in pay for these positions would help immensely."

Board Member #3 – "The ability to implement rules or changes in policy for our builders in order to protect the public welfare."

Board Member #4 – "I believe we will always need to keep tweaking some of the boards laws and regulations to help the consumer."

Board Member #5 – "NONE AT THIS TIME...NEW REGS WILL PROBABLY NEED TO BE ADDRESSED IF THE STATE WIDE BUILDING CODE IS PASSED IN THE LEGISLATURE."

3. Do you think the Board is adequately funded?

Yes 5 100%

4. Do you think the Board is adequately staffed?

Yes	3	60%
No	2	40%

5. Does the Board receive regular reports on the operations from the Executive Director?

Yes 5 100%

6. Has the Board experienced any significant changes to its operations?

No 5 100%

7. Does the Board plan to make any significant changes in its operations?

No	4	80%
Unknown	1	20%

8. Do you have any additional comments you would like to make?

Board Member #1 - "I have been very pleased with the operation of the Home Builders Licensure Board."

Board Member #2 – "It is with great pride and honor that I am allowed to serve on this board. I think that all of the board members take their position seriously as they provide industry professionalism and unbiased opinions."

Board Member #3 – "We could use a couple of more inspectors."

Board Member #4 – "I understand the difficulty in keeping salaries competitive with the open market. One of our biggest challenges being a consumer protective agency is the number of investigators needs to be increased in my opinion."

Board Member #5 – "NOT AT THIS TIME THANK YOU!"

Individual Home Builder Licensee Questionnaire

A letter was sent to one hundred individual home builder licensees requesting participation in our survey. Eighteen participated in the survey. The percentages shown are based on the number who responded to the question.

1. What do you consider the most significant issue(s) facing your profession in Alabama?

Respondent #1 – "Lack of labor in general."

Respondent #2 – "no younger people entering construction"

Respondent #3 – "labor availability, materials cost."

Respondent #4 – "Finding a US Labor force that is willing to work. Allowing the homeowner to pull his/her own building permit but not having to comply with the same rules and regulations as the licensed builder. Example: proof of liability insurance and being able to pull the plumbing and electrical and roofing permits as an individual homeowner/builder. They are not held to the same standards as the license builder.."

Respondent #5 – "The economy and cost to do business."

Respondent #6 – "Cost of materials."

Respondent #7 – "Lack of skilled tradesmen."

Respondent #8 – "Material and labor costs"

Respondent #9 – "Lack of labor."

Respondent #10 – "Not enough sub contractors."

Respondent #11 – "People not applying for this License, doing jobs on the weekends to avoid code enforcement."

Respondent #12 – "Non- licensed individuals destroying advertising signs"

Respondent #13 – "N/A"

Respondent #14 – "I suppose the biggest issue is material prices constantly rising. Where is the stopping point?"

Respondent #15 – "Cost to build houses continue to increase making cost of ownership increase...it is becoming difficult for younger generations to purchase homes."

Respondent #16 - "Lack of skilled labor and rising costs."

Respondent #17 – "Costs getting too high."

Respondent #18 – "Inflation due to congress and the President."

2. Do you think regulation of your profession by the Home Builders Licensure Board is necessary to protect the public welfare?

Yes	16	89%
No	2	11%

3. Do you think any of the Board's laws, rules, or policies are an unnecessary restriction on the practice of your profession?

Yes	5	28%
No	11	61%
Unknown	2	11%

4. Are you adequately informed by the Board of changes to and interpretations of the Board's positions, policies, rules, and laws?

Yes	13	72%
No	3	17%
Unknown	2	11%

5. Do you consider mandatory continuing education necessary for the competent practice of your profession?

Yes	5	28%
No	13	72%

6. Does the Board respond to your inquiries in a timely manner?

Yes	10	56%
No	1	6%
Unknown	7	38%

7. Has the Board performed your licensing and renewal in a timely manner?

Yes 18 100%

8. Do you have any additional comments you would like to make?

Respondent #1 – "Not at this time." **Respondent #2** – "N/A"

Respondent #2 - "N/A."

Respondent #4 – "I have been a Licensed builder in the state of Alabama since 1996. I am overall satisfied with the rules and regulations and the timely manner in which Alabama notifies me of any rule changes. I do not however agree with the continuing education requirements, but I am only a few years away from being exempt, so I look forward to that."

Respondent #5 – "I believe the services by all of the State Contractor Licensure Boards are very important and needed for the construction industries in Alabama including Building, Electrical, Mechanical, Plumbing and Gas. I personally appreciate what the Board provides for the safety to the consumers and the fairness to the contractors."

Respondent #6 – "The Board staff are extremely helpful and a pleasure to work with. I would not hesitate to contact them with any questions or concerns, and I am confident that they would support my needs."

Respondent #7 – "No."

Respondent #8 – "No."

Respondent #9 – "CE's are a cash cow, in my opinion.

I respect and appreciate the Board, as well as believe its necessary. Builders should be licensed and someone has to certify, manage, handle the public, etc."

Respondent #10 – "The option for a multi year license is needed. It's unnecessary to do a license yearly. CE is irrelevant and not necessary."

Respondent #11 – "Should not have to use internet only, some people like me are not that good at it"

Respondent #12 - "I agree with this requirement, It's the only protection the vulnerable homeowners have against the would be scams."

Respondent #13 – "None at this time."

Respondent #14 – "N/A"

Respondent #15 – "No."

Respondent #16 – "It always strikes me funny....after almost 30 years of building, hundreds of projects completed....one could believe 6 hrs of Internet teaching could improve my skillset." **Respondent** #17 – "Not at this time."

Respondent #18 – "The board is unessary because of extra money that blue collar (small companies) have to pay. Not needed. The city officials come and inspect nit the board. Wasted money for the taxpayer"

Company Home Builder Licensee Questionnaire

A letter was sent to one hundred company home builder licensees requesting participation in our survey. Seventeen participated in the survey. The percentages shown are based on the number who responded to the question.

1. What do you consider the most significant issue(s) facing your profession in Alabama?

Respondent #1 – "Doing job right, customer satisfaction."

Respondent #2 – "Labor Force shortage."

Respondent #3 – "Unlicensed unprofessional builders."

Respondent #4 – "The unnecessarily constant changing of building codes which increases the cost of construction."

Respondent #5 – "Price of materials."

Respondent #6 – "Interest rates and inflation."

Respondent #7 – "Unlicensed builders taking advantage of homeowners."

Respondent #8 – "Cost of products and quality labor availability"

Respondent #9 – "The continued public concept that the less expense the better. Not necessarily perpetrated by the construction industry alone, but has remained over my 5 decades of experience."

Respondent #10 – "The continued public concept that the less expense the better. Not necessarily perpetrated by the construction industry alone, but has remained over my 5 decades of experience."

Respondent #11 – "Finding qualified employees."

Respondent #12 – "Manpower"

Respondent #13 – "Unlicensed builders."

Respondent #14 – "Price regulations. Licensure boards practices."

Respondent #15 – "Special financing needed for 1st time home buyers and the need to make all construction workers pay their fair share of taxes."

Respondent #16 – "Work being performed by non-properly licensed "contractors".

Respondent #17 – "Inflation."

2. Do you think regulation of your profession by the Home Builders Licensure Board is necessary to protect the public welfare?

Yes	16	94%
No	1	6%

3. Do you think any of the Board's laws, rules, or policies are an unnecessary restriction on the practice of your profession?

Yes	2	12%
No	14	82%
Unknown	1	6%

4. Are you adequately informed by the Board of changes to and interpretations of the Board's positions, policies, rules, and laws?

Yes	11	65%
No	1	6%
Unknown	5	29%

5. Do you consider mandatory continuing education necessary for the competent practice of your profession?

Yes	12	71%
No	5	29%

6. Does the Board respond to your inquiries in a timely manner?

Yes	14	82%
Unknown	3	18%

7. Has the Board performed your licensing and renewal in a timely manner?

Yes	15	88%
No	2	12%

8. Do you have any additional comments you would like to make?

Respondent #1 – "No."

Respondent #2 – "Homebuilder Licensed for 35 years like myself has no need for the ongoing training that is at best basic principles. 35 years of real world education is far superior." **Respondent #3** – "No."

Respondent #4 - "I have to have a license and insurance to build a house for a customer, but a homeowner can build their own house with no license and no insurance then turn around and sell the house for profit. What sense does that make? Everyone should have to meet the same requirements."

Respondent #5 – "No."

Respondent #6 – "I feel like The Board makes some decisions based solely on creating revenue and not common sense."

Respondent #7 – "N/A"

Respondent #8 – "No."

Respondent #9 – "I have seen the changes in the industry since the early 1990's, the inception of the Homebuilder Licensing. Many more of my known collegues have become licensed contractors which, in turn, has made them more proffesional and profitable."

Respondent #10 – "License contractors over the age of 65 who want to continue to work should not be required to do continue education if they have had a license more than 10 years."

Respondent #11 – "No"

Respondent #12 – "It was much easier for everyone for our licenses to be mailed instead of their current way."

Respondent #13 - "I think the board is necessary to monitor people in the building and trades field. The code is there to protect the customer, as well as, the contractor.."

Respondent #14 – "Not at this time"

Respondent #15 – "No."

Respondent #16 – "See 5 above. I think there might be too many hours of required CE. Closer look at the topics that are acceptable should be taken.

The board is absolutely needed. Don't need to go back to old days of anyone saying they are a 'Contractor'."

Respondent #17 – "No."

Individual Roofer Licensee Questionnaire

A letter was sent to one hundred individual roofer licensees requesting participation in our survey. Five participated in the survey. The percentages shown are based on the number who responded to the question.

1. What do you consider the most significant issue(s) facing your profession in Alabama?

Respondent #1 – "Political fight within the state between General Contractor board and Alabama Home builders license board."

Respondent #2 – "Un insured roofing companies. Wish it was a law that everyone had to have insurance. Can't compete with un insured roofers. Roofing contractor taking advantage of home owners, as to taking down payment and not coming back to do the work. Alabama needs to be tougher on roofing contractors who don't play by the rules."

Respondent #3 – "government trying to tax and legislate us out of existence."

Respondent #4 – "None."

Respondent #5 – "unlicensed, uninsured, no work comp contractors."

2. Do you think regulation of your profession by the Home Builders Licensure Board is necessary to protect the public welfare?

Yes	4	80%
No	1	20%

3. Do you think any of the Board's laws, rules, or policies are an unnecessary restriction on the practice of your profession?

Yes	2	40%
No	2	40%
Unknown	1	20%

4. Are you adequately informed by the Board of changes to and interpretations of the Board's positions, policies, rules, and laws?

Yes	4	80%
No	1	20%

5. Do you consider mandatory continuing education necessary for the competent practice of your profession?

Yes	3	60%
No	2	40%

6. Does the Board respond to your inquiries in a timely manner?

Yes	3	60%
Unknown	2	40%

7. Has the Board performed your licensing and renewal in a timely manner?

Yes 5 100%

8. Do you have any additional comments you would like to make?

Respondent #1 – "State needs to resolve differences between General contractors and Home builders licensing. Keeping political views out of it will help protect citizens of Alabama. Sounds lots of politics involved."

Respondent #2 – "Why aren't the laws/penalties stricter on roofing contractors that take money from home owners and never do the work?"

Respondent #3 – "The fact that as a roofer I can install a mechanically attached tapered insulation roofing system under my license but i can't replace a piece of \$20 plywood is completely ridiculous... i was forced to obtain an actual home builders license to be able to perform this without being fined and having my jobs shut down."

Respondent #4 – "No."

Respondent #5 – "Contractors should be required to provide up to date GL, Work Comp along with the bond and continuing education. Some contractors get GL, WC and drop it. They should be required to show coverages are up to date."

Company Roofer Licensee Questionnaire

A letter was sent to one hundred company roofer licensees requesting participation in our survey. Fourteen participated in the survey. The percentages shown are based on the number who responded to the question.

1. What do you consider the most significant issue(s) facing your profession in Alabama?

Respondent #1 – "Unlicensed builders/roofers conducting business."

Respondent #2 – "Non licensed roofers"

Respondent #3 – "Dealing with insurance companies."

Respondent #4 – "The licensing process is a little lengthy but other than that, all is good."

Respondent #5 – "Dealing with insurance company. Third party communication road blocks as it relates to the insurance work. The contractor/roofer cannot communicate directly with the carrier about the particulars of the claim. It takes six months instead of six days. Homeowners only recourse should not be to get an attorney when they (with or without a contractor) disagree with the scope of work."

Respondent #6 – "Hiring complete subcontractors."

Respondent #7 – "Licensing was hell."

Respondent #8 – "We have no issues; it has been an easy process."

Respondent #9 – "I think obtaining a roofing license should be harder."

Respondent #10 – "The most significant issues in our industry is rising cost of materials. The individual components continue to rise in price and is limiting customers ability to afford the necessary repairs on their home."

Respondent #11 – "Finding skilled laborers."

Respondent #12 – "Securing permits (needing a business license in multiple cities/counties) We have the Section 84 license which has helped in the counties."

Respondent #13 – "Have not started working in Alabama yet."

Respondent #14 – "Safety"

2. Do you think regulation of your profession by the Home Builders Licensure Board is necessary to protect the public welfare?

Yes	12	86%
No	2	14%

3. Do you think any of the Board's laws, rules, or policies are an unnecessary restriction on the practice of your profession?

No	7	50%
Unknown	7	50%

4. Are you adequately informed by the Board of changes to and interpretations of the Board's positions, policies, rules, and laws?

Yes	6	43%
No	2	14%
Unknown	6	43%

5. Do you consider mandatory continuing education necessary for the competent practice of your profession?

Yes	8	57%
No	6	43%

6. Does the Board respond to your inquiries in a timely manner?

Yes	10	71%
Unknown	4	29%

7. Has the Board performed your licensing and renewal in a timely manner?

Yes 14 100%

8. Do you have any additional comments you would like to make?

Respondent #1 – "No." Respondent #2 – "I don't the board does a great job at what they do." Respondent #3 – "No." Respondent #4 – "N/A" Respondent #5 – "Not at this time" Respondent #6 – "Not now." Respondent #7 – "No." Respondent #8 – "We have no issues; it has been an easy process.." Respondent #8 – "We have no issues; it has been an easy process.." Respondent #9 – "No." Respondent #10 – "N/A." Respondent #11 – "No, thanks" Respondent #12 – "No" Respondent #13 – "none." Respondent #14 – "No"

Complainant Questionnaire

A letter was sent to one hundred complainants requesting their participation in our survey. Thirty-eight participated in the survey. The percentages shown are based on the number who responded to the question.

1. Was receipt of your complaint acknowledged by the Board?

Yes	36	95%
Unknown	2	5%

2. Approximately how long after filing your complaint did the Board contact you?

Within 15 days	5	13%
Within 30 days	12	32%
Within 60 days	6	16%
More than 60 days	11	29%
Unknown	4	10%

3. Did the Board communicate the results of its investigation into your complaint to you?

Yes	28	74%
No	9	24%
Unknown	1	2%

4. Do you think the Board did everything it could to resolve your complaint?

Yes	12	31%
No	20	53%
Unknown	6	16%

5. Do you have any additional comments you would like to make?

Respondent #1: "The Board did not address the issues and concerns that were presented in the complaint. The complaint did not resolve any issue related to the contractor changing/falsifying the original contract to benefit his case. Also, the Board did not address the poor workmanship performed by the contractor/builder."

Respondent #2: "The Board does not consider cosmetic defects as valid complaints against the contractors. That is very unfortunate for the Homeowners. My new home was riddled with cosmetic defects and a serious construction defect (verified by a certified Construction Engineer) for which the Licensure Board did not see fit to impose disciplinary actions against the contractor. The State of Alabama should require a said amount of experience and/or other credentials from want to be contractors than just passing a test."

Respondent #3: "None"

Respondent #4: "The builder actually broke the law. He should have faced criminal prosecution and did not. The board should help ensure these builders are criminally prosecuted, not just get a slap on the wrist. I lost my home because of this builder. Unfortunately we encountered another builder that did the same thing. That builder was prosecuted, because he wasn't as "protected" as this builder was."

Respondent #5: "The bond requirement needs to raised from \$10K to at least \$25K to cover the cost of projects or a rule installed that limits the amount of the contract to value of the supplied bond."

Respondent #6: "We didn't feel it was truly investigated and got a letter that it was closed. We didn't feel it was handled properly."

Respondent #7: "It was indicated that the contractor was fined. It would be nice if when that happens that at least some of the funds could go to the homeowners (when the contractors take their money and don't do the work. . . . which is stealing). Sometimes these people are stealing."

Respondent #8: "I was extremely disappointed by the lack of care my complaint seemed to be given by the board as they closed my complaint without ever even speaking to me or my attorney and there was clear evidence the builder was acting not only wildly irresponsibly (as determined by my city's request to him to stop work due to overwhelming major code violations) but also fraudulently as he had recently changed the name of the company his license was held under and applied for a new license under a different name."

Respondent #9: "I had a very serious and well documented complaint. It has impacted my ability to survive in the future. That being said, while my investigator appeared competent and eager to pursue, the board itself had little to no contact with me. I am a retired executive. The experience with this group has shown me a high level of apathy and unprofessionalism. If this organization is going to have any true merit in policing home builders/contractors in Alabama on behalf of your tax paying consumers, STEP UP."

Respondent #10: "I still don't know what resolution was achieved by the board. Was penalized for their dishonesty, misappropriation of funds?"

Respondent #11: "Communication was poor. Action was slow. The corrective action was a joke. It is a crime that you allow contractors to be licensed after see undeniable proof that they are incompetent and dishonest."

Respondent #12: "None"

Respondent #13: "Waste of my time, won't bother the next time. Per the HBA website, there was no indication the fake builder was disciplined, I spent weeks documenting his fraud when all I needed to provide was the engagement letter and deposit. I was bullied and harassed, yet you pull up his company and it shows "good standing". What a joke."

Respondent #14: "We received a letter stating no concerning activities noted...and I suspect because we had the ability to walk and not close. We asked for details on the determination and told that is not provided...so the due diligence remains behind HBLB's curtain. This builder continues building and homeowners continue living with the burden and loss. I'm definitely disappointed in the state's consumer protection...but hope those who own governance and consumer protection feel they've exhausted everything to serve and protect."

Respondent #15: "The process took way too long. We filed the complaint in April 2022. We first heard from the Board in July 2022 (and that is with us following up). It was finally resolved in Feb 2023, but the contractor let their license lapse first to avoid consequences"

Respondent #16: "I believe the Board was very prompt in contacting me. I was not under the impression the Board was obligated to tell me what they concluded. However, I felt obligated to share my very bad experience with the Board in the hope that by sharing other homeowners could avoid what I experienced."

Respondent #17: "Yes never let her ride credit work in the state of Alabama again they use people who are not qualified to do plumbing so I would never let them work in this state again it took them two years to do a job they were supposed to take 3 months but thank you for your help"

Respondent #18: "The Board did a quality job of investigating & gathering the info needed for our case. Once the case was finished in March of 23, we were told the info from the board would be passed to **see if we had anything to add (which we did not)**. We called **see where the case stood multiple times with no response.** We had a case # and contact person but they would not respond and it was going on 10 months. It was very frustrating and we could not get an answer from the Board (after several request by phone) on whether this was a normal period of wait. After an email to **see with the results we were hoping for with an apology.**

I understand waiting for an insurance company can take time, however never having been in this situation which involved us, the state and an insurance company we had no idea how long it would take. I understand the Board cannot answer for how long it takes to review a case, but a general idea of a time frame would have helped us understand what was happening with the case."

Respondent #19: "While the Board did investigate after I called to set up a time with the investigator, I feel the settlement allowed only a small portion of the complaint to be addressed. The financial aspect will help when the case is finally heard in court. However the unconscionably shoddy, unsafe work was not. The investigator stated that would be on your radar. I hope their incompetence in planning, constructing, and funding practices will be do that another unknowing consumer will not become victims of their malpractice with substantial money tied up years after."

Respondent #20: "No additional comments."

Respondent #21: "The respondent left the job without notification, took materials with him, ordered doors to be installed which he cancelled and forfeited the down payment and did not refund the money I gave for the purchase. Doors were never installed. Other incidences similar to this. Had to have job finished by someone else."

Respondent #22: "I believe the board is a joke! A licensed alabama contractor destroyed our home, left it in pieces, took us for \$84,000.00 and the only thing your board and its members could find only one thing the contractor was guilty of, which was not signing the contract. You sent an inspector, he did an inspection after we had hired another contractor to finish the job, he said "Oh well he could picture what the contractor had not done or not done" - he was an idiot. He then met with our contractor, got is story, never questioned anything the contractor told him. And then you fine him \$500.00 leaving us holding the bag for the deference. This board needs to disbanded because you are not advocating for the people, they advocate for contractors. THIS BOARD DID ABSOLUTELY NOTHING FOR OUR FILLING A COMPLAINT. SHUT IT DOWN!"

Respondent #23: "I would like to see real accountability to the builders. The licensees builder we hired did electrical work with no license. Our house isn't and can't be permitted without serious damage. The builder didn't deserve the right to basically pay the board bribe money to keep this quiet."

Respondent #24: "N/A"

Respondent #25: "I don't think the bond is high enough to keep up with inflation. Contractors should be require to have insurance that will cover the work they perform on each job. They should also be required to present to the homeowner their insurance paperwork. There should also be a standard contract or information in the contracts that must be supplied to the homeowner. It cost more to hire a lawyer to sue the builder, than you can recover for damages."

Respondent #26: "While the Alabama Builders Association did not meet half to all our needs, they at least did more than any other organization we reached out to besides being contacted by the FBI. We were contacted in the beginning with acknowledgement of our letter was received. We also had an agent come to our house and ask us questions. We were told we would hear back more details and never did. Very disappointing that AHA or anyone could not help those that were affected. Speaking of ourselves and maybe others affected in fraudulent case, we had no money or resources to help us through all the money that was stolen from the builder. It would have been nice to have had a representative that could have walked us through any assistance programs that we might have been able to receive."

Respondent #27: " in build trailer homes cheap and they are not right"

Respondent #28: "Everything went smoothly."

Respondent #29: "I understand that the Board had no legal recourse because the roofer I lodged the complaint against didn't renew his license; yet, that roofer is still roofing. As far as I can see, the Home Licensure Board is pointless. Is the Board checking to make sure this guy isn't operating under the false pretense of an active license?"

Respondent #30: "The secrecy behind the investigative steps were absurd. The contractor apparently actively evaded being served with my complaint via certified mail. I am not sure that the contractor ever filed a written response to my complaint. I was told by the investigator over 90 days after I filed the complaint that the contractor still had not responded to the Board. I made the same inquiry months later. I was informed by a Board representative that I was not entitled to see a copy of any response the contractor may have sent to the Board.

I provided a package detailing everything the contractor did that violated a number of the Board's rules and regulations as well as documented lies by the contractor. Just to highlight a few points --- the contractor built a second floor structure at our house that: 1) was not even close to complying with minimum Code requirements 2) he only permitted the job for a bathroom renovation 3) he never had the structure inspected 4) lied to us about having plans from a structural engineer at the start of the project 5) the structural engineer that we had to independently hire informed us the project was a serious safety hazard and stated that we would need to demo the entire structure that was just built, etc, etc, etc. I do not believe I could have documented my case in any more detail, and I did not waste time documenting numerous other "smaller" issues. Between the payments to the contractor for the work he had done up that point (project was not near completion) and the costs of hiring an independent architect and structural engineer to assess our problems, we spent \$100k before we even took a single step towards spending money to fix the project."

Respondent #31 "I feel like there could have been more repercussions for the home builder."

Respondent #32: "NO ONE SHOULD EVER LET WORK ON ANYTHING FOR THEM. THEY ARE A JOKE. YOU SHOULD PULL THEIR LISCENSE TO WORK IN AL."

Respondent #33: "The Board offered my contractor to surrender his license vs pulling it from him. He's a criminal. He is now in **second** and **second**. This Board and its ability to correct or punish or judge or protect the taxpayer...is a sad joke. Either give this Board some teeth to bite or save us some taxes and close it up. It's a free for all in Alabama for bad contractors...or good con men"

Respondent #34: "The fine did not fit my harm. The builder continues to do the same thing. The elderly and the disabled do not have the "strength" to complain."

Respondent #35: "The board gave an answer based upon what 1 person thought. They did not review the facts in my case. The building contractor did not follow geo report nor did he share the report with his subcontractors that installed improper materials and incorrectly. This is a know fact per the deposition all parties gave. Still to this day we do not feel like the board is going to do anything to protect anyone who might use this building contractor and would like our case reviewed"

Respondent #36: "I think my situation wasn't handled properly."

Respondent #37: "I paid \$24,630 for a fortified roof. The builder did not use the proper materials or construct the roof properly so that the roof could not be certified. He also did not get the required permits, and he submitted fraudulent photos to the inspector. I ended up with an inferior roof that was not fortifiable. In addition to not getting a safer roof, I also lost a significant discount on my home owners insurance. The Board awarded the builders \$10,000 bond to me, fined the builder and required he complete a remedial building course. I don't know the perimeters of what the Board is authorized to do, but I feel that the builder should have had to compensate me fully." **Respondent #38**: "The board was not informative or nice at all. After interactions, I did not feel

like the board was for me/customer at all. I do not think things were handled in a timely manner. I feel like they do the minimum. I was not satisfied." This Page Intentionally Blank

APPENDICES

Appendix I - Applicable Statutes

Section 34-14A-1 Legislative Intent.

In the interest of the public health, safety, welfare, and consumer protection and to regulate the home building and private residence construction industry, the purpose of this chapter, and the intent of the Legislature in passing it, is to provide for the licensure of those persons who engage in home building, private residence construction, and home improvement industries, including remodeling, and to provide home building standards and to support education within the construction trades in the State of Alabama. The Legislature recognizes that the home building and home improvement construction industries are significant industries. Home builders may pose significant harm to the public when unqualified, incompetent, or dishonest home builders and remodelers provide inadequate, unsafe, or inferior building services. The Legislature finds it necessary to regulate the residential home building and home improvement industries.

(Acts 1992, No. 92-608, p. 1282, §1; Act 2018-143, §1; Act 2019-482, §1.)

Section 34-14A-2 Definitions.

As used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) ADVISORY COUNCIL. The Alabama Construction Trade Advisory Council.

(2) BOARD. The Home Builders Licensure Board.

(3) COST OF THE UNDERTAKING. The total cost of the materials, labor, supervision, overhead, and profit.

(4) HOMEOWNER. A person who owns and resides in or intends to reside in a structure constructed or remodeled by a licensee of the board, or who contracts with a licensee for the purchase, construction, repair, improvement, or reimprovement of a structure to be used as a residence.

(5) IMPROVEMENT. Any site-built addition or enhancement attached to or detached from a residence or structure for use and enjoyment by the homeowner.

(6) INACTIVE LICENSE. A license issued at the request of a licensee, or a building official or a building inspector, that is renewable, but that is not currently valid.

(7) LICENSE. Any license issued by the board pursuant to this chapter.

(8) LICENSEE. A holder of any license issued pursuant to this chapter.

(9) PERSON. Any natural person, limited or general partnership, corporation, association, limited liability company, or other legal entity, or any combination thereof.

(10) QUALIFYING REPRESENTATIVE. The individual designated by a general partnership, limited partnership, corporation, limited liability company, or not-for-profit organization applying for a license who either holds a license individually or meets the experience and ability requirements for licensure, and who is one of the following:

a. A general partner in the case of any partnership.

b. An officer in the case of a corporation.

c. A member in the case of a member-managed limited liability company.

d. A manager in the case of a manager-managed limited liability company.

(11) RESIDENCE. A single unit providing complete independent residential living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(12) RESIDENTIAL HOME BUILDER. A person who constructs a residence or structure for sale or who, for a fixed price, commission, fee, or wage, undertakes or offers to undertake the construction or superintending of the construction, or who manages, supervises, assists, or provides consultation to a homeowner regarding the construction or superintending of the construction, of any residence or structure that is not over three floors in height and that does not have more than four residential units, or the repair, improvement, or reimprovement thereof, to be used by another as a residence when the cost of the undertaking exceeds ten thousand dollars (\$10,000). Notwithstanding the foregoing, the term includes a residential roofer when the cost of the undertaking exceeds two thousand five hundred dollars (\$2,500). Nothing herein shall prevent any person from performing these acts on his or her own residence or on his or her other real estate holdings. Anyone who engages or offers to engage in any acts described in this subdivision, through advertising or otherwise, shall be deemed to have engaged in the business of residential home building.

(13) RESIDENTIAL ROOFER. A person who installs products or repairs surfaces on the external upper covering of a residence or structure that seals, waterproofs, or weatherproofs the residence or structure.

(14) STRUCTURE. A residence on a single lot, including a site-built home, a condominium, a duplex or multi-unit residential building consisting of not more than four residential units, or any improvement thereto.

(15) TRANSACTION. The act of entering into a contract with a licensee to engage in the business of residential home building.

(Acts 1992, No. 92-608, p. 1282, §2; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1; Act 2019-482, §1.)

Section 34-14A-3 Home Builders Licensure Board.

There is established the Home Builders Licensure Board to regulate the residential home building and residential construction industry and to promote and expend funds for the education and support of associated construction trades. The board shall have nine members who shall be appointed as follows: Three by the Governor, three by the Lieutenant Governor, and three by the Speaker of the House of Representatives, from a list of three qualified individuals for each position, provided by the governing body of the Home Builders Association of Alabama. Seven of the members shall be residential home builders, as defined in this chapter, with at least five years' experience as a residential home builder, and each shall be a bona fide resident of the State of Alabama. One member shall be a building official or inspector currently employed by a city, county, or state governmental entity and actively engaged in inspecting or regulating residential construction in this state. One shall be a consumer member of the general public not employed by or affiliated with a licensee hereunder, and who has no spouse or immediate family member employed by or affiliated with a licensee hereunder. Each member of the board shall be a citizen of this state, and the membership of the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state. Of the initial members of this board, the appointing authorities shall designate that each appointee shall serve for an initial term of one, two, or three years, their terms of office expiring on December 31 of the years. Subsequent terms shall be for a period of three years. This appointing authority shall make an appointment to fill a vacancy for the remainder of any unexpired term from a list of three qualified persons supplied by the governing body of the Home Builders Association of Alabama. Each board member shall hold over after the expiration of his or her term until his or her successor shall be duly appointed and qualified.

(Acts 1992, No. 92-608, p. 1282, §3; Acts 1997, No. 97-250, p. 457, §3; Act 2009-35, p. 121, §3; Act 2018-143, §1; Act 2019-482, §1.)

Section 34-14A-4 Officers, Meetings, Compensation.

(a) Members of the board shall select from its own membership a chair, who shall preside at all meetings of the board unless otherwise ordered, and he or she shall exercise and perform all duties and functions incident to the office of chair. The board may select from its own membership a vice-chair, a secretary, and a treasurer. The offices of secretary and treasurer may be held by the same person.

(b) The board, at a minimum, shall meet on a quarterly basis and at such other times as the chair may designate for the purpose of transacting business as may properly come before the board. Four members shall constitute a quorum at all meetings. The secretary of the board shall keep such records of each meeting as shall be required by the board.

(c) Members of the board may be compensated in an amount not to exceed three hundred fifty dollars (\$350) per day, not to exceed 15 days per year, for attending meetings of the board or its committees and, in addition, may be reimbursed for such necessary travel expenses as are paid to state employees. (d) The board may employ an executive director and a deputy director. The board, with the approval of the Governor and the State Personnel Board as provided in Section 36-6-6, shall fix the salary of the executive director and the deputy director.

(e) The executive director may hire staff to carry out this chapter.

(Acts 1992, No. 92-608, p. 1282, §4; Act 2006-105, p. 136, §1; Act 2018-143, §1; Act 2019-179, §1.)

Section 34-14A-5 Licenses Required, Exceptions, Fees.

(a) (1) All residential home builders shall be required to be licensed by the Home Builders Licensure Board annually. The board may issue more than one type of license.

(2) The board may issue licenses that vary in scope of work authorized, including, but not limited to, licenses without limitation and with limitation.

(3) The board may issue licenses that vary in requirements for licensure, including, but not limited to, evidence of experience and ability and financial responsibility, as determined by the cost of the undertaking.

(4) The board may charge varying fees for licenses.

(b)(1) Except as provided in this chapter, all licenses shall be issued or renewed upon the payment to the board of the annual license fee. The annual license fee shall be set by the board after it considers its cost of operation. The annual fee may be increased or decreased by the board but in no event shall the board set the annual fee at an amount which would not provide sufficient revenues to pay all the salaries, costs, and expenses incurred by the board in enforcing this chapter and promoting public health, safety, welfare, and consumer protection.

(2) The board may also charge application processing fees, inactive license fees, late fees, and fees for education requirements. The inactive fees may be waived for building officials. The board may, upon request in writing, refund fees, except the application processing fee, paid by an applicant who is denied a license or who fails to complete the application process. No fees shall be refunded to a licensee as a result of a license revocation.

(3) The annual license fee shall be for a period of 12 months beginning January 1 of each year. All license fees collected by the board shall be paid into the State Treasury to the credit of the Home Builders Licensure Board Fund and its funds shall be subject to withdrawal only upon warrant of the state Comptroller to be issued upon certification of the secretary or treasurer of the board.

(c) Any funds remaining in the State Treasury to the credit of the Home Builders Licensure Board Fund at the end of each year shall be paid into the General Fund of the state on or before January 15, and in each succeeding year, except that should the board exercise its authority to establish the Homeowners' Recovery Fund or the Home Builders Property Acquisition Fund, or both, as provided in this chapter, any funds remaining in the State Treasury to the credit of the Home Builders Licensure Board Fund shall be paid into the Homeowners' Recovery Fund or the Homeowners' Recovery Fund or the Homeowners' Recovery Fund or the Homeowners' Recovery Fund, or both, of the board. The board may maintain sufficient funds to carry out the purposes of the Homeowners' Recovery Fund and the Home Builders Property Acquisition Fund, as set forth in Sections 34-14A-15 and 34-14A-18, including, but not limited to, the transfer of funds between the Homeowners' Recovery Fund and the Home Builders Property Acquisition Fund. The board, at all times, may retain a sum sufficient to meet any emergency that may arise which may affect its efficient operation.

(d) No funds shall be withdrawn or expended except as budgeted and allocated according to Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and only in amounts as stipulated in the general appropriations bill or other appropriations bills.

(Acts 1992, No. 92-608, p. 1282, §5; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1.)

Section 34-14A-6 Exemptions.

This chapter does not apply to:

(1) Any employee of a licensee who does not hold himself or herself out for hire or engage in residential home building, except as such employee of a licensee.

(2) An authorized employee of the United States, the State of Alabama, or any municipality, county, or other political subdivision, if the employee does not hold himself or herself out for hire or otherwise engage in residential home building except in accordance with his or her employment.

(3) General contractors holding a current and valid license, issued prior to January 1, 1992, under Chapter 8 of this title.

(4) Real estate licensees, licensed engineers, and licensed architects operating within the scope of their respective licenses on behalf of clients.

(5) a. Owners of property when acting as their own contractor and providing all material supervision themselves, when building or improving one-family or two-family residences on such property for the occupancy or use of such owners and not offered for sale. This exception may not be transferred to any other person, including, but not limited to, an agent through a power of attorney.

b. In any action brought under this chapter, proof of the sale or offering for sale of such structure by the owners of property, as provided in this subdivision, within one year after completion of same is presumptive evidence that the construction was undertaken for the purpose of sale.

(6) Mobile homes or any structure that is installed, inspected, or regulated by the Alabama Manufactured Housing Commission or the repair, improvement, or reimprovement of any such structure, and shall not in any way change or interfere with the duties, responsibilities, and operations of the Alabama Manufactured Housing Commission as defined in Sections 24-4A-1 through 24-6-4. (7) Agricultural buildings, except for any residence contained therein.

(Acts 1992, No. 92-608, p. 1282, §6; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1.)

Section 34-14A-7 Applications for Issuance or Renewal of License, Records; Inactive License.

(a) Any residential home builder who desires to receive a new or renewal license under this chapter shall make and file with the board 30 days prior to the next meeting of the board a written application on a form prescribed by the board. Each applicant shall be a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government. Such application shall be accompanied by the payment of the annual license fee required by the board. After the board accepts the application, the applicant may be examined by the board at its next meeting. The board, in examining the applicant, shall consider the following qualifications of the applicant:

(1) Experience.

(2) Ability.

(3) Character.

(4) Business-related financial condition.

a. The board may require a financial statement on a form prescribed by the board and a public records search directly from a credit reporting agency.

b. The board may require a positive net worth or other evidence of business-related financial condition sufficient to reasonably satisfy the board of the applicant's financial responsibility.

c. The board may require that business-related judgments, judgment liens, and other perfected liens must be satisfied and released.

d. Any information obtained by the board pursuant to this subsection relating to the financial condition of an applicant shall not be public information.

(5) Ability and willingness to serve the public and conserve the public health and safety.

(6) Any other pertinent information the board may require.

(b)(1) If the board finds the applicant qualified to engage in residential home building in Alabama, the applicant shall be issued a license. An applicant rejected by the board shall be given an opportunity to be reexamined after a new application has been filed and an additional application fee paid.

(2) A record shall be made and preserved by the board of each examination and the findings of the board pertaining to the examination. A copy of the record shall be made available to any applicant requesting it upon the payment of a reasonable fee to the board.

(c) The board, by rule, may require proof of and maintenance of insurance as a qualification for licensure.

(d) The board, by rule, may establish or adopt, or both, education requirements and may approve, administer, or financially support the program or programs providing residential construction education.

(e)(1) Each licensee shall notify the board within 10 days after notice of the institution of any criminal prosecution against him or her. The notification shall be in writing, by certified mail, and shall include a copy of the specific charge made together with a copy of the indictment, information, or complaint, affidavit, and warrant making the charges.

(2) Each licensee shall notify the board in writing by certified mail within 10 days after he or she receives the notice that any criminal verdict has been rendered against him or her, or that a criminal action pending against him or her has been dismissed.

(f) Each licensee shall utilize a valid written contract when engaging in the business of residential home building.

(g) When any residential home building to be performed will comply with a program designed to enhance the resiliency of the structure beyond the requirements of the applicable building codes, the licensee shall disclose this compliance to the homeowner in writing prior to the commencement of the residential home building. (h)(1) Any licensee who desires to receive an inactive license shall make and file with the board a written application for an inactive license on a form prescribed by the board prior to the expiration of his or her current license. The application shall be accompanied by the payment of the annual inactive license fee required by the board. No act for which a license is required may be performed under an inactive license. In the event a person holding a current inactive license applies for a license, he or she may rely upon his or her inactive license as evidence of the experience and ability requirements for licensure under subdivisions (1) and (2) of subsection (a).

(2) A person holding an expired license who seeks to reactivate his or her license within three years of the date of expiration shall be deemed to have satisfied the experience and ability requirements for licensure if application is made within the three-year time period and all other licensing requirements pursuant to subsection (a) have been met.

(3) Any building official or building inspector who desires to receive an inactive license shall make and file with the board 30 days prior to the next meeting of the board a written application for an inactive license on a form prescribed by the board. After the board accepts the application, the applicant may be examined by the board at its next board meeting. The board, in examining the applicant, shall consider the following qualifications of the applicant as satisfying the experience and ability requirements for licensure:

a. That the building inspector is an employee of the United States, the State of Alabama, or any municipality, county, or other political subdivision and, by virtue of that employment, is exempted or prohibited by law from holding a license; and

b. That the building inspector does any of the following:

1. Maintains current certification from the Southern Building Code Congress International as one of the following:

(i) Chief building official.

(ii) Deputy building official.

(iii) Building inspector.

(iv) Housing inspector.

(v) Design professional.

(vi) Plan reviewer.

2. Maintains current certification from the International Code Council as one of the following:

(i) Certified building official.

(ii) Building inspector.

(iii) Residential building inspector.

(iv) Property maintenance and housing inspector.

(v) Building plans examiner.

(vi) Design professional.

3. Possesses sufficient building qualifications and experience to receive a license, as demonstrated by satisfactory evidence presented to the board.

(4) In the event a building official or building inspector holding a current inactive license applies for a license, he or she may rely upon his or her inactive license as evidence of the experience and ability requirements for licensure under subdivisions (1) and (2) of subsection (a).

(Acts 1992, No. 92-608, p. 1282, §7; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2009-35, p. 121, §3; Act 2018-143, §1.)

<u>Section 34-14A-8</u> Revocation, Etc., of Licensure; Consumer Complaint; Hearing; Appeal; Reissuance; Fines.

(a) The board may levy and collect administrative fines not to exceed five thousand dollars (\$5,000) for each violation or revoke or suspend the license of any licensee who, in the opinion of the board, has committed fraud or deceit in obtaining a license required by this chapter, who has been guilty of gross negligence, incompetence, or misconduct in the practice of residential home building, who has engaged in the business of residential home building outside the scope of the license, or who has violated this chapter or a board rule. Should the board establish or adopt, or both, standards of practice for residential home builders within the state, as provided in Section 34-14A-12, the board may suspend the license of any licensee who, in the opinion of the board, has committed a violation of the standards of practice and may impose any other disciplinary sanctions authorized pursuant to this chapter.

(b) An original homeowner may file a consumer complaint alleging a violation of this section against any licensee. Consumer complaints shall be made in writing and sworn to by the person making the consumer complaint and shall be submitted to the executive director of the board within six years of the date of substantial completion of construction or within six years of the date the original homeowner took possession of the residence.

(c) An investigation may be initiated upon receipt of a consumer complaint or may be initiated by the board. The board may resolve violations by agreement between the board and the licensee with or without the filing of a formal administrative summons and complaint.

(d) With the consent of the licensee, the board may conduct an informal hearing without meeting the requirements of the Administrative Procedure Act if no action is taken other than a reprimand, public or private.

(e) The charges, unless dismissed without hearing by the board as unfounded or trivial, shall be heard within three months after the filing of an administrative summons and complaint by the board's executive director.

(f) A copy of the charges, with notice of the time and place of the hearing, shall be served on the licensee charged at least 15 days before the hearing date.

(g) The licensee charged may appear personally and may be represented by counsel. He or she may cross-examine witnesses against him or her and may produce evidence and witnesses in his or her defense.

(h) If, after hearing, the board votes to revoke or suspend the license of, or impose a fine upon, the licensee charged on the basis of fraud or deceit in obtaining his or her license or gross negligence, incompetence, or misconduct in the practice of residential home building, a violation of this chapter or board rule, or a violation of the standards of practice, it shall so order, and the board may impose and collect the actual costs of the hearing.

(i) The licensee may, within 30 days from the date of receipt or service of the order, file with the board written notice of his or her intention to appeal from the order of the board. Appeals from orders of the board shall be to the circuit court with jurisdiction of the licensee's residence, or if the licensee is out of state, then to the Circuit Court of Montgomery County, for a determination by the court whether the decision of the board is supported by substantial evidence. If the court so finds, it shall affirm the action of the board.

(j) The board may issue a license to a licensee whose license has been revoked, and may reinstate a suspended license prior to the end of the suspension period, if four or more members of the board vote in favor of the issuance or reinstatement.

(k) In addition to any other disciplinary action authorized pursuant to this section, the board may require a licensee to successfully complete education requirements to be determined by the board for a violation of this chapter or a board rule.

(Acts 1992, No. 92-608, p. 1282, §8; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1.)

Section 34-14A-9 Roster of Licensees.

A complete roster of licensees shall be prepared and published annually by the board. (Acts 1992, No. 92-608, p. 1282, §9.)

Section 34-14A-10 Annual Report of Board.

The board shall annually submit to the Governor a report of its transactions for the preceding year. The board shall file with the Secretary of State a copy of the report submitted to the Governor. (Acts 1992, No. 92-608, p. 1282, §10.)

Section 34-14A-11 Promulgation of Rules and Regulations; Mailings.

(a) The board is authorized to promulgate rules and regulations necessary to effectuate the provisions of this chapter and accomplish its work. The rule-making powers of the board are subject to the Alabama Administrative Procedure Act as codified in Chapter 22 of Title 41.

(b) For the purposes of this chapter, any notice, application, or other document required herein which is mailed certified mail return receipt requested, shall be deemed to have been filed as of the date it is postmarked. The provisions of this subsection shall be retroactively effective to all mailings relating to board business occurring on or after May 21, 1992.

(Acts 1992, No. 92-608, p. 1282, §11; Acts 1997, No. 97-250, p. 457, §3.)

Section 34-14A-12 Standards of Practice; Building Laws and Codes..

(a) The board may establish or adopt residential building codes and standards of practice for residential home builders within the state. A residential building code or standard of practice adopted or established by the board does not supersede or otherwise exempt residential home builders from a local building law or code adopted by the governing body of a county or municipality or from a local or general law.

(b) The county commissions of the several counties may adopt building laws and codes by ordinance which shall apply in the unincorporated areas of the county. The building laws and codes of the county commission shall not apply within any municipal police jurisdiction, in which that municipality is exercising its building laws or codes, without the express consent of the governing body of that municipality. The building laws and codes of the county commission may apply within the corporate limits of any municipality with the express consent of the governing body of the municipality. The county commission may employ building inspectors to see that its laws or codes are not violated and that the plans and specifications for buildings are not in conflict with the ordinances of the county and may exact fees to be paid by the owners of the property inspected.

(c) Utilizing the same authority and procedures as municipalities pursuant to Sections 11-53A-20 to 11-53A-26, inclusive, the county commission may condemn buildings, parts of buildings, or structures dangerous to the public and prohibit the use thereof and abate the same as a nuisance.

(d) The county commissions, municipalities, and other public entities may enter into mutual agreements, compacts, and contracts for the administration and enforcement of their respective building laws and codes.

(Acts 1992, No. 92-608, p. 1282, §12; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2019-482, §1.)

Section 34-14A-13 Issuance of Permits.

It is the duty of the building official, or other authority charged with the duty, of issuing building or similar permits, of any incorporated municipality or subdivision of the municipality or county, to refuse to issue a permit for any undertaking which would require a license hereunder unless the applicant has furnished evidence that he or she is either licensed as required by this chapter or is exempt from the requirements of this chapter. The building official, or other authority charged with the duty of issuing building or similar permits, shall report to the board the name and address of any person who, has violated this chapter. Nothing contained herein shall require a builder to pay license fees for subcontractors who will be or were involved in the construction for which the permit is being obtained as a condition of the issuance of a building permit or the issuance of a certificate of occupancy. The builder shall submit to the issuing municipality if requested a list of the subcontractors with correct physical address and phone numbers involved in the construction project within 15 days of the issuance of the building permit. Should the builder add any other subcontractor to the project, the builder will submit the subcontractor's name, address, and phone number to the municipality within three working days of hiring. An updated list of subcontractors shall be furnished by the builder before the issuance of a certificate of occupancy by the municipality.

(Acts 1992, No. 92-608, p. 1282, §13; Acts 1997, No. 97-250, p. 457, §3; Act 2000-99, p. 121, §1.)

<u>Section 34-14A-14</u> Violations; Complaint Procedures.

(a) Except as provided in Section 13A-9-111.1, any person who undertakes or attempts to undertake the business of residential home building without holding a current and valid residential home builders license, issued by the Home Builders Licensure Board, as required by this chapter, or who knowingly presents to, or files false information with the board for the purpose of obtaining the license or who violates any law or code adopted by a county commission under this chapter shall be deemed guilty of a Class A misdemeanor.

(b) Upon notice from the board, any person who undertakes or attempts to undertake the business of residential home building without holding a current and valid residential home builders license, as required by this chapter, shall immediately cease. Such notice shall be in writing and shall be given to the owner of the property, or to his or her agent, or to the residential home builder, or to the person doing the work, and shall state the conditions under which work may be resumed.

(c) The board may invoke a complaint procedure against any person who violates this chapter by undertaking or attempting to undertake the business of home building without holding a current and valid residential home builders license issued by the board. Whenever it appears to the board that any residential home builder has violated or is about to violate this chapter, the board may resolve the violation by agreement with the residential home builder, may initiate a complaint against the residential home builder, and may levy and collect administrative fines for violations of this chapter or the rules of the board in an amount not to exceed five thousand dollars (\$5,000) for each violation.

(d) A residential home builder, who does not have the license required, shall not bring or maintain any action to enforce the provisions of any contract for residential home building which he or she entered into in violation of this chapter.

(e) Whenever it appears to the board that any residential home builder has violated or is about to violate this chapter, the board may in its own name petition the circuit court of the county where the violation occurred or is about to occur to issue a temporary restraining order or other appropriate injunctive relief enjoining the violation.

(Acts 1992, No. 92-608, p. 1282, §14; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1; Act 2021-272, §2.)

Section 34-14A-15 Recovery Fund.

(a) The board may establish a Homeowners' Recovery Fund for the purpose of consumer protection, consumer education, and consumer awareness. An aggrieved homeowner may recover actual economic damages, not including interest and court costs, sustained within the state as the direct result of conduct of a licensee in violation of this chapter or the rules of the board from the Homeowners' Recovery Fund. Any payments from the Homeowners' Recovery Fund shall be subject to the following limitations and conditions:

(1) The Homeowners' Recovery Fund shall make payments only to homeowners who file a complaint with the board pursuant to the requirements of subsection (b) of Section 34-14A-8.

(2) The Homeowners' Recovery Fund shall not make payments based on consent judgments.

(3) Failure of the homeowner to follow any provisions of this chapter shall preclude payment from the Homeowners' Recovery Fund.

(b) The board, by rule, shall determine the maximum amount of payment from the Homeowners' Recovery Fund for the following:

(1) Payments for claims based on judgments or settlements against any one licensee.

(2) Payments for claims arising out of the same transaction.

(c) Each licensee shall, on order of the board, pay a fee not to exceed sixty dollars (\$60), no more than once a year, per licensee for deposit in the Homeowners' Recovery Fund. A licensee on inactive status shall not be required to contribute to the Homeowners' Recovery Fund. The annual Homeowners' Recovery Fund fee shall be set by the board after considering all expenses incurred by the board in defending, satisfying, or settling any claims paid from the Homeowners' Recovery Fund. (d)(1) When a complaint is filed in a court of competent jurisdiction that may result in liability for the Homeowners' Recovery Fund, the complainant shall notify the board in writing, by certified mail, when the action is commenced.

(2) When the notice is received, the board may enter an appearance, file pleadings, appear at court hearings, and defend or take action it deems appropriate either on behalf and in the name of the defendant or in its own name. The board may seek any appropriate method of judicial review. The board may settle or compromise the claim. Any expenses incurred by the board in defending, satisfying, or settling any claim may be paid from the Homeowners' Recovery Fund.

(3) When a complainant obtains a valid judgment, excluding consent judgments, in a court of competent jurisdiction against a licensee, the aggrieved homeowner may, when the judgment is final, file a verified claim in the court in which the judgment was entered and, on 30 days' written notice to the board, may apply to the court for an order directing payment out of the Homeowners' Recovery Fund of the amount remaining unpaid on the judgment.

(4) The court shall proceed on such application and the complainant shall be required to show that: a. He or she is not the spouse, child, or parent of the debtor, or the personal representative of the spouse, child, or parent or a shareholder, officer, or director of the debtor.

b. He or she has obtained a judgment, as described in this section, stating the amount of the judgment and the amount owing on the judgment at the date of the application, and, that in such action, he or she had joined any and all bonding companies which issued corporate surety bonds to the judgment debtor as principal and all other necessary parties.

c. The following items, if recovered by him or her, have been applied to the actual compensatory damages awarded by the court:

1. Any amount recovered from the judgment debtor.

2. Any amount recovered from bonding companies.

3. Any amount recovered in out-of-court settlements.

(5) The court shall order the Homeowners' Recovery Fund to pay the sum it finds due, subject to the provisions and limitations of this section.

(e) In the event the board pays from the Homeowners' Recovery Fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the board may revoke the license of the licensee and may no longer recognize the experience and ability qualifications of the individual licensee or the qualifying representative of the licensee for licensing purposes. The board may refuse to issue a new license to the former licensee or to recognize the experience and ability qualifications of the individual former licensee or the former licensee's qualifying representative until the former licensee or the former licensee's qualifying representative has repaid in full, plus interest at the rate of 12 percent per annum, the amount paid from the Homeowners' Recovery Fund. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this section.

(f) If the balance in the Homeowners' Recovery Fund is insufficient to satisfy a duly authorized claim or portion of a claim, the board shall, when sufficient money has been deposited in the Homeowners' Recovery Fund, satisfy the unpaid claims in the order that the claims were filed.

(g) The sums received by the board, pursuant to the provisions of this section, shall be deposited into the State Treasury and held in a special fund to be known as the Homeowners' Recovery Fund, and shall be held by the board in trust for carrying out the purposes of the Homeowners' Recovery Fund. These sums may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the Homeowners' Recovery Fund shall be deposited into the Homeowners' Recovery Fund.

(h) When, on order of the court, the board has paid from the Homeowners' Recovery Fund any sum, the board shall be subrogated to all the rights of the judgment creditor, and all his or her rights, title, and interest in the judgment, to the extent of the amount paid from the Homeowners' Recovery Fund, shall be assigned to the board. Any amount and interest recovered by the board on the judgment shall be deposited into the Homeowners' Recovery Fund.

(i) The limitations and conditions of payment from the Homeowners' Recovery Fund, as established by Act 2002-72, shall not apply in any case where, prior to May 1, 2002, a complainant has obtained a valid judgment in a court of competent jurisdiction against a licensee on the grounds set out in this chapter.

(Acts 1992, No. 92-608, p. 1282, §15; Acts 1997, No. 97-250, p. 457, §3; Act 2002-72, p. 163, §1; Act 2006-105, p. 136, §1; Act 2018-143, §1.)

Section 34-14A-16 Applicability to Certain Counties.

Repealed by Act 2006-105, p. 136, §3, effective May 1, 2006. (Acts 1992, No. 92-608, p. 1282, §16; Act 2002-72, p. 163, §1.)

Section 34-14A-17 Sunset Provision.

The Home Builders Licensure Board shall be an enumerated board pursuant to Sections 41-20-1 through 41-20-16, and shall be reviewed at the same time as the State Board of Medical Examiners. *(Acts 1992, No. 92-608, p. 1282, §17.)*

Section 34-14A-18 Acquisition, etc. of Real Property; Property Acquisition Fund.

(a) The board may acquire and hold, in its own name, real property by purchase, gift, lease, lease with the option to purchase, or other lawful means, except eminent domain, which real property is used by the board to carry out its responsibilities. The board may also transfer, sell, convey, or cause to be conveyed real property and any improvements thereon, subject to the requirements of this section. In purchasing any real property, maintaining it, or making improvements thereto, the board may expend any funds contained in the Home Builders Property Acquisition Fund established by subsection (b), and any obligations created in connection with the purchase or improvement of the real property shall not create debts, obligations, or liabilities of the State of Alabama. As used in this section, real property shall include land, lots, and all things and interests, including leasehold interests, pertaining thereto, and all other things annexed or attached to the land which would pass to a vendee by conveyance of the land or lot, including mineral and gas and oil interests. All sales or leases made by the board of any real property owned or held by the board shall be subject to the requirements of Article 3, commencing with Section 9-15-70, Chapter 15, Title 9. Notwithstanding the foregoing, the proceeds from the sale of real property owned by the board which are distributed pursuant to Section 9-15-83, shall be paid to the board and deposited into the property acquisition fund.

(b) The board may establish a property acquisition fund, the proceeds from which may be used by the board for the acquisition of real property. Each licensee shall, on order of the board, pay a fee not to exceed sixty dollars (\$60), no more than once a year, per license for deposit in the property acquisition fund. A licensee on inactive status shall not be required to contribute to the property acquisition fund. (c) The funds received by the board pursuant to this section shall be deposited into the State Treasury and held in a special fund to be known as the Home Builders Property Acquisition fund. The funds so received may be invested by the State Treasurer in any investments which are legal under the laws of this state. Any interest or other income from investments of the property acquisition fund shall be deposited into the fund. At the end of each fiscal year, any unencumbered and unexpended balance of the amount appropriated for that fiscal year shall not revert to the State General Fund of the State Treasury under Section 41-4-93, but shall carry over to the next fiscal year. (*Act 2006-105, p. 136, §2.*)

Section 34-14A -19 Proof of Liability Insurance Prior to Construction.

Prior to the commencement of residential home building by a residential home builder, the residential home builder shall disclose in writing to the homeowner whether the residential home builder has obtained and is currently maintaining liability insurance. The written disclosure shall be signed by the residential home builder and the homeowner, and attested by one witness selected by the homeowner. Failure of a residential home builder to comply with this section is a violation of this chapter and punishable by the board pursuant to Section 34-14A-8. (Act 2018-398, §1.)

<u>Section 34-14A -20</u> Alabama Construction Trade Academy Fund; Alabama Construction Trade Advisory Council, Applications for Funding; Program Guidelines.

(a) The Alabama Construction Trade Academy Fund is established in the State Treasury. The fund shall be comprised of federal, state, and private funding through direct budgetary funding and grants for the expansion of construction trade education. To the extent practicable, monies in the fund shall be used to leverage other forms of funding from private sources. A percentage of matching funds, as established by the advisory council, must come from private, non-governmental sources. The board may not use more than 15 percent of the monies in the fund for administrative and operational costs incurred in the implementation and administration of this section.

(b) The board, in cooperation with public and private sector partners, shall establish a program to provide funding mechanisms for tool grants, program incentives, supplies, mobile facilities, and other programs to support the development and continuation of construction trade education programs in the state.

(c) The board shall administer the program and shall apply for funds from federal grant programs and other applicable funding sources authorized by law.

(d)(1) The Alabama Construction Trade Advisory Council is established. The advisory council shall consist of the following members:

a. One member appointed by and currently serving on the Home Builders Licensure Board.

b. One member appointed by and currently serving on the State of Alabama Plumbers and Gas Fitters Examining Board.

c. One member appointed by and currently serving on the Licensing Board for General Contractors.

d. One member appointed by and currently serving on the State Board of Heating, Air Conditioning, and Refrigeration Contractors.

e. One member appointed by and currently serving on the Alabama Board of Electrical Contractors.

f. One appointee of the State Department of Education who specializes in technical trade education.

g. One appointee of the Alabama Community College System who specializes in technical trade education.

(2) Members of the advisory council shall be appointed for a period of one year. Membership on the advisory council shall be without compensation, except for reimbursement of necessary travel expenses as is paid to state employees for attending meetings and other necessary events of the advisory council. Any expenses paid to a member of the advisory council shall be paid by the member's appointing authority.

(e) The advisory council shall make recommendations to the board, and the board shall establish program guidelines, promote the program statewide, evaluate applications for funds, distribute funds, and monitor and report the effect of the funding on the availability of construction trade education. The board may adopt rules to implement and administer this section.

(f) The advisory council shall recommend and the board shall establish monitoring and accountability mechanisms for projects receiving funding. Not later than the fifth legislative day of each regular legislative session, the board shall file a report to the Legislature on the projects funded, the geographic distribution of projects funded, the private sector participation rates in funded projects, the administrative costs of the program, and the outcomes of the program, including the number of students and adult learners trained by each project funded through the program.

(g) The advisory council shall recommend and the board shall create eligibility guidelines and provide project funding through an application process. Projects eligible for funding include the following:

(1) Mobile demonstration units that show the various systems of a structure and how they interconnect.

(2) Tool and supply grants for public and private educational providers that provide construction trade education.

(3) Incentives for newly established construction trade education courses, with priority given to carpentry courses.

(4) Adult education initiatives that provide continued learning opportunities through mobile training facilities or distance learning opportunities with priority focus on those serving underserved areas and widely offered trainings.

(5) Any other proposal that in the opinion of the board would address the need for construction trade education in the state.

(h) An applicant may be a nonprofit organization, not-for-profit entity, public school system, twoyear college, university, or other governmental entity. An applicant for funding shall do all of the following:

(1) Demonstrate its capacity to successfully implement the proposal.

(2) Demonstrate how the proposal shall positively impact construction trade education in the state.

(3) Demonstrate private sector support through matching funding.

(4) Establish an advisory council consisting of at least three active trade representatives from the construction trade being funded.

(5) For a period of not less than five years, agree to comply with the following conditions:

a. Offer the courses funded through this section for a period of not less than five years.

b. Comply with all data collection and reporting requirements established by the board.

(i) In determining which qualified projects to fund, the board shall consider all of the following factors:

(1) The level of private sector support for the project.

(2) The level of need in the area in which the funding is directed.

(3) The projected number of students that will be served.

(4) The degree to which the project will have a positive impact on the availability of construction trade education in the area to be served.

(5) The degree to which the project will leverage public and private sector funds.

(j) The board shall establish program guidelines that require matching funds on all funded projects.

A minimum of 10 percent of matching funds shall be provided by private, non-governmental sources. Total matching funds required may not be required to exceed 25 percent of awarded state funds, although additional consideration may be provided to projects that exceed this amount.

(k) In the event that a recipient of funding provided by this section fails to provide the proposed project in accordance with the guidelines set forth by the board, any equipment, supplies, or materials acquired with the funding shall be transferred to the Alabama Home Builders Foundation for redistribution to public or private programs that provide construction trade education to high school, postsecondary, or adult learners supported by this section.

(1) Any and all proceeds from the sale of equipment, supplies, or materials acquired through academy funding shall go into the fund.

(Act 2019-482, §2.)

Appendix II: Legislation Not Yet Codified HB198 ENROLLED

ACT #2024 - 44



- 1 HB198
- 2 TMLF199-2

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- 3 By Representative Brown
- 4 RFD: County and Municipal Government
- 5 First Read: 20-Feb-24



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Enrolled, An Act,

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Relating to building codes; to designate Sections 3 4 34-14A-1 through 34-14A-20 as Article 1 of Chapter 14A of 5 Title 34, Code of Alabama 1975; to amend Sections 34-14A-1, 34-14A-2, 34-14A-7, 34-14A-12, and 34-14A-20, Code of Alabama 6 7 1975, to provide for the establishment of the Alabama 8 Residential Building Code and its authority; to further 9 provide for the practice of residential home building; to further provide for the duties of the Home Builders Licensure 10 11 Board; to add Sections 34-14A-12.1 and 34-14A-12.2 to the Code 12 of Alabama 1975, to add Article 2, commencing with Section 34-14A-41, to Chapter 14A of Title 34, Code of Alabama 1975, 13 to establish the Alabama Residential Building Code Division 14 15 within the Home Builders Licensure Board and provide for its 16 duties; to establish the Alabama Residential Building Code 17 Fund in the State Treasury and provide for its administration; 18 to add Article 3, commencing with Section 34-14A-80, to Chapter 14A of Title 34, Code of Alabama 1975, to establish 19 20 the Alabama Residential Building Code Advisory Council and 21 provide for its membership and duties; to add Article 3, 22 commencing with Section 34-8-80, to Chapter 8 of Title 34, 23 Code of Alabama 1975, to establish the Alabama Commercial 24 Energy Code Advisory Committee within the State Licensing 25 Board for General Contractors and provide for its membership and duties; to repeal Article 5, commencing with Section 26 41-23-80, of Chapter 23, Title 41, Code of Alabama 1975, 27 28 relating to the Alabama Energy and Residential Codes Board

HB198 Enrolled



29 within the Alabama Department of Economic and Community 30 Affairs; and to provide requirements for certain local building codes adopted or amended after a date certain. 31 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA: 32 Section 1. Sections 34-14A-1 through 34-14A-20 are 33 34 designated as Article 1 of Chapter 14A, Title 34, Code of 35 Alabama 1975. Section 2. Sections 34-14A-1, 34-14A-2, 34-14A-7, 36 37 34-14A-12, and 34-14A-20, Code of Alabama 1975, are amended to 38 read as follows: 39 "§34-14A-1 (a) In the interest of the public health, safety, 40 welfare, and consumer protection, and to regulate the home . 41 42 building and private residence construction industry, the 43 purpose of this chapter, and the intent of the Legislature in passing it risto: 44 45 (1) To provide for the licensure of those persons who 46 engage in home building, private residence construction, and 47 home improvement industries, including remodeling, and te. 48 provide-home-building-standards-49 (2) To establish an Alabama Residential Building Code. 50 (3) To provide guidance, assistance, promotion, and 51 support for code inspections of residential construction.and 52 50 53 (4) To support education within the construction trades 54 and construction inspections in the State of Alabama. 55 (b) The Legislature recognizes that the home building 56 and home improvement construction industries are significant

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57	industries . Home builders may pose significant and that
58	significant harm to the public may result from the provision
59	of_when-unqualified, incompetent, or-dishonest-home-buildere
60	and remodelers provide inadequate, unsafe, or inferior
61	building services by unqualified, incompetent, or dishonest
62	home builders and remodelers. The Legislature finds it
63	necessary to regulate the residential home building and home
64	improvement industries."
65	"§34-14A-2
66	As used in this chapter, the following terms shall have
67	the following meanings, respectively, unless the context
68	clearly indicates otherwise:
69	(1) ADVERTISING. Engaging or offering to engage in any
70	acts or services as a residential home builder by the act or
71	practice of offering for sale professional services by
72	promoting those services through print, radio or television
73	media, on billboards, through social media, through
74	promotional sponsorships, on vehicles, by the placement of
75	signs in front of ongoing or completed worksites, or by
76	displaying credentials, including licensure, to perform
77	residential home building.
78	(2) ALABAMA RESIDENTIAL BUILDING CODE. The code adopted
79	by the board, as amended by the board, and based on a
80	published edition of the International Residential Code, and
81	the residential chapters of a published edition of the
82	International Energy Conservation Code.
83	(3) APPLICABLE RESIDENTIAL BUILDING CODE. The Alabama
84	Residential Building Code or a local residential building code

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85	adopted by a county or municipality, pursuant to this chapter,
86	where the construction, renovation, or repairs will take
87	place.
88	(1)-ADVISORY-COUNCIL. The Alabama-Construction-Trade
89	Advisory Council.
90	(2) (4) BOARD. The Home Builders Licensure Board.
91	(3)(5) COST OF THE UNDERTAKING. The total cost of the
92	materials, labor, supervision, overhead, and profit.
93	(6) COUNCIL. The Alabama Residential Building Code
94	Advisory Council.
95	(7) DIVISION. The Alabama Residential Building Code
96	Division.
97	(4) (8) HOMEOWNER. A person who owns and resides in or
98	intends to reside in a structure constructed or remodeled by a
99	licensee of the board, or who contracts with a licensee for
100	the purchase, construction, repair, improvement, or
101	reimprovement of a structure to be used as a residence.
102	(5) (9) IMPROVEMENT. Any site-built addition or
103	enhancement attached to or detached from a residence or
104	structure for use and enjoyment by the homeowner.
105	(6) (10) INACTIVE LICENSE. A license issued at the
106	request of a licensee, or a building official or a building
107	inspector, that is renewable, but that is not currently valid.
108	(7) (11) LICENSE. Any license issued by the board
109	pursuant to this chapter.
110	(3) (12) LICENSEE. A holder of any license issued
111	pursuant to this chapter.
112	(9)(13) PERSON. Any-natural-person_individual, limited

Page 4



113 or general partnership, corporation, association, limited 114 liability company, or other legal entity, or any combination 115 thereof.

116 (10) (14) QUALIFYING REPRESENTATIVE. The individual 117 designated by a general partnership, limited partnership, 118 corporation, limited liability company, or not-for-profit 119 organization applying for a license who either holds'a license 120 individually or meets the experience and ability requirements 121 for licensure, and who is one of the following:

a. A general partner in the case of any partnership.
b. An officer in the case of a corporation.
c. A member in the case of a member-managed limited

124. C. A member in the case of a member-managed limited 125 liability company.

d. A manager in the case of a manager-managed limitedliability company.

e. An individual who is affiliated with one of the
 member entities of a limited liability company and who has
 been identified and authorized through the operating agreement
 to manage day-to-day operations as it relates to operations of
 the limited liability company for purposes of licensure.

133 (11)(15) RESIDENCE. A single unit providing complete 134 independent residential living facilities for one or more 135 persons, including permanent provisions for living, sleeping, 136 .eating, cooking, and sanitation.

137 (12)(16) RESIDENTIAL HOME BUILDER. A person who 138 constructs a residence or structure for sale or who, for a 139 fixed price, commission, fee, or wage, undertakes or offers to 140 undertake the construction or superintending of the

Page 5



construction, or who manages, supervises, assists, or provides 141 142 consultation to a homeowner regarding the construction or 143 superintending of the construction, of any residence or 144 structure that is not over three floors in height and that 145 does not have more than four residential units, or the repair, 146 improvement, or reimprovement thereof, to be used by another 147 as a residence when the cost of the undertaking exceeds ten 148 thousand dollars (\$10,000). Notwithstanding the foregoing, the 149 term includes a residential roofer when the cost of the undertaking exceeds two thousand five hundred dollars 150 151 (\$2,500). Nothing herein shall prevent any person from performing these acts on his or her own residence or on his or 152 153 her other real estate holdings. Anyone who engages or offers 154 to engage in any acts described in this subdivision, through advertising or otherwise, shall be deemed to have engaged in 155 156 the business of residential home building.

157 (13) (17) RESIDENTIAL ROOFER. A person who installs 158 products or repairs surfaces on the external upper covering of 159 a residence or structure that seals, waterproofs, or 160 weatherproofs the residence or structure.

161 (14)(18) STRUCTURE. A residence on a single lot, 162 including a site-built home, a condominium, a duplex or 163 multi-unit residential building consisting of not more than 164 four residential units, or any improvement thereto.

165 (15) (19) TRANSACTION. The act of entering into a 166 contract with a licensee to engage in the business of 167 residential home building."

168 "\$34-14A-7



169 (a) Any residential home builder who desires to receive 170 a new or renewal license under this chapter shall make and 171 file with the board 30 days prior to the next meeting of the 172 board a written application on a form prescribed by the board. 173 Each applicant shall be a citizen of the United States or, if 174 not a citizen of the United States, a person who is legally 175 present in the United States with appropriate documentation 176 from the federal government. Such The application shall be 177 accompanied by the payment of the annual license fee required by the board. After the board accepts the application, the 178 179 applicant may be examined by the board at its next meeting. 180 The board, in examining the applicant, shall consider the 181 following qualifications of the applicant:

182 (1) Experience.

183 (2) Ability.

184 (3) Character.

185

(4) Business-related financial condition.

a. The board may require a financial statement on a
form prescribed by the board and a public records search
directly from a credit reporting agency.

b. The board may require a positive net worth or other evidence of business-related financial condition sufficient to reasonably satisfy the board of the applicant's financial responsibility.

193 c. The board may require that business-related 194 judgments, judgment liens, and other perfected liens must be 195 satisfied and released.

196

d. Any information obtained by the board pursuant to



197 this subsection relating to the financial condition of an 198 applicant shall not be public information.

199 (5) Ability and willingness to serve the public and200 conserve the public health and safety.

201 (6) Any other pertinent information the board may202 require.

(b) (1) If the board finds the applicant qualified to engage in residential home building in Alabama, the applicant shall be issued a license. An applicant rejected by the board shall be given an opportunity to be reexamined after a new application has been filed and an additional application fee paid.

209 (2) A record shall be made and preserved by the board
210 of each examination and the findings of the board pertaining
211 to the examination. A copy of the record shall be made
212 available to any applicant requesting it upon the payment of a
213 reasonable fee to the board.

214 (c) The board, by rule, may require proof of and 215 maintenance of insurance as a qualification for licensure.

(d) The board, by rule, may establish or adopt, or both, education requirements and may approve, administer, or financially support the program or programs providing residential construction education.

(e) (1) Each licensee shall notify the board within 10 days after notice of the institution of any criminal prosecution against him or her. The notification shall be in writing, by certified mail, and shall include a copy of the specific charge made together with a copy of the indictment,



225 information, or complaint, affidavit, and warrant making the 226 charges.

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(2) Each licensee shall notify the board in writing by certified mail within 10 days after he or she receives the notice that any criminal verdict has been rendered against him or her, or that a criminal action pending against him or her. has been dismissed.

(f) Each licensee shall <u>utilize</u> <u>use</u> a valid written contract when engaging in the business of residential home building. <u>In addition to any other requirements provided by</u> <u>law, the contract shall contain the licensee's license number</u> <u>issued by the board.</u>

237 (g) Whenever a licensee engages in advertising, the
 238 licensee shall ensure that the licensee's valid license number
 239 issued by the board is displayed.

240 (g) (h) When any residential home building to be 241 performed will comply with a program designed to enhance the 242 resiliency of the structure beyond the requirements of the 243 applicable building codes, the licensee shall disclose this 244 compliance to the homeowner in writing prior to the 245 commencement of the residential home building.

(h)-(1)-(i) (1) Any licensee who desires to receive an inactive license shall make and file with the board a written application for an inactive license on a form prescribed by the board prior to the expiration of his or her current license. The application shall be accompanied by the payment of the annual inactive license fee required by the board. No act for which a license is required may be performed under an



253 inactive license. In the event a person holding a current 254 inactive license applies for a license, he or she may rely 255 upon his or her inactive license as evidence of the experience 256 and ability requirements for licensure under subdivisions (1) 257 and (2) of subsection (a).

(2) A person holding an expired license who seeks to reactivate his or her license within three years of the date of expiration shall be deemed to have satisfied the experience and ability requirements for licensure if application is made within the three-year time period and all other licensing requirements pursuant to subsection (a) have been met.

264 (3) Any building official or building inspector who 265 desires to receive an inactive license shall make and file 266 with the board 30 days prior to the next meeting of the board 267 a written application for an inactive license on a form prescribed by the board. After the board accepts the 268 269 application; the applicant may be examined by the board at its 270 next board meeting. The board, in examining the applicant, 271 shall consider the following qualifications of the applicant 272 as satisfying the experience and ability requirements for 273 licensure:

a. That the building inspector is an employee of the
United States, the State of Alabama, or any municipality,
county, or other political subdivision and, by virtue of that
employment, is exempted or prohibited by law from holding a
license; and

279 b. That the building inspector does any of the280 following:

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281	1. Maintains current certification from the Southern
282	Building Code Congress International as one of the following:
283	(i) Chief building official.
284	(ii) Deputy building official.
285	(iii) Building inspector.
286	(iv) Housing inspector.
287	(v) Design professional.
288	(vi) Plan reviewer.
289	2. Maintains current certification from the
290	International Code Council as one of the following:
291	(i) Certified building official.
292	(ii) Building inspector.
293	(iii) Residential building inspector.
294	(iv) Property maintenance and housing inspector.
295	(v) Building plans examiner.
296	(vi) Design professional.
297	3. Possesses sufficient building qualifications and
298	experience to receive a license, as demonstrated by
299	satisfactory evidence presented to the board.
300	(4) In the event a building official or building
301	inspector holding a current inactive license applies for a
302	license, he or she may rely upon his or her inactive license .
303	as evidence of the experience and ability requirements for
304	licensure under subdivisions (1) and (2) of subsection (a)."
305	"\$34-14A-12
306	-{a}-The-beard-may-establish-or-adept-residential
307	building codes and standards of practice for residential home
308	builders-within-the-state. A-residential-building-code-or

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309	standard-of-practice-adopted-or-established-by-the-board-does
310	not-supersede-or-otherwise-exempt-residential-home-builders
311	from-a-local-building-law-or-ecde-adopted-by-the-governing
312	body-of-a-county-er-municipality-or-from-a-local-er-general
313	$\frac{1}{22}$
314	(a) The board shall have the sole authority to adopt
315	the following codes:
316	(1) The Alabama Residential Building Code, which shall
317	apply to all construction and improvements governed by this
318	chapter.
319	(2) The Alabama Residential Energy Code, which shall
320	apply to all residential construction and improvements.
321	(b)(1) The Alabama Residential Building Code shall be
322	enforced by local jurisdictions that have permitting and
323	inspection programs for residential construction and
324	improvements that are adhered to by residential home builders.
325	The Alabama Residential Building Code shall not supersede any
326	local residential building code adopted by any county or
327	municipality in effect on January 1, 2027.
328	(2) The Alabama Residential Energy Code shall be
329	enforced by local jurisdictions that have adopted energy code
330	provisions for residential and commercial construction and
331	improvements. Provided however, provisions adopted by local
332	jurisdictions may not exceed those contained within the
333	Alabama Residential Energy Code.
334	(3) A local building code adopted by any county or
335	municipality after January 1, 2027, shall meet the minimum
336 -	standards of the Alabama Residential Building Code and the

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337	Alabama Residential Energy Code in effect at the time of the
338	local building code adoption. The local building code may
339	amend the standards as local conditions require, but no such
340	adoption or amendment shall exceed the provisions of the
341	Alabama Residential Energy Code unless local conditions or
342	compliance with any federal mandate requires such adoption.
343	(4) Notwithstanding any other provision of law to the
344	contrary, the Alabama Residential Building Code does not apply
345	to any agricultural building except for any residence
346	contained therein.
347	(c) (1) The county commissions of the several
348	eounties A county commission, by resolution, may adopt
349.	building laws and codes by-ordinance-which-that shall apply in
350	the unincorporated areas of the county. The county commission
351	shall provide a copy of any resolution adopted pursuant to
352	this subsection to the board within 10 business days of
353	adopting the resolution.
354	(2) A local building law or code adopted pursuant to
35 5	this subsection may not take effect until 120 days after the
356	resolution was adopted; provided, in the case of an insurance
357	claim requiring work and activities for which a license is
358	required by this chapter, the effective date for the building
359	law or code shall be the date of adoption by the local
360	jurisdiction.
361	(3) The-building-laws-and-codes-of-the-county
362	commission-shall-not-apply-within-any-municipal-police
363	jurisdiction, in which that municipality is exercising its
364	building-laws-or-codes, without-the-express-consent-ef-the

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365 governing body of that municipality. The building laws and 366 codes of the county commission may be enforced within a 367 municipality's police jurisdiction outside of the 368 municipality's corporate limits as provided in Section 369 11-40-10(b)(2). The building laws and codes of the county 370 commission may apply within the corporate limits of any municipality only with the express consent of the governing 371 372 body of the municipality.

373 <u>(4)</u> The county commission may employ building 374 inspectors to see that its laws or codes are not violated and 375 that the plans and specifications for buildings are not in 376 conflict with the <u>ordinances</u>laws and codes of the county and 377 may exact fees to be paid by the owners of the property ' 378 inspected.

379 (5) The county commission, by resolution, may 380 discontinue its administration and enforcement of the building 381 laws and codes. However, the discontinuation shall not take 382 effect until 120 days after the resolution was adopted. The 383 county commission shall provide a copy of the resolution to 384 the board within 10 business days of adopting the resolution.

385 (c) (d) Utilizing the same authority and procedures as 386 municipalities pursuant to Sections 11-53A-20 to 11-53A-26, 387 inclusive, the county commission may condemn buildings, parts 388 of buildings, or structures dangerous to the public and 389 prohibit the use thereof and abate the same as a nuisance.

390 (d) (e) The county commissions, municipalities, and 391 other public entities may enter into mutual agreements, 392 compacts, and contracts for the administration and enforcement

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393	of their respective building laws and codes. A county
394	commission or municipality shall provide a copy of the mutual
395	agreement, compact, or contract to the board within 10
396	business days of its execution.
397	(f) A county commission or municipality shall provide
398	to the board a copy of any resolution, ordinance, or agreement
399	adopted pursuant to Section 11-40-10(b)(2) within 10 business
400	days of its adoption.
401	(g) Nothing in this section shall be construed to
402	restrict the power of any county or municipality to adopt and
403	enforce local building laws or codes that either comply with
404	or exceed the minimum standards of the Alabama Residential
405	Building Code; provided the local laws or codes are adopted or
406	amended in accordance with this chapter."
407	"\$34-14A-20
408	(a) The Alabama Construction Trade Academy Fund is
409	established in the State Treasury. The fund shall be comprised
410	of federal, state, and private funding through direct
411	budgetary funding and grants for the expansion of construction
412	trade education. To the extent practicable, monies in the fund
413	shall be used to leverage other forms of funding from private
414	sources. A percentage of matching funds, as established by the
415	advisory council, must come from private, non-governmental
416	sources. The board may not use more than 15 percent of the
417	monies in the fund for administrative and operational costs
418	-
	incurred in the implementation and administration of this
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	incurred in the implementation and administration of this



421 (b) The board, in cooperation with public and private 422 sector partners, shall establish a program to provide funding 423 mechanisms for tool grants, program incentives, supplies, 424 mobile facilities, and other programs to support the 425 development and continuation of construction trade education 426 programs in the state. 427 (c) The board shall administer the program and shallmay 428 apply for funds from federal grant programs and other 429 applicable funding sources authorized by law. 430 (d) (1) The Alabama Construction Trade Advisory Council 431 is established. The advisory council shall consist of the following members: 432 433 a. One member appointed by and currently serving on the Home Builders Licensure Board. 434 435 b. One member appointed by and currently serving on the 436 State of Alabama Plumbers and Gas Fitters Examining Board. 437 c. One member appointed by and currently serving on the 438 State Licensing Board for General Contractors. 439 d. One member appointed by and currently serving on the 440 State Board of Heating, Air Conditioning, and Refrigeration 441 Contractors. 442 e. One member appointed by and currently serving on the 443 Alabama Board of Electrical Contractors. f. One appointee of the State Department of Education 444 445 who specializes in technical trade education. 446 g. One appointee of the Alabama Community College System who specializes in technical trade education. 447 448 (2) Members of the advisory council shall be appointed



for a period of one year. Membership on the advisory council shall be without compensation, except for reimbursement of necessary travel expenses as is paid to state employees for attending meetings and other necessary events of the advisory council. Any expenses paid to a member of the advisory council shall be paid by the member's appointing authority.

(e) The advisory council shall make recommendations to
the board, and the board shall establish program guidelines,
promote the program statewide, evaluate applications for
funds, distribute funds, and monitor and report the effect of
the funding on the availability of construction trade
education. The board may adopt rules to implement and
administer this section.

(f) The advisory council shall recommend and the board 462 463 shall establish monitoring and accountability mechanisms for 464 projects receiving funding. Not later than the fifth 465 legislative day of each regular legislative session, the board 466 shall file a report to the Legislature on the projects funded, 467 the geographic distribution of projects funded, the private 468 sector participation rates in funded projects, the 469 administrative costs of the program, and the outcomes of the program, including the number of students and adult learners 470 471 trained by each project funded through the program.

(g) The advisory council shall recommend and the board shall create eligibility guidelines and provide project funding through an application process. Projects eligible for funding include the following:

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(1) Mobile demonstration units that show the various



477 systems of a structure and how they interconnect. 478 (2) Tool and supply grants for public and private 479 educational providers that provide construction trade 480 education. 481 (3) Incentives for newly established construction trade 482 education courses, with priority given to carpentry courses. 483 (4) Adult education initiatives that provide continued learning opportunities through mobile training facilities or 484 485 distance learning opportunities with priority focus on those 486 serving underserved areas and widely offered trainings. 487 (5) Any other proposal that in the opinion of the board 488 would address the need for construction trade education in the 489 state. 490 (h) An applicant may be a nonprofit organization, 491 not-for-profit entity, public school system, two-year college, 492 university, or other governmental entity. An applicant for 493 funding shall do all of the following: 494 (1) Demonstrate its capacity to successfully implement 495 the proposal. 496 (2) Demonstrate how the proposal shall positively 497 impact construction trade education in the state. 498 (3) Demonstrate private sector support through matching 499 funding. 500 (4) Establish an advisory council consisting of at 501 least three active trade representatives from the construction 502 trade being funded. (5) For a period of not less than five years, agree to 503. 504 comply with the following conditions:

Page 18



a. Offer the courses funded through this section for a 505 506 period of not less than five years. 507 b. Comply with all data collection and reporting 508 requirements established by the board. 509 (i) In determining which qualified projects to fund, 510 the board shall consider all of the following factors: 511 (1) The level of private sector support for the 512 project. 513 (2) The level of need in the area in which the funding 514 is directed. (3) The projected number of students that will be 515 served. 516 517 (4) The degree to which the project will have a positive impact on the availability of construction trade 518 519 education in the area to be served. (5) The degree to which the project will leverage 520 521 public and private sector funds. 522 (j) The board shall establish program guidelines that 523 require matching funds on all funded projects. A minimum of 10 524 percent of matching funds shall be provided by private, 525 non-governmental sources. Total matching funds required may 526 not be required to exceed 25 percent of awarded state funds, 527 although additional consideration may be provided to projects 528 that exceed this amount.

(k) In the event that a recipient of funding provided by this section fails to provide the proposed project in accordance with the guidelines set forth by the board, any equipment, supplies, or materials acquired with the funding

Page 19



533 shall be transferred to the Alabama Home Builders Foundation 534 for redistribution to public or private programs that provide 535 construction trade education to high school, postsecondary, or 536 adult learners supported by this section.

537 (1) Any and all proceeds from the sale of equipment,
538 supplies, or materials acquired through academy funding shall
539 go into the fund."

540 Section 3. Sections 34-14A-12.1 and 34-14A-12.2 are 541 added to the Code of Alabama 1975, to read as follows:

542 §34-14A-12.1

Beginning January 1, 2027, a residential home builder within this state who constructs, renovates, or repairs a residence or structure shall do so in accordance with the applicable residential building code adopted pursuant to Section 34-14A-12 or, if applicable, the local jurisdiction's residential building code.

549 \$34-14A-12.2

(a) Beginning on October 1, 2024, the Home Builders 550 551 Licensure Board and any other state, municipal, or county 552 governing body may not adopt or amend a building code, 553 ordinance, resolution, or rule that would restrict a 554 consumer's ability to elect to install, by the consumer's 555 choice and for a fee, or require the installation of, a 556 residential fire sprinkler system in any residence or structure as defined by this chapter. 557

(b) Notwithstanding subsection (a), a county commission
or municipal governing body that adopted any ordinance,
resolution, or other building code on or before March 9, 2010,



561 relating to the installation of a residential fire sprinkler 562 system, may continue to enforce or amend the ordinance, 563 resolution, or building code. 564 Section 4. Article 2, commencing with Section 565 34-14A-41, is added to Chapter 14A of Title 34, Code of 566 Alabama 1975, to read as follows: 567 Article 2. 568 \$34-14A-41 (a) (1) The Alabama Residential Building Code Division 569 570 is established within the Home Builders Licensure Board. The 571 executive director of the board may employ staff as necessary to carry out the duties of the division. 572 573 (2) The board may coordinate with the state energy office to identify and apply for funds from federal grant 574 programs and other applicable funding sources authorized by 575 576 law. (b) The division shall be responsible for taking action 577 upon any and all recommendations made by the Alabama 578 579 Residential Building Code Advisory Council and ratified by the 580 board for the furtherance of its statutory purpose. 581 §34-14A-42 582 The executive director of the board may employ staff necessary to carry out the duties of the division, including a 583 584 division administrator, programs support personnel, 585 administrative support personnel, and any other personnel 586 necessary to carry out the statutory purpose of the division for the administration and implementation of the Alabama 587 588 Residential Building Code.



589 §34-14A-43

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(a) The division shall use funds distributed to the
Alabama Residential Building Code Fund for the purpose of
administering the Alabama Residential Building Code.

(b) Subject to availability of funds and upon request from a local jurisdiction, the division shall provide matching funds to local jurisdictions that have also applied for funds from federal grant programs and other applicable funding sources authorized by law to support local adoption and implementation of the Alabama Residential Building Code.

(c) The division shall work with the State Energy
Office to ensure that all applicable federal regulations
regarding the residential energy code are met.

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\$34-14A-44

(a) The Alabama Residential Building Code Fund is
established within the State Treasury. The fund shall be
administered by the board for the administration and operation
of the division.

607 (b) Receipts deposited into the fund shall be disbursed 608 only by warrants of the state Comptroller drawn upon the State 609 Treasury on itemized vouchers approved by the executive 610 director of the board.

611 (c) No funds shall be withdrawn or expended except as 612 budgeted and allotted according to Sections 41-4-80 to 613 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and 614 only in amounts as stipulated in the general appropriations 615 act, other appropriation acts, or this section.

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(d) At the end of each fiscal year, any unencumbered



617 balance of up to 25 percent of the amount appropriated for that fiscal year shall not revert to the State General Fund 618 under Section 41-4-93, but shall carry over to the next fiscal 619 year within the Alabama Residential Building Code Fund, and 620 621 any unencumbered balance over 25 percent of the amount 622 appropriated for that fiscal year shall revert to the State 623 General Fund. 624 Section 5. Article 3, commencing with Section 625 34-14A-80, is added to Chapter 14A of Title 34, Code of Alabama 1975, to read as follows: 626 Article 3. 627 628 * §34-14A-80 629 (a) The Alabama Residential Building Code Advisory Council is established. 630 631 (b) The council shall consist of the following members: (1) The State Fire Marshal, or his or her designee. 632 633 (2) The Director of the Emergency Management Agency, or 634 his or her designee. 635 (3) The Executive Director of the Home Builders 636 Licensure Board, or his or her designee. 637 (4) One member appointed by the Home Builders Licensure 638 Board. 639 (5) One member appointed by the State Board of Heating, 640 Air Conditioning, and Refrigeration Contractors. 641 (6) One member appointed by the State of Alabama 642 Plumbers and Gas Fitters Examining Board. (7) One member appointed by the Governor to represent 643 644 the private, investor-owned, electric utility industry.



(8) One member appointed by the Governor to represent 645 646 the natural gas industry. 647 (9) One member appointed by the Governor to represent the property and casualty insurance industry. 648 649 (10) One member appointed by the Governor to represent 650 the consumers of the state. 651 (11) One member appointed by the American Council of 652 Engineering Companies of Alabama. 653 (12) One member appointed by the Alabama League of 654 Municipalities. 655 (13) One member appointed by the Association of County Commissions of Alabama. 656 657 (14) One member appointed by the Alabama Council of the 658 American Institute of Architects. 659 (15) One member appointed by the Home Builders Association of Alabama. 660 661 (16) One member appointed by the Code Officials 662 Association of Alabama. 663 (17) One member appointed by the Alabama Rural Electric 664 Association of Cooperatives. 665 (c) Membership of the council shall be inclusive and 666 reflect the racial, gender, geographic, urban, rural, and 667 economic diversity of the state. 668 (d) The initial appointments shall begin January 1, 669 2025. Appointments shall be for a term of six years. Each 670 appointee may be reappointed for one second six-year term. Each of the appointed members of the council shall be 671 672 appointed for a six-year term and may be reappointed for a



673 second six-year term.

674 §34-14A-81

(a) The first meeting of the council shall be called by
the executive director of the Home Builders Licensure Board no
later than March² 1, 2025. The executive director shall preside
until a chair and a vice chair are selected by the council.
The council shall elect from its own members a chair, a vice
chair, and other officers as it may deem desirable.

681 (b) The council shall hold meetings at the call of the 682 chair of the council to propose a recommended Alabama 683 Residential Building Code to the Home Builders Licensure 684 Board. Thereafter, the council shall meet from time to time, 685 at the call of the chair of the council or at the request of 686 the executive director of the board, to consider updates and 687 amendments to the code. Meetings shall be held at a time and 688 place as designated or specified in its rules.

689 (c) A majority of the members of the council shall 690 constitute a quorum at all of its meetings, and adoption or 691 resolution of any business shall require the concurrence of a 692 majority of all members of the council. An agenda for the 693 meetings in sufficient detail to indicate the terms on which 694 final action is contemplated shall be submitted by the 695 administrator to the chair, vice chair, and council members 696 prior to the meeting.

697 (d) All meetings of the council shall be held in
698 accordance with the Alabama Open Meetings Act, Chapter 25A of
699 Title 36.

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(e) The administrator of the Alabama Residential



701 Building Code Division shall serve as ex officio secretary of 702 the council, keep a record of the proceedings of all council 703 meetings, and perform other duties as may be directed by the 704 council.

(f) The council may establish committees among its membership, as it deems necessary, to assist in the conduct of its business.

708 §34-14A-82

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(a) By October 1, 2025, the council shall submit to the
Home Builders Licensure Board for adoption the proposed
Alabama Residential Building Code. The board may adopt or
reject the code as proposed by the council.

713 (b) The proposed Alabama Residential Building Code, and 714 any subsequent amendment to the code, shall be based upon a 715 published edition of the Alabama Energy and Residential Code 716 as adopted and amended from the International Residential Code 717 (IRC) and the International Energy Conservation Code (IECC). 718 Subsequent recommendations for adoptions or amendments to the 719 Alabama Residential Building Code shall be based upon 720 published editions of the IRC and IECC. In addition, the 721 council shall take into consideration provisions for sealed 722 roof decks and related roof construction standards contained 723 in either the Coastal Construction Code Supplement or the 724 Inland Construction Code Supplement as well as standards 725 related to energy efficiency pertaining to residential 726 construction.

(c) The council shall make recommendations with respectto all matters pertaining to the implementation of the Alabama



729 Residential Building Code. 730 (d) When adopted by the board, recommendations of the 731 council shall be administered by the division. 732 \$34-14A-83 733 At the direction of the board, the council may perform 734 any of the following: 735 (1) Propose to the board for consideration of adoption 736 of an Alabama Residential Building Code and Alabama 737 Residential Energy Code or amendments to the codes. (2) Evaluate, assess, advise, and counsel the division 738 739 on the Alabama Residential Building Code and Alabama 740 Residential Energy Code and the impact of the codes upon the 741 economy and the environment. (3) Solicit and enlist the cooperation of all 742 743 appropriate private-sector and community-based organizations to implement this article. 744 (4) Make continuing studies, evaluations, and surveys, 745 746 upon the request of the board, of the needs and impacts of the 747 Alabama Residential Building Code and Alabama Residential 748 Energy Code. 749 (5) Adopt rules for the conduct of the council

750 meetings, procedures, and execution of the purpose, functions, 751 powers, and duties delegated to it by this section.

(6) Conduct a program of public information in order to inform the units of local government, residential home builders, and the residents of the state on the importance of the residential building and energy codes.

756 (7) The council shall work with the state energy office



757 to review applicable federal regulations regarding the 758 residential energy codes and any amendments thereto, and upon 759 notification of any applicable federal regulation or law, 760 consider and review the most recent published version of the 761 Alabama Residential Building Code and Alabama Residential 762 Energy Code. 763 Section 6. Article 3, commencing with Section 34-8-50, 764 is added to Chapter 8 of Title 34, Code of Alabama 1975, to 765 read as follows: ſ Article 3. 766 767 §34-8-50 768 As used in this article, the following terms shall have 769 the following meanings: (1) ALABAMA COMMERCIAL ENERGY CODE. The commercial 770 771 energy code adopted by the board, and any subsequent 772 amendments, editions, changes, or recompilations thereof. 773 (2) BOARD. The State Licensing Board for General 774 Contractors. 775 (3) COMMITTEE. The Alabama Commercial Energy Code 776 Advisory Committee. 777 (4) DIVISION: The Alabama Commercial Energy Code Division established within the State Licensing Board for 377 779 General Contractors. 780 \$34-8-51 781 (a) The Alabama Commercial Energy Code Division is established within the State Licensing Board for General 782 783 Contractors. 784 (b) The division shall be responsible for administering



785 meetings of the Alabama Commercial Energy Code Advisory 786 Committee and advising the board on recommendations made by 787 the committee for adoption of the Alabama Commercial Energy 788 Code. 789 (c) The executive director of the board may employ 790 staff as necessary to carry out the duties of the division. 791 (d) The board may apply for funds from federal grant

programs and other applicable funding sources authorized by

793 law.

792

(e) The division and its duties shall expire upon
sunset of the board unless expressly reauthorized by the
Legislature.

797 §34-8-52

(a) The Alabama Commercial Energy Code Advisory
Committee is established within the Alabama Commercial Energy
Code Division of the State Licensing Board for General
Contractors.

802 (b) The committee shall consist of the following 803 members:

804 (1) The Commissioner of Insurance, or his or her805 designee.

806 (2) The Director of the Division of Construction
807 Management within the Department of Finance, or his or her
808 designee.

809 (3) The State Fire Marshal, or his or her designee.
810 (4) One member appointed by the State Licensing Board
811 for General Contractors.

812 (5) One member appointed by the Alabama Board for



813 Registration of Architects.
814 (6) One member appointed by the Alabama Board of
815 Licensure for Professional Engineers and Professional Land
816 Surveyors.
817 (7) One member appointed by the Alabama Electrical

817 (7) One member appointed by the Alabama Electrical818 Contractors Board.

819 (8) One member appointed by the Alabama Board of
 820 Heating, Air Conditioning, and Refrigeration Contractors.

821 (9) One member appointed by the Governor to represent822 the private, investor-owned, electric utility industry.

823 (10) One member appointed by the Alabama Rural Electric824 Association of Cooperatives.

825 (11) One member appointed by the Code Officials826 Association of Alabama.

827 (12) One member appointed by the Alabama League of828 Municipalities.

829 (13) One member appointed by the Association of County830 Commissions of Alabama.

831 (c) The members appointed to the committee shall be
832 legal residents of the state and the appointing authorities
833 shall coordinate appointments to reflect the racial, gender,
834 geographic, urban, rural, and economic diversity of the state.

(d) Each member of the committee shall be appointed for
a five-year term, with initial terms to begin on January 1,
2025, and may be reappointed for a second five-year term.

838 \$34-8-53

839 (a) The first meeting of the committee shall be called
840 by the executive director of the board as soon as practicable



841 after January 1, 2025. The executive director of the board, or 842 his or her designee, shall preside until a chair and a vice 843 chair are selected by the committee. The committee shall elect 844 annually from its own members a chair, a vice chair, and other 845 officers as it may deem desirable.

846 (b) The committee shall hold a regular meeting at least 847 once during each calendar year at a time and place designated 848 by the board or specified by the committee. Special or additional meetings may be held upon the call of the chair, a 849 call signed by at least seven members, or the call of the 850 executive director of the board. All meetings of the committee 851 shall be held in accordance with the Alabama Open Meetings 852 853 Act, Chapter 25A of Title 36.

(c) A majority of the members of the committee shall
constitute a quorum at all meetings, and adoption or
resolution of any business shall require the concurrence of a
majority of all members of the committee.

(d) The committee may establish subcommittees among its membership, as it deems necessary, to assist in the conduct of its business.

(e) The committee may adopt bylaws for the conduct of
the meetings, procedures, and execution of the purpose,
functions, powers, and duties delegated to it by the board.

864

\$34-8-54

The committee shall make recommendations to the board with respect to the acceptance, adoption, and implementation of the Alabama Commercial Energy Code. In so doing, the committee may perform any of the following functions:



869 (1) Propose to the board for consideration of adoption
870 of an Alabama Commercial Energy Code or amendments to the code
871 no less than two years after the date of publication of the
872 most recent version of the code.
873 (2) Evaluate, assess, advise, and counsel the board or
874 division on the Alabama Commercial Energy Code and the impact

875 of the code upon the economy and the environment.

876 (3) Solicit and enlist the cooperation of all
877 appropriate private-sector and community-based organizations
878 for input and information to carry out its duties and
879 implement this article.

(4) Make continuing studies, evaluations, and surveys,
on its own initiative or upon the request of the board, of the
needs and impacts of the Alabama Commercial Energy Code.

883 (5) Make recommendations to the division for the 884 enactment of additional legislation or rules as it deems 885 necessary.

886 (6) Work with the State Energy Office to review
887 applicable federal regulations regarding the commercial energy
888 code.

889 §34-8-55

(a) By December 31, 2025, the committee shall submit to
the board for adoption the proposed Alabama Commercial Energy
Code. Thereafter, the committee shall review and propose
adoption of the code or amendments to the code no less than
two years after the date of publication of the most recent
version of the code.

896

(b) The proposed Alabama Commercial Energy Code, and



897 any amendments, changes, editions, or recompilations thereof, 898 shall be based upon the most recent versions of the 899 International Energy Conservation Code (IECC) or the 900 ANSI/ASHRAE/IES Standard 90.1.

901 (c) The board shall review the proposed Alabama
902 Commercial Energy Code from the committee and publish the
903 final version of the Alabama Commercial Energy Code.

904 Section 7. Article 5, comprised of Sections 41-23-80
905 through 41-23-85,' Code of Alabama 1975, relating to the
906 Alabama Energy and Residential Codes Board within the Alabama
907 Department of Economic and Community Affairs, is repealed.

908 Section 8. (a) A local building code adopted or amended 909 by any county or municipality after January 1, 2027, shall 910 meet the minimum standards of the Alabama Residential Building 911 Code in effect at the time of the local building code adoption 912 or amendment and shall not exceed the energy provisions of the 913 Alabama Residential Building Code, unless compliance with any 914 federal mandate requires such adoption or amendment.

915 (b) A county commission or municipality shall provide 916 to the board a copy of any resolution, ordinance, or agreement 917 adopted pursuant to Section 11-40-10(b)(2), Code of Alabama 918 1975, within 10 business days of its adoption.

919 Section 9. This act shall become effective on October 920 1, 2024.



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939		d by the House 02-Apr-24, as amend	
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948	Senate	08-May-24	Amended and Passed
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950	House	09-May-24	Concurred in Senate
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5-17--APPROVED :00 TIME \rightarrow GOVERNOR

Alabama Secretary Df State Act Num...: 2024-443 Bill Num...: H-199 Recv'd 05/17/24 03:38pmKCW

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ENGROSSED: SPONSOR HOUSE ACTION SENATE ACTION Brown (C) DATE: 4-4 RD1RFD CFMG 2074 HEREBY CERTIFY THAT THE **CO-SPONSORS** RESOLUTION AS REQUIRED IN SECTION C OF ACT NO. 81-889 This Bill was referred to the Standing Committee WAS ADOPTED AND IS ATTACHED of the Senate on TO THE BILL, H.B. (9) C+MG YEAS 98 NAYS O and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report JOHN TREADWELL, Clerk w/amend(s) 0_w/sub_0_by a vote of abstain / nays N veas this 10th day of April 20 24 HEREBY CERTIFY THAT THE Chair NOTICE & PROOF IS ATTACHED TO THE BILL, H.B._ AS REQUIRED IN THE GENERAL 2004 DATE: ACTS OF ALABAMA, 1975 ACT NO. RF RD 2 CAL 919. JOHN TREADWELL, Clerk DATE: 20 RE-REFERRED RE-COMMITTED **CONFERENCE COMMITTEE** Committee **House Conferees** I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted, and is attached to the Bill, 148 HB YEAS 30 NAYS 0 PATRICK HARRIS, Secretary FURTHER SENATE ACTION (OVER)

Appendix III - Professional Services by Vendor

Home Builders Licensure Fund

	FY 2020	FY 2021	FY 2022	FY 2023
Data Processing Services Data Processing Personnel Services Professional				
Office of Information Technology	\$ 18,213.75	\$ 19,325.80	\$ 24,573.63	\$ 26,271.75
Key Asset Lifecycle Management	40,658.40	40,568.40	37,187.70	40,568.40
GL Suite Inc.	118,064.50	160,774.44	171,448.83	284,744.37
Total Data Processing Services	176,846.65	220,668.64	233,210.16	351,584.52
Administrative Services				
Advertising Services				
Calling Post Comm. Inc.	911.20	1,175.80	8,905.00	
Gray Media Group	7,300.00	8,335.00		
Legislative Services Agency	1,390.00	320.00	1,510.00	100.00
Lemuel E. Boggs, Jr.	1,180.00			250.00
Nexstar Broadcasting	5,000.00	600.00		
Office of Information Technology	18.60	12.40		
Sinclair Broadcasting Group		8,300.00		
WALA FOX 10		6,030.00		
WBMQ	5,425.00			
WKRG		3,400.00		
WRGX	700.00			
Alabama Association of Plumbing				
Gas & Mechanical Inspectors				250.00
Education/Training Consultants				
Troy University Alabama Association of Plumbing				13,680.00
Gas & Mechanical Inspectors		600.00		
Housekeeping Services				
Bowen-Wilson Inc.		1,281.96		
Supreme Cleaning Inc.	10,546.40	12,293.56	956.00	
Acceptance Janitorial Service			9,691.50	923.00
Hill's Janitorial Service				8,225.00
Kimroc Outdoors			14,620.00	
Supreme Greens Turf Management	4,740.00	4,740.00	4,740.00	4,345.00
Collection Services				
Alabama Dumpster Service	150.00			
Alabama Interactive		300.00	6,095.50	7531.75
Elavon, Inc.	2,512.87	3,899.31	292.12	

	FY 2020	FY 2021	FY 2022	FY 2023
Security and Monitoring				
Pruitt Communications	516.00	516.00	813.00	1,001.00
Sanitation Services				
Gilmore Moving and Storage	363.64	237.12	505.56	447.95
Information and Research Services				
ALRRS LLC	1,498.00	1,748.00		
Crescerance Inc.		3,000.00		
DHS-ICE	127.00	225.00	275.00	300.00
US Dept. of Homeland Security		25.00		
Mailing Services				
Dept. of Finance	112.65	104.95	204.10	243.38
Pest Control Services				
Able Pest Management			605.00	660.00
Knox Pest Control	150.00	150.00	150.00	162.00
Cooks Pest Control	500.00	550.00	50.00	
Moving Services				
Motivated Enterprises Inc	1,235.00			
SBS Billing				
Dept. of Finance	6,068.79	9,906.65	12,278.10	11,222.52
Finance and IT Planning				
Office of Information Technology	1,375.09	1,424.28	1,418.56	1,424.28
Comptroller Services				
Dept. of Finance	7,812.79	7,848.82	8,034.14	8,701.00
Inter-departmental Prof. Services				
Legislative Services Agency		100.00	200.00	
Dept. of Finance			3,232.20	2,802.36
Personnel Department Services				
Dept. of Personnel	5,943.00	6,401.00	8,577.00	8,773.00
Total Administrative Services	65,576.03	83,524.85	83,125.78	71,042.94
Legal Services		225.00		1 005 00
Attorney General's Office		225.00		1,905.00
Court Services	10.00			
Stephen McCollough	18.00	250.00		
Jonathan S. Gowan		270.00		
Lauren Razick		270.00		
Court Reporter Services	0.004.50		2 005 25	0 704 60
Boggs Reporting & Video LLC	2,284.70	3,167.65	2,905.35	2,784.50
Total Legal Services	2,302.70	3,932.65	2,905.35	4,689.50
Total Professional Services	\$ 244,725.38	\$ 308,126.14	\$ 319,268.29	\$ 427,316.26

Home Builders Property Acquisition Fund

	FY 2020	FY 2021	FY 2022	FY 2023
Administrative Services				
Architectural - Professional				
JMR+H Architecture, PC	\$ 22,490.69	\$	\$	\$
Inter-departmental Professional Services				
Department of Finance	1,804.51			
Security and Monitoring Services				
Pruitt Communications Inc.				513.69
Total Professional Services	\$ 24,295.20	\$	\$	\$ 513.69

Appendix IV: Board Members



Mailing Address P. O. Box 303605 Montgomery, Alabama 36130-3605

Street Address 445 Herron Street Montgomery, Alabama 36104

> Telephone (334) 242-2230

> Fax (334) 263-1397

www.hblb.alabama.gov

April 3, 2024

Mr. Gerald Dedon Examiners of Public Accounts P.O. Box 302251 Montgomery, AL 36130-2251

RE: Sunset Review 2024

Dear Mr. Dedon:

As requested in your letter dated March 28, 2024, Attachment A, Number 2, the following letter lists the name, expiration of term, and city of each current Board/Commission member:

William (Bill) R. DeLoney, Chairman Builder Member Reappointed: January 1, 2023 – December 31, 2025 Dothan, AL

Don Spurlin, Builder Member, Vice Chairman Builder Member Reappointment: January 1, 2024 – December 31, 2026 Albertville, AL

Peggy B. Turner, Secretary/Treasurer Consumer Member Reappointment: March 15, 2024 – December 31, 2026 Birmingham, AL

Kenneth Chandler Builder Member Reappointment: January 6, 2022 – December 31, 2024 Huntsville, AL

Thomas L. Corder Builder Member Reappointment: August 25, 2023 – December 31, 2025 Tuscaloosa, AL

Mr. Gerald Dedon April 3, 2024 Page 2

Randy Cunningham, Building Official Member Reappointment: January 12, 2022 – December 31, 2024 Huntsville, AL

John Kenneth (Ken) Kirchler Builder Member Reappointment: January 16, 2024 – December 31, 2026 Auburn, AL

Roddy O. Sample, Builder Member Reappointment: February 3, 2023 – December 31, 2025 Pelham, AL

Michael C. Toles, Sr. Builder Member Reappointment: January 1, 2022 – December 31, 2024 Montgomery, AL

If you have further questions, please feel free to contact me.

Sincerely R. Carden, Jr.

& R. Carden, Jr. Executive Director Home Builders Licensure Board

JRCJr:mnp

Appendix V: Board's Response



Mailing Address P. O. Box 303605 Montgomery, Alabama 36130-3605

Street Address 445 Herron Street Montgomery, Alabama 36104

> Telephone (334) 242-2230

Fax (334) 263-1397

www.hblb.alabama.gov

August 1, 2024

Ms. Dixie Thomas Director, Examiners of Public Accounts 401 Adams Ave., Suite 280 Montgomery, AL 36104

RE: Sunset Review 2024: Significant Findings

Dear Ms. Thomas:

As requested, the following letter enclosed lists the responses to the significant findings regarding the Sunset Review conducted for the Home Builders Licensure Board for the examination period:

If you have further questions, please feel free to contact me.

Sincerely

J. R. Carden, Jr. Executive Director Home Builders Licensure Board

JRCJr:mnp

Enclosure

SIGNIFICANT ISSUES FROM QUESTIONNAIRES (2024 Sunset)

Significant Issue 2024-001: In response to the survey question, "What do you consider the most significant issue(s) facing your profession in Alabama?", the following items were noted: Seven of the seventeen (41%) company home builder licensees and eight of the eighteen (44%) individual home builder licensees who responded to our survey stated cost of materials, labor, and the cost to do business as the most significant issue. Five of the seventeen (29%) company home builder licensees who responded to our survey indicated unlicensed builders as the most significant issue facing their profession.

BOARD RESPONSE TO Significant Issue 2024-001:

The Board is always mindful of the impact of costs upon licensees, and construction costs have certainly increased in recent years. The Board has no authority or ability to regulate these cost factors. Unlicensed builder activity will always have an impact upon licensees in the profession and is harmful to consumers. The Board continues to find ways to work with local law enforcement and prosecutors to criminally prosecute unlicensed builders for violations, especially in instances of other and more serious criminal conduct such as home repair fraud, theft, and financial exploitation of the elderly. In 2021, the Board worked with the legislature make changes to the Home Repair Fraud statute as it relates to unlicensed homebuilding in areas impacted by natural disaster and declared such by the Governor. Finally, in the 2024 Legislative session, Act 24-443 added a new statutory definition of advertising and further requires display of valid home builder license in advertising. This will further help distinguish licensed builders for consumers.

<u>Significant Issue 2024-002</u>: Thirteen of the eighteen (72%) individual home builder licensees, five of the seventeen (29%) company home builder licensees, and six of the fourteen (43%) company roofer licensees who responded to our survey do not think mandatory continuing education is necessary for the competent practice of their profession.

BOARD RESPONSE TO Significant Issue 2024-002:

Eight years ago, the Legislative Sunset Committee strongly encouraged the Board to implement a continuing education program. We are now about to enter our fourth renewal season requiring six hours of continuing education, including two hours of Alabama specific content. The continuing education program is still a work in progress in terms of educating licensees about the importance and purpose as well as expanding and improving the available courses. However, the Board agrees with the past Legislative Sunset Committee recommendations for the need to implement continuing education for licensees. On a monthly basis during the Board Investigative Committee review, licensees are cited for disciplinary action because of noncompliance with their own contracts, issues related to financial management of specific jobs, and

licensees performing work not to a minimum code standard. In disciplinary actions, the Board also requires six to twelve hours of a specifically designed remedial course.

Significant Issue 2024-003: Nine of the thirty-eight (24%) complainants who responded to our survey stated the Board did not communicate the results of the investigation to them. A review of a sample of complaint files indicated that letters regarding the disposition of complaints had been sent to complainants.

BOARD RESPONSE TO Significant Issue 2024-003:

The Board Legal Compliance Department provides written correspondence to Homeowner complainants on the phases of the investigation process and specifically, the final disposition. Correspondence advises the complainant steps to take for clarification, reconsideration, and who specifically to contact. Correspondence is signed by either the Assistant Attorney General or Deputy Attorney General assigned the complaint and encourages contacting the attorney with questions. In instances of a probable cause finding with final disciplinary action ratified by Order of the Board, staff will act quickly to get public records to the complainant.

STATUS OF PRIOR SIGNIFICANT ISSUES FROM QUESTIONNAIRES

Significant Issue 2020-01: Five of the seven board members responding to our survey stated that the most significant issue currently facing the Home Builders Licensure Board is staffing. The Board needs additional investigators and needs to recruit, retain, and competitively compensate qualified investigators in order to enforce the Board's laws and regulations.

Current Status: Three of the five (60%) Board members who responded to our survey indicated hiring inspectors is the most significant issue and two of the five (40%) do not think the board is adequately staffed.

In June 2018, Board staff worked with the State of Alabama Department of Personnel to create a tiered classification of Board investigators to improve recruitment, compensation and retention. The Board now has Investigator, Senior Investigator, and Chief Investigator classifications. The Board was able to fully staff the six investigator positions it had budgeted as of February 2020, and as of today, has six investigators. This was an important step, and the Board was appreciative of the State Personnel Department's assistance and guidance. The need to recruit, retain and competitively compensate Board investigators is an issue that the Board will continue to work on for the foreseeable future. Additionally, the Board has worked with the State Personnel Department on effort to retain our investigators, begun discussions on new ideas to recruit and add more investigators. Also, since the last Sunset review, internal staff is now up to four individuals assigned within our licensure department that is directly supervised by an Assistant Attorney

General. We have also added a position for a Communications Specialist to grow our communication outreach to consumers, licensees and local building departments.

Significant Issue 2020-03: Sixteen of twenty-five complainants responding to our survey stated that they do not believe the Board exhausted all options in resolving their complaints, and seventeen of the complainants stated that they were dissatisfied with their experiences with the Board.

Current Status: Twenty of the thirty-eight (53%) complainants who responded to our survey do not think the Board did everything it could to resolve their complaint and thirteen of the thirty-eight (34%) indicated dissatisfaction with their experience with the Board.

The Board appreciates the Examiners of Public Accounts finding regarding this issue. The Board's statutory purpose is regulating the homebuilding and remodeling industry to include disciplinary action against licensees.

The Legislative intent of the Act reads:

"In the interest of the public health, safety, welfare, and consumer protection and to regulate the home building and private residence construction industry, the purpose of this chapter, and the intent of the legislature in passing it, is to provide for the licensure of those persons who engage in home building, private residence construction, and home improvement industries, including remodeling, and to provide home building standards and to support education within the construction trades in the State of Alabama. The legislature recognizes that the home building and home improvement construction industries are significant industries. Home builders may pose significant harm to the public when unqualified, incompetent, or dishonest home builders and remodelers provide inadequate, unsafe, or inferior building services. The legislature finds it necessary to regulate the residential home building and home improvement industries." Ala. Code § 34-14A-1.

The Board deals with dissatisfied complainants who are upset with their builder and who are oftentimes seeking relief that is beyond the Board's statutory authority. The Board expects neither homeowner-complainants nor licensees to ever be completely satisfied with the Board's actions. Since this Significant Issue in 2020 the Board started and continues to provide further documented disclosure to homeowner complainants at the initiation of and through the duration of the consumer complaint process regarding what the Board may legally do, what information the Board may legally share with the complainant, and answering questions as best we can regarding options for civil action, which is the appropriate avenue for the relief most complainants are seeking. We will strive to do our best to educate and guide complainants regarding our authority and process as a consumer protection agency.



With that said, the Board would like the opportunity to work with the Examiners of Public Accounts to improve the survey methodology in order to collect more meaningful data to be used by the Legislature and the Board for improved public service. The Board is of the opinion based upon the phrasing of the finding that the survey and its questions may hold the Board to a standard that exceeds the statutory responsibility and authority the Legislature intended and has authorized.