

Report on the
Home Builders Licensure Board

Montgomery, Alabama



**Department of
Examiners of Public Accounts**

**401 Adams Avenue, Suite 280
P.O. Box 302251
Montgomery, Alabama 36130-2251
Website: www.examiners.alabama.gov**

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 36104-4325
Telephone (334) 242-9200
FAX (334) 242-1775

July 22, 2020

Representative Howard Sanderford
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Representative Sanderford,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Alabama 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 Alabama Home Builders Licensure Board, in addition to information obtained from other sources.

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

Sincerely,

Rachel Laurie Riddle
Chief Examiner

Examiner
Rodney Wagstaff

CONTENTS

PROFILE	1
Purpose/Authority	1
Characteristics	2
Operations	3
Financial	5
Licensee Information	6
SIGNIFICANT ISSUES.....	9
STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES	10
ORGANIZATION	11
PERSONNEL.....	12
PERFORMANCE CHARACTERISTICS.....	13
COMPLAINT HANDLING	13
REGULATION IN CONJUNCTION WITH OTHER ENTITIES	19
FINANCIAL INFORMATION.....	20
Schedule of Fees	21
Schedule of Receipts, Disbursements and Balances - Fund 0719	22
Operating Receipts vs. Operating Disbursements (Chart)	23
Schedule of Receipts, Disbursements and Balances - Fund 0720	25
Schedule of Receipts, Disbursements and Balances - Fund 1163	26
QUESTIONNAIRES	27
Board Member Questionnaire	27
Individual Home Builder Licensee Questionnaire	32
Company Home Builder Licensee Questionnaire.....	35
Individual Roofer Licensee Questionnaire.....	38
Company Roofer Licensee Questionnaire	42
Complainant Questionnaire.....	44
APPENDICES.....	50
Applicable Statutes.....	50
Professional Services by Vendor - Fund 0719	64
Professional Services by Vendor – Fund 1163	65
Board Members.....	66
Board’s Response to Significant Issues	68

PROFILE

Purpose/Authority

The Alabama Home Builders Licensure Board was created by Act No. 608, Acts of Alabama 1992 and operates under the authority of the *Code of Alabama 1975*, Section 34-14A-1 through 34-14A-20. The Board is responsible for screening and licensing applicants who engage in residential construction and remodeling in the State of Alabama, where the cost of the construction or remodeling exceeds \$10,000.00. Notwithstanding the foregoing, the term includes a residential roofer when the cost of the undertaking exceeds \$2,500.00. In addition to its licensing function, the Board maintains a recovery fund from which injured consumers, within limits set by law, may recover damages when the consumer has been harmed through the conduct of a licensee in violation of the law or the rules of the Board.

The following legislation was passed since the last sunset review of this agency:

Act No. 179, Acts of Alabama 2019 amended the *Code of Alabama 1975*, Section 34-14A-4, as amended by Act No. 143, Acts of Alabama 2018, to require the Board to obtain the approval of the Governor and the State Personnel Board when setting the salary of the Executive Director and the Deputy Director.

Act No. 395, Acts of Alabama 2019 made a supplemental appropriation from the Home Builders Property Acquisition Fund to the Home Builders Licensure Board in the amount of \$600,000.00 for the fiscal year ending September 30, 2019.

Act No. 482, Acts of Alabama 2019 amended the *Code of Alabama 1975*, Sections 34-14A-1, 34-14A-2, 34-14A-3, and 34-14A-12 and added *Code of Alabama 1975*, Section 34-14A-20 to develop a statewide program to increase the availability of construction trade education; create the Alabama Construction Trade Advisory Council; develop a statewide program to provide for the availability of construction trade educational grants; provide for the administration of the program; require the Board to adopt guidelines for the program; and require the Board to establish an application process for the review of applications for grants and the distribution of monies through the program.

Act No. 143, Acts of Alabama 2018 amended the *Code of Alabama 1975*, Section 34-14A-1 to 34-14A-8, inclusive, 34-14A-14, and 34-14A-15 to require a roofer to hold a license from the Home Builders Licensure Board when the cost of a roofing project exceeds \$2,500.00; revise definitions; revise requirements for Board membership; authorize the Board to collect costs relating to hearings for disciplinary actions; increase administrative fines for a violation; allow the cap on the payment amount to an aggrieved homeowner from the Homeowner's Recovery Fund when the homeowner is injured due to a violation committed by a licensee to be set by rule; and authorize the Board to revoke the license or refuse to issue a new license to the licensee and certain

other license holders when the licensee has not paid a judgment claim under the Homeowner’s Recovery Fund.

Act No. 398, Acts of Alabama 2018 required residential home builders to provide proof of liability insurance to a homeowner before beginning construction on a structure and provide for action by the Board for violations.

All recently passed acts have been codified in the current statutory authority of the Board.

<u>Characteristics</u>	
Members and Selection	<p>Nine members selected from a list of three qualified individuals for each position, provided by the governing body of the Home Builders Association of Alabama.</p> <ul style="list-style-type: none"> • Three members appointed by the Governor • Three members appointed by the Lieutenant Governor • Three members appointed by the Speaker of the House of Representatives <p><i>Code of Alabama 1975</i>, Section 34-14A-3</p>
Term	<p>Members serve 3-year staggered terms expiring on December 31st of the last year of the term. There are no term limits and members serve until a successor is appointed and qualified.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-3</p>
Qualifications	<ul style="list-style-type: none"> • Seven residential home builders, each with at least five years’ experience as a residential home builder and a resident of Alabama • One building official or inspector currently employed by a city, county, or state governmental entity and actively engaged in inspecting or regulating residential construction in Alabama • One consumer member of the general public not employed by or affiliated with a licensee, and who has no spouse or immediate family member employed by or affiliated with a licensee <p><i>Code of Alabama 1975</i>, Section 34-14A-3</p>

Consumer Representation	<p>One consumer member required by statute. One consumer member serving.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-3</p>
Racial Representation	<p>No statutory requirement. One black member currently serving.</p>
Geographical Representation	<p>No statutory requirement.</p>
Other Representation	<p>The membership of the Board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-3</p>
Compensation	<p>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 \$300.00 per day.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-4(c)</p>
Attended Board Member Training	<p>Executive Director Nine board members Administrative Support Assistant II Deputy Attorney General/Chief Legal Counsel Assistant Attorney General/Legal Counsel Senior Accountant</p>
<u>Operations</u>	
Administrator	<p>J.R. “Chip” Carden, Jr., Executive Director Annual Compensation – \$159,588.96</p> <p>Salary is fixed by the Board with the approval of the Governor and the State Personnel Board.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-4(d)</p>
Location	<p>445 Herron Street Montgomery, AL 36104 Office Hours: Monday through Friday 8:00 a.m. to 5:00 p.m.</p>

Employees	21
Legal Counsel	Staff attorneys - Seth Gowan, Deputy Attorney General/Chief Legal Counsel and Lauren Razick, Assistant Attorney General/Attorney II
Subpoena Power	None, except as provided by the Administrative Procedure Act <i>Code of Alabama 1975</i> , Section 41-22-12 for hearings in contested cases.
Internet Presence	<p>http://www.hblb.alabama.gov</p> <ul style="list-style-type: none"> • Licensee Search • Applicants <ul style="list-style-type: none"> ○ How to Get Licensed ○ New Application Package ○ Forms & Notices ○ FAQs • Licensees <ul style="list-style-type: none"> ○ License Renewal – Online Services ○ License Reprint Request/Affidavit ○ Credit Report – Online Services ○ Legal Requirements of Licensees ○ Disciplinary Action Procedures ○ Disciplinary Actions ○ Forms ○ Information Change Forms/Notices ○ FAQs • Consumers <ul style="list-style-type: none"> ○ How to Hire a Builder ○ Remedies for Home Repair Fraud Victims ○ Unlicensed Builders ○ Do’s and Don’ts of Hiring a Contractor ○ Consumer Complaint Procedures ○ Disciplinary Actions ○ Protect Yourself from Fraud ○ Consumer Complaint Form ○ Before the Contract Begins Work ○ FAQs • Building Officials <ul style="list-style-type: none"> ○ The Law and The Building Official ○ Who Needs a Home Builders License ○ Disciplinary Actions ○ Types of Home Builders Licenses ○ Unlicensed Builder Tip Sheet ○ Exemptions • News

	<ul style="list-style-type: none"> • About Us <ul style="list-style-type: none"> ○ Board Members ○ Board Meeting Dates ○ Home Builders Licensure Law ○ Administrative Rules and Regulations
<u>Financial</u>	
Source of Funds	Licensure Fees, Administrative Fees, Recovery Fund Fees
State Treasury	Yes - Special Revenue Funds 0719, 0720 and 1163
Required Distributions	None
Unused Funds	<p>Fund 0719 - Home Builders Licensure Board Fund: Any funds remaining at fiscal year-end are transferred to the Homeowner’s Recovery Fund and/or 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.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-5(c)</p> <p>Fund 0720 – Homeowner’s Recovery Fund: Retained by the Board. May be invested with interest and other income from investments deposited into the Homeowner’s Recovery Fund.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-15(g)</p> <p>Fund 1163 – Home Builders Property Acquisition Fund: Retained by the Board. May be invested with interest and other income from investments deposited into the Home Builders Property Acquisition Fund.</p> <p><i>Code of Alabama 1975</i>, Section 34-14A-18(c)</p>

<u>Licensee Information</u>		
Licensees	As of February 13, 2020	
	Active Individual Unlimited Licensees	3,139
	Active Individual Limited Licensees	36
	Active Corporate Unlimited Licensees*	3,492
	Active Corporate Limited Licensees*	115
	Active Individual Roofers	230
	Active Corporate Roofers*	238
	Inactive Individual Unlimited Licensees	624
	Inactive Corporate Unlimited Licensees*	197
	Inactive Corporate Limited Licensees*	1
	Building Officials	61
	Total	8,133
*Includes partnerships, limited companies, and limited liability partnerships.		
<i>Source:</i> Board staff		
Licensee Demographics	Data not collected by agency. <i>Source:</i> Board Staff	
Licensure Qualifications	<ul style="list-style-type: none"> • U.S. citizen or legally present in the U.S. • Experience • Ability • Character • Business-related financial condition • Ability and willingness to serve the public and conserve the public health and safety <p><i>Code of Alabama 1975</i>, Section 34-14A-7</p>	
Examinations	Examinations are developed and administered by Prov, Inc. Exam fees are paid directly to Prov, Inc. Applicants are required to successfully complete an examination that covers the technical trade elements of home building, and an examination that covers the business and legal requirements as a licensed home builder. Both examinations are open book and timed. All examinations are scored and graded against a cut-score of 63% for the Alabama Home Builder and 65% for the Alabama HB Business & Law. Testing centers are located in Auburn, Birmingham, Enterprise, Huntsville, Mobile, Montgomery, Sheffield, and Tuscaloosa.	

	<p>Applicants are not required to have post-secondary education in order to take examinations.</p> <p>The following charts show the pass/fail statistics for the home builder’s examination:</p> <p>Business Law Examination</p> <table border="1" data-bbox="662 422 1466 573"> <thead> <tr> <th>Year</th> <th># Taken</th> <th># Passed</th> <th>% Passed</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>273</td> <td>191</td> <td>70%</td> </tr> <tr> <td>2018</td> <td>365</td> <td>281</td> <td>77%</td> </tr> <tr> <td>2019</td> <td>464</td> <td>339</td> <td>73%</td> </tr> </tbody> </table> <p>Skills Examination</p> <table border="1" data-bbox="662 646 1466 798"> <thead> <tr> <th>Year</th> <th># Taken</th> <th># Passed</th> <th>% Passed</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>254</td> <td>165</td> <td>65%</td> </tr> <tr> <td>2018</td> <td>408</td> <td>277</td> <td>68%</td> </tr> <tr> <td>2019</td> <td>450</td> <td>301</td> <td>67%</td> </tr> </tbody> </table> <p><i>Code of Alabama 1975</i>, Section 34-14A-7 <i>Source:</i> Board Staff</p>	Year	# Taken	# Passed	% Passed	2017	273	191	70%	2018	365	281	77%	2019	464	339	73%	Year	# Taken	# Passed	% Passed	2017	254	165	65%	2018	408	277	68%	2019	450	301	67%
Year	# Taken	# Passed	% Passed																														
2017	273	191	70%																														
2018	365	281	77%																														
2019	464	339	73%																														
Year	# Taken	# Passed	% Passed																														
2017	254	165	65%																														
2018	408	277	68%																														
2019	450	301	67%																														
Reciprocity	<p>There are no provisions in the Board’s enabling statutes that address reciprocity for out of state licenses. However, the Board has addressed out-of-state licensees in the Board’s <i>Administrative Rule</i> 465-X-3-.04(7) by adopting the following language:</p> <p>“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:</p> <ul style="list-style-type: none"> (a) The licensing requirements of the other jurisdiction are substantially similar to those of Alabama; and (b) The other jurisdiction exempts Alabama licensees from any examination (testing experience and ability) requirements imposed on residential home builders in that jurisdiction.” <p>As of this report, the Board has recognized out-of-state license holders from Tennessee, South Carolina, Mississippi, and Louisiana.</p>																																
Renewals	<p>The annual license fee shall be for a period of 12 months beginning January 1st of each year and expiring on December 31st. There is no grace period.</p>																																

	<p>Percentage of online renewals:</p> <ul style="list-style-type: none"> • FY 2016 – 80% • FY 2017 – 80% • FY 2018 – 81% • FY 2019 – 82% <p><i>Code of Alabama 1975</i>, Section 34-14A-5(b)(3) <i>Administrative Rule</i> 465-X-3-.06</p> <p><i>Source:</i> Board staff</p>
Continuing Education	No statutory requirement.

SIGNIFICANT ISSUES

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.

Board's Response - 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 has budgeted as of February 2020. 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.

Significant Issue 2020-02 - Five of the seven board members responding to our survey stated that the \$10,000.00 threshold for licensure should be lowered. Currently, contractors are not required to have a license if the construction or remodeling is less than \$10,000.00. Contractors are circumventing obtaining a license by writing multiple contracts for amounts less than \$10,000 leaving the Board with no jurisdiction to help homeowners if problems arise with the contractor.

Board's Response - The \$10,000 economic threshold for the Board's jurisdiction was established in the statute as set by the Alabama Legislature. In the 2017 Regular Legislative Session, proposed legislation would have eliminated the economic threshold for jurisdiction. Through debate during the legislative process and discussion with legislators and interested parties, amendments to the legislation restored the economic threshold of \$10,000. Additional amendment(s) set a threshold for residential roofing of \$2,500 and created a limited roofers license with specific consumer protection components. The proposed and amended changes were passed by the Legislature in the 2018 Regular Legislative Session and was signed into law by the Governor in May 2018. The Board began enforcement of the new law(s) in October 2018.

The Board continues to be concerned by the anecdotal information it receives regarding unlicensed home builders circumventing the law as it relates to the economic threshold. The Board will continue to document as best it can, instances of harm to consumers by home builders circumventing the law, as well as increasing communication and outreach to consumers, local government building officials and those in the industry about the importance of state licensing. The Board's goal is to answer the questions legislators presented during the legislative process in 2017 and 2018 regarding the need for a lower economic threshold. Any changes to the law must be driven by a clear, documented and understood need to protect consumers.

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.

Board's Response - 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.

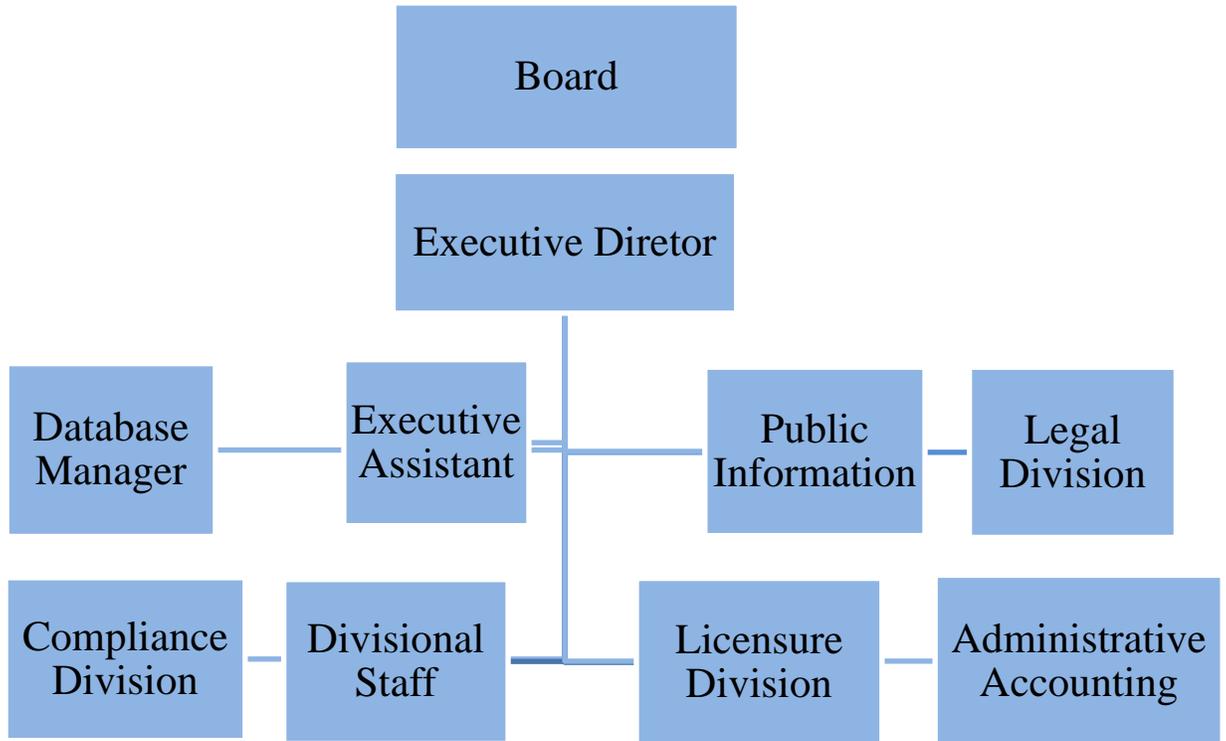
The Board deals with dissatisfied consumer complainants who are upset with their builder and who are oftentimes seeking relief that is beyond the Board's statutory authority. The Board expects neither homeowner-complainants nor licensees to ever be completely satisfied with the Board's actions. In response to this Significant Issue, the Board will 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 and what information the Board may legally share with the complainant.

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 hold the Board to a standard that exceeds the statutory responsibility and authority the Legislature intended and has authorized.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

All prior findings/significant issues have been resolved.

ORGANIZATION



PERSONNEL

Schedule of Employees By Merit System Classification/Sex/Race						
	#	W/M	B/F	W/F	Salary or Salary Range	Vehicles Assigned
<u>Classification</u>						
Executive Director	1	1			\$159,588.96	4 ¹
Chief Legal Counsel	1	1			\$125,246.40	
Attorney II	1			1	\$65,695.20	
Paralegal	1		1		\$62,529.60	
Senior Accountant	1			1	\$61,024.80	
Associate Programmer Analyst	1			1	\$45,532.80	
HBLB Senior Investigator	2	2			\$65,695.20	2
HBLB Investigator	3	2		1	\$35,618.40 - \$52,653.60	3
Account Clerk	1		1		\$28,492.80	
Admin. Support Assistant I	1			1	\$21,194.40	
Admin. Support Assistant II	3		1	2	\$27,129.60 - \$33,081.60	
Admin. Support Assistant III	3		2	1	\$35,618.40 - \$42,290.40	
State Professional Trainee	1			1	\$33,081.60	
Clerk	1		1		\$19,214.40	
Total	21	6	6	9		9

W/M=white male, B/F=black female, W/F=white female

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, employees of the Board, serve as legal counsel.

PERFORMANCE CHARACTERISTICS

Number of Licensees per Employee as of September 30, 2019 – 387

Number of Persons per Licensee in Alabama and Surrounding States

	Population (estimate)*	Number of Licensees	Persons Per Licensee
Alabama	4,903,185	8,133	603
Florida	21,477,737	75,859	283
Georgia	10,617,423	15,468	686
Mississippi	2,976,149	2,842	1,047
Tennessee	6,829,174	NP	-
*Source: U.S. Census, December 2019 Population Estimates NP – Not Provided			

Operating Disbursements per Licensee (FY 2019) - \$234.32

Fines/Penalties as a Percentage of Operating Receipts

	FY 2019	FY 2018	FY 2017	FY 2016
Total Receipts				
Less Fines	\$ 2,173,837.38	\$ 2,051,793.17	\$ 2,010,844.07	\$2,059,128.93
Total Fines	\$ 179,350.00	\$ 162,500.00	\$ 117,100.00	\$ 83,750.00
Percentage	8.25%	7.92%	5.82%	4.07%

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.

COMPLAINT HANDLING

The *Code of Alabama 1975*, Section 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.

Licensed Home Builders/Roofers Complaint Process

<p>Initial Contact/Documentation</p>	<ul style="list-style-type: none"> • 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 complaint is against a Board member, that member will be notified and thereafter will not participate in any matter related to the complaint. • Complainants are notified by certified mail that the complaint has been received. The letter is sent out within 10 days of receipt of complaint.
<p>Anonymous Complaints Accepted</p>	<p>No</p>
<p>Investigative Process / Probable Cause Determination</p>	<ul style="list-style-type: none"> • The consumer complaint and supporting documentation will be reviewed by the Board. If the complaint falls within the scope of statutory responsibility and authority of the Board, a file will be opened. • The Board will notify the complainant and respondent of the investigation. The respondent will be provided a copy of the complaint and supporting documentation. The respondent will be directed to file a written response to the complaint with the Board and will be given a 20-day period in which to contact the complainant to try to resolve the issues. • After the 20-day period, if the Board has not received written notification from the complainant that the issues have been resolved, an investigation into the complaint will begin. An investigator will contact the complainant, the respondent, and other necessary persons. At the conclusion of the

	<p>investigation, the investigator will submit a report to the Board's Investigative Committee.</p> <ul style="list-style-type: none">• The Investigative Committee (Board member, Executive Director, and Chief Legal Counsel) will review the complaint file to determine whether probable cause exists that a violation of the home builder's law has occurred. If the Investigative Committee determines that no probable cause exists, the complaint file will be closed, and the complainant and respondent will be notified.• If probable cause exists, it will be recommended that the Board initiate a disciplinary proceeding. A summons and complaint will be served on the respondent and that the case be set for a disciplinary hearing. The complainant will be notified of the time and date of the hearing and will be requested to appear and testify at the hearing as a witness for the Board.• If the Board and the respondent reach a settlement of the case, a written settlement agreement will be executed. The complainant will be notified that a settlement agreement has been reached and that the hearing will not be held. If no settlement is reached, the disciplinary hearing is held before a hearing officer. The Board will review the record of the proceedings and the recommendation of the hearing officer. The Board will issue a written final order, reciting the discipline imposed against the respondent.• The respondent may appeal a final order of the Board to the circuit court of the county in which the respondent resides, or if the respondent is not an Alabama resident, to the Circuit Court of Montgomery County. The respondent must file a notice of appeal with the Board within a 30-day period of receipt by the respondent of the Board's final order and must file a petition for judicial review in the appropriate court within a 30-day period after filing the notice of appeal with the Board.
--	--

Negotiated Settlements	Yes
Notification of Resolution to the Complainant	Yes

Source: Board's Chief Legal Counsel

Unlicensed Home Builders/Roofers Process

Initial Contact/Documentation	<ul style="list-style-type: none"> • Unlicensed homebuilder/roofers can be brought to the Board's attention through a tip called into the Board's anonymous tip line; an inquiry from a building department; homeowner; or other entity attempting to verify licensure status. Anyone can notify the Board of a home builder/roofer they believe to be unlicensed, however, the home builder/roofer is not identified by the Board as unlicensed until an investigation has been completed. • No specific form is required. • Complaints do not have to be signed or notarized. • If the unlicensed home builder/roofer is on a jobsite, they are notified by the posting of a stop work order by the Board's investigator. • If the unlicensed home builder/roofer is not on a jobsite, they are notified by letter sent certified mail as soon as the investigator completes his investigation and turn in a report to the Board's Chief Legal Counsel.
Anonymous Complaints Accepted	Yes
Investigative Process / Probable Cause Determination	<ul style="list-style-type: none"> • The complaint and the investigator's report are submitted to the Board's Investigative Committee (Board member, Executive Director, and Chief Legal Counsel). • The Investigative Committee makes a recommendation to the Board of one of the following actions: <ul style="list-style-type: none"> ○ The unlicensed home builder/roofer has administratively resolved the violation and the Investigative Committee recommends the file be closed. ○ The unlicensed home builder/roofer has not administratively resolved the violation and the Investigative Committee recommends that a complaint

	<p>be sworn out with the sheriff of the county where the violation occurred.</p> <ul style="list-style-type: none"> ○ The unlicensed home builder/roofer, whether they did or did not resolve the violation administratively, has applied for a license. The Investigative Committee makes a recommendation of a probable cause or no probable cause finding based on the work performed as reflected in the unlicensed home builder/roofer file. ● The only time a hearing is held for unlicensed home builders/roofers is when an unlicensed home builder/roofer has applied for a license and there was a probable cause finding on the unlicensed home builder/roofer file. The Board’s Chief Legal Counsel presents the Board’s side of the issue.
<p>Negotiated Settlements</p>	<ul style="list-style-type: none"> ● The Board will resolve an unlicensed home builder/roofer violation through an administrative resolution; however, the amount of the fine is not negotiated. ● The administrative resolution is presented to the Investigative Committee for approval and recommendation for closing the file. The administrative resolution is adopted or rejected by the Board at the Board meeting.
<p>Notification of Resolution to the Complainant</p>	<ul style="list-style-type: none"> ● The Board often does not know who notified the Board of the suspected unlicensed home builder/roofer. If the homeowner notified the Board, they are witnesses for the criminal prosecution. If the unlicensed home builder/roofer resolves the violation, the homeowner is notified by telephone if they request to be notified. ● If the unlicensed home builder/roofer applies for licensure and the file is reviewed, the same procedures apply as to a complaint. If the finding is “no probable cause”, a letter is sent to the complainant and the respondent notifying them of the Board’s finding. ● If the finding is “probable cause” and it does not settle prior to hearing, the Chief Legal Counsel contacts the complainant by telephone and discusses the upcoming hearing and the complainant’s role as

	<p>witness. If the finding is “probable cause” and is settled prior to hearing, the Chief Legal Counsel contacts the complainant by telephone and informs them that the case has been settled, the hearing has been canceled, and the complainant is entitled to a copy of the settlement agreement upon request.</p> <ul style="list-style-type: none"> • If the case goes to hearing, after the Board issues its Order, the Chief Legal Counsel either telephones the complainant to inform them of the terms of the Order issued by the Board and mails a copy of the Order to the complainant upon request, or simply sends a copy of the Order to the complainant.
--	--

Source: Board’s Chief Legal Counsel

		Schedule of Complaints Resolved 2016 through 2019 (Fiscal Year)					
		Year/Number Resolved					
Year/Number Received	2016	2017	2018	2019	2020	Open	Outstanding ^(a)
2016 / 99	60	29	-	-	-	4 ^(b)	6
2017 / 106		56	35	4	-	-	11
2018 / 117			65	36	3	2 ^{(c)(d)}	11
2019 / 134				62	16	52 ^{(d)(e)(f)}	4
2020 / 43*					12	31 ^(f)	-
* As of January 14, 2020							
Source: Board Staff							

^(a) Probable cause was found but no disciplinary action can be taken because licensee is no longer licensed. Disciplinary action will have to be resolved before the builder is issued another license.

^(b) Abeyance: Disciplinary action suspended, pending other proceedings, that impact Board action.

^(c) Carried Over: File went to investigative committee for review but is being carried over for further investigation before a determination of probable cause or no probable cause is made by the Investigative Committee. (1 Complaint in FY 2018)

^(d) Investigative Committee Review: Investigation is complete. File is sent to Investigative Committee for review to determine if there is probable cause for disciplinary action. (1 Complaint in FY 2018, 6 Complaints in FY 2019)

^(e) Hearing: Probable cause for disciplinary action. Awaiting hearing date. (10 Complaints in FY 2019)

^(f) Open: Complaint is in the process of being investigated. (36 Complaints in FY 2019, 31 Complaints in FY 2020)

Average Time to Resolve Complaints – 102 days

Disposition of Resolved Complaints

# of Complaints	Resolution
82	Closed – No Probable Cause
97	Closed – Probable Cause
2	Dismissed
1	Outside Jurisdiction – Contract with Unlicensed Builder
3	Outside Jurisdiction – Exempt General Contractor
1	Outside Jurisdiction – Insufficient Information to Establish Jurisdiction
26	Outside Jurisdiction – Less than \$10K
1	Outside Jurisdiction – No Contract with Home Builder
1	Outside Jurisdiction – No Jurisdiction over Detached Improvement/Structure
1	Outside Jurisdiction – Not Licensed at Contract Signing
4	Outside Jurisdiction – Not Original Homeowner
1	Outside Jurisdiction – Not About Structure
7	Outside Jurisdiction – Over 6 Years
1	Outside Jurisdiction – Work Did Not Meet Statutory Definition of a Home Builder
32	Outstanding Disciplinary ⁽¹⁾
12	Resolved ⁽²⁾
90	Unlicensed Builder ⁽³⁾
34	Withdrawn
⁽¹⁾ Probable cause was found, but no disciplinary action can be taken because licensee is no longer licensed. Disciplinary action will have to be resolved before builder is issued another license.	
⁽²⁾ Builder and homeowner were able to reach a resolution prior to a probable cause finding by the Investigative Committee.	
⁽³⁾ Builder not licensed with the Board and contract exceeds \$10,000.00. A roofer is considered unlicensed if the contract exceeds \$2,500.00.	

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

General contractor licensees 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 Licensing Board for General Contractors, as of February 12, 2020 there are 870 active general contractors who qualify for this exemption.

Subsequent to January 1, 1992, licensed general contractors must also be licensed by the Home Builders Licensure Board in order to perform residential construction. (*Code of Alabama 1975*, Section 34-14A-6(3))

FINANCIAL INFORMATION

Source of Funds – Licensure Fees, Administrative Fees, Recovery Fund Fees

Funds

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

Fund 0719 – Home Builders Licensure Board Fund: The fund, authorized by *Code of Alabama 1975*, Section 34-14A-5(c), receives licensing fees, administrative fines, and other operating fees and is used to pay for the operations of the Board. Any funds remaining at fiscal year-end are transferred to the Homeowner’s Recovery Fund (Fund 0720) and/or the Home Builders Property Acquisition Fund (1163). The Board, at all times, may retain a sum sufficient to meet any emergency that may arise which may affect its efficient operation.

Fund 0720 – Homeowners’ Recovery Fund: The fund, authorized by *Code of Alabama 1975*, Section 34-14A-15(a), assists homeowners in recovering actual economic damages sustained within the State of Alabama as the direct result of conduct of a licensee in violation of the rules and regulations of the Board. ***Administrative Rule 465-X-7-.02(2)*** sets the maximum amount of payment from the Homeowners’ Recovery Fund as follows: (1) payments for claims based on judgements or settlements against any one licensee shall not exceed \$60,000.00 in the aggregate and (2) payments for claims arising out of the same transaction shall not exceed \$20,000.00 in the aggregate. The fund receives a \$15.00 fee from each license issued or renewed. Funds may be invested, and the interest deposited into the fund. The Board retains any unused funds at the end of the year.

Fund 1163 – Home Builders Property Acquisition Fund: The fund, authorized by *Code of Alabama 1975*, Section 34-14A-18(b), accumulates funds for the purposes of purchasing, maintaining, or improving real property to be used by the Board in accomplishing its mission. The Board shall levy a fee not to exceed \$60.00 per each active home builder license per year.

Schedule of Fees

Fee Type	Code of Alabama 1975	Administrative Rule	Amount Authorized	Amount Collected
Home Builder without Limitation License (Initial & Renewal)	34-14A-5(b)(1)	465-X-4-.04(1)(a)	Set by Board	\$235.00
Home Builder with Limitation License (Initial & Renewal)	34-14A-5(b)(1)	465-X-4-.04(1)(b)	Set by Board	\$235.00
Residential Roofing License	34-14A-5(b)(1)	465-X-4-.04(1)(c)	Set by Board	\$150.00
Annual Homeowners' Recovery Fund Fee ¹	34-14A-15(c)	465-X-4-.04(2)	≤ \$60.00	\$15.00
Non-Refundable Application Processing Fee (New Applicants)	34-14A-5(b)(2)	465-X-4-.04(3)	Set by Board	\$100.00
Non-Refundable Application Processing Fee (Expired Home Builders Licenses Less Than 3 Years Old)	34-14A-5(b)(2)	465-X-4-.04(4)	Set by Board	\$350.00
Non-Refundable Application Processing Fee (Expired Residential Roofing Licenses Less Than 3 Years Old)	34-14A-5(b)(2)	465-X-4-.04(5)	Set by Board	\$150.00
Home Builders License Inactive Fee ²	34-14A-5(b)(2) 34-14A-7(h)(1)	465-X-4-.04(6)	Set by Board	\$125.00
Residential Roofing License Inactive Fee	34-14A-5(b)(2) 34-14A-7(h)(1)	465-X-4-.04(7)	Set by Board	\$75.00
Late Fee ³	34-14A-5(b)(2)	465-X-4-.04(9)	Set by Board	\$50.00
Administrative Fine	34-14A-8(a) 14-14A-14(c)	465-X-5-.07(1)	≤ \$5,000.00	≤ \$5,000.00
Bad Check Fee	8-8-15(b)	465-X-4-.04(10)	\$30.00	\$30.00
Record Fee	41-22-4(3)	465-X-4-.04(8)	Cost Recovery	\$15.00
Application Package Fee ⁴	41-22-4(3)	465-X-4-.04(11)	Cost Recovery	\$25.00

¹*Code of Alabama 1975*, Section 34-14A-15(c) exempts inactive licensees from contributing to this fund. Fee does not apply to residential roofing licensees.

²*Code of Alabama 1975*, Section 34-14A-5(b)(2) allows for inactive fees to be waived for building officials.

³Building officials filing a late application for an inactive license are exempt.

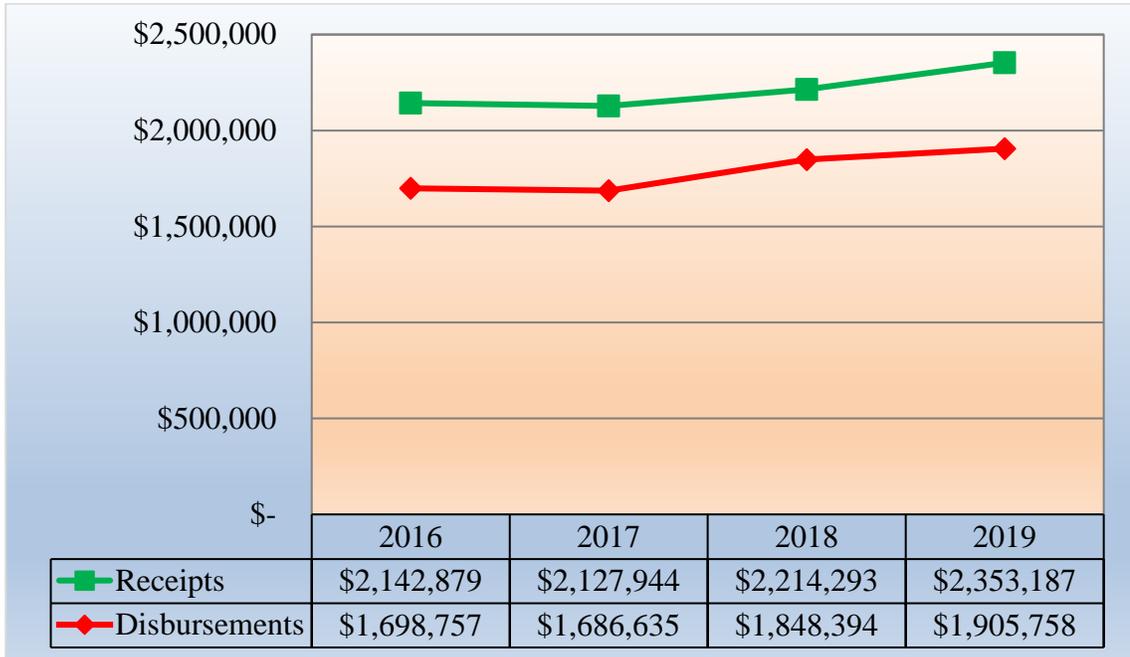
⁴Only applies if the package has to be mailed to applicant. Free download on Board's website.

Schedule of Receipts, Disbursements and Balances - Fund 0719

October 1, 2015 through September 30, 2019

	<u>2018-2019</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<u>Receipts</u>				
Home Builders License	\$ 2,043,288.75	\$ 1,912,105.00	\$ 1,880,684.00	\$ 1,894,045.00
Professional Occupational Exam	1,475.00	700.00	375.00	825.00
Copies & Bad Check Fees	90.00	305.00	150.00	270.00
Application Processing & Late Fees	114,295.00	127,970.00	129,570.00	128,495.00
Board Penalties	179,350.00	162,500.00	117,100.00	83,750.00
Insurance Recoveries	1,659.40	-	-	25,874.21
Prior Year Refunds	207.61	3,670.67	-	81.74
Salvage Equipment Sales	12,821.62	4,042.50	65.07	9,537.98
Prior Period Adjustment	-	3,000.00	-	-
Total	<u>2,353,187.38</u>	<u>2,214,293.17</u>	<u>2,127,944.07</u>	<u>2,142,878.93</u>
<u>Disbursements</u>				
Personnel Costs	969,170.66	988,509.11	987,947.56	924,990.49
Employee Benefits	378,492.23	374,696.08	361,163.04	347,613.00
Travel, In-State	43,448.15	35,707.91	39,270.59	30,530.23
Travel, Out-of-State	13,842.16	14,690.31	17,979.95	10,604.97
Repairs & Maintenance	10,617.09	7,101.26	6,839.87	8,992.70
Rentals & Leases	6,927.74	4,155.00	2,900.00	2,755.00
Utilities & Communication	89,287.20	65,591.57	60,190.18	72,233.07
Professional Services	222,676.89	162,338.21	113,252.38	134,578.26
Supplies, Materials & Operating Expenses	98,802.34	70,325.83	69,998.76	68,355.79
Transportation Equipment Operation	18,808.75	22,285.69	20,456.77	14,827.80
Transportation Equipment Purchases	41,136.00	73,780.35	-	76,904.00
Other Equipment Purchases	12,549.14	29,212.80	6,636.10	6,371.61
Transfers to Recovery Fund 0720	115,851.00	446,332.45	422,959.46	-
Total	<u>2,021,609.35</u>	<u>2,294,726.57</u>	<u>2,109,594.66</u>	<u>1,698,756.92</u>
Excess (Deficiency) of Receipts over Disbursements	331,578.03	(80,433.40)	18,349.41	444,122.01
Cash Balance at Beginning of Year	<u>666,950.27</u>	<u>747,383.67</u>	<u>729,034.26</u>	<u>284,912.25</u>
Cash Balance at End of Year	998,528.30	666,950.27	747,383.67	729,034.26
Reserved for Year-End Obligations	(161,285.88)	(115,430.77)	(152,470.06)	(154,360.24)
Reserved for Transfer by State Law	-	-	(344,913.60)	(324,674.12)
Available Cash Balance at End of Year	<u>\$ 837,242.42</u>	<u>\$ 551,519.50</u>	<u>\$ 250,000.00</u>	<u>\$ 250,000.00</u>

Operating Receipts vs. Operating Disbursements (Chart)

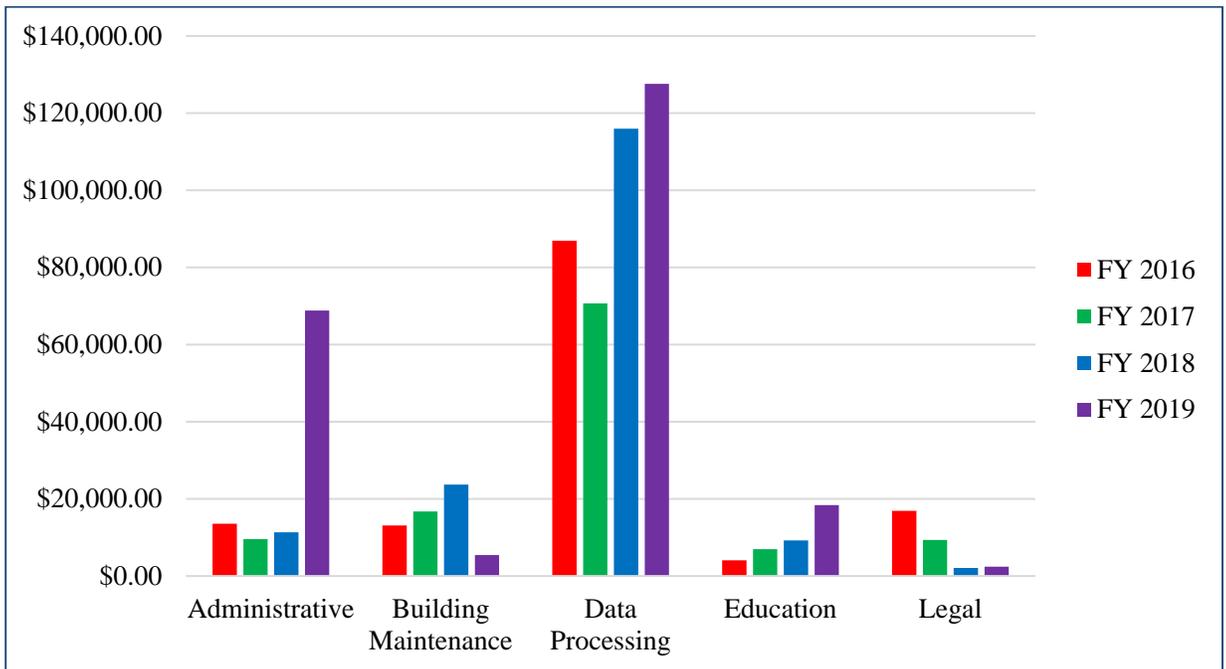


Operating disbursements do not include transfers to the Homeowners' Recovery Fund.

SUMMARY SCHEDULE OF PROFESSIONAL SERVICE DISBURSEMENTS *				
Fund 0719				
As of September 30 th .				
Type of Service	FY 2016	FY 2017	FY 2018	FY 2019
Administrative Services	\$ 13,555.37	\$ 9,544.22	\$ 11,347.55	\$ 68,833.02
Building Maintenance	13,112.00	16,733.00	23,690.70	5,444.00
Data Processing Services	86,926.64	70,691.06	115,982.41	127,615.02
Education	4,085.00	6,944.50	9,228.00	18,370.00
Legal Services	16,899.25	9,339.60	2,089.55	2,414.85
Total Professional Services	\$ 134,578.26	\$113,252.38	\$162,338.21	\$ 222,676.89

*Detailed information presented in the appendix

Professional Service Disbursement Chart



Schedule of Receipts, Disbursements and Balances - Fund 0720

October 1, 2015 through September 30, 2019

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<u>Receipts</u>				
Home Builders License	\$ 114,060.00	\$ 110,130.00	\$ 109,215.00	\$ 109,605.00
Prior Year Refunds*	13,600.00	15,207.82	13,988.46	627.66
Transfers In	115,851.00	446,332.45	422,959.46	-
Total	<u>243,511.00</u>	<u>571,670.27</u>	<u>546,162.92</u>	<u>110,232.66</u>
<u>Disbursements</u>				
Grants & Benefits	80,000.00	60,000.00	133,462.88	211,842.28
Transfers to Acquisition Fund (1163)	1,050,000.00	-	150,000.00	-
Prior Period Adjustments	-	3,000.00	-	-
Total	<u>1,130,000.00</u>	<u>63,000.00</u>	<u>283,462.88</u>	<u>211,842.28</u>
Excess (Deficiency) of Receipts over Disbursements	(886,489.00)	508,670.27	262,700.04	(101,609.62)
Cash Balance at Beginning of Year	<u>1,029,516.05</u>	<u>520,845.78</u>	<u>258,145.74</u>	<u>359,755.36</u>
Cash Balance at End of Year	143,027.05	1,029,516.05	520,845.78	258,145.74
Reserved for Year-End Obligations	(40,000.00)	(100,000.00)	(200,000.00)	(200,000.00)
Investment Balance**	<u>1,234,248.03</u>	<u>1,200,000.00</u>	<u>1,200,000.00</u>	<u>1,200,000.00</u>
Fund Balance at End of Year	<u>\$ 1,337,275.08</u>	<u>\$ 2,129,516.05</u>	<u>\$ 1,520,845.78</u>	<u>\$ 1,258,145.74</u>

*Prior Year Refunds & repayments plus interest from builders where a homeowner received money from the

**Money Market Accounts. Includes interest.

Schedule of Receipts, Disbursements and Balances - Fund 1163

October 1, 2015 through September 30, 2019

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<u>Receipts</u>				
Transfers In (Mutual Fund)	\$ 350,000.00	\$ -	\$ -	\$ -
Transfers In (Fund 0720)	1,050,000.00	-	150,000.00	-
Total	<u>1,400,000.00</u>	<u>-</u>	<u>150,000.00</u>	<u>-</u>
<u>Disbursements</u>				
Professional Services	49,622.64	54,339.39	-	-
Capital Outlay	1,331,639.30	-	-	-
Other Equipment Purchases	-	-	-	8,125.00
Total	<u>1,381,261.94</u>	<u>54,339.39</u>	<u>-</u>	<u>8,125.00</u>
Excess (Deficiency) of Receipts over Disbursements	18,738.06	(54,339.39)	150,000.00	(8,125.00)
Cash Balance at Beginning of Year	<u>127,053.65</u>	<u>181,393.04</u>	<u>31,393.04</u>	<u>39,518.04</u>
Cash Balance at End of Year	145,791.71	127,053.65	181,393.04	31,393.04
Reserved for Year-End Obligations	(134,760.24)	(11,660.61)	(8,900.00)	(8,900.00)
Investment Balance	<u>22,277.52</u>	<u>362,000.00</u>	<u>362,000.00</u>	<u>362,000.00</u>
Fund Balance at End of Year	<u>\$ 33,308.99</u>	<u>\$ 477,393.04</u>	<u>\$ 534,493.04</u>	<u>\$ 384,493.04</u>

QUESTIONNAIRES

Board Member Questionnaire

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

1. What are the most significant issues currently facing the Home Builders Licensure Board and how is the Board addressing these issues?

Board Member #1 - "Need for additional investigators and the Board / staff is actively looking for qualified personnel as budget will allow."

Board Member #2 - "hiring additional inspectors"

Board Member #3 - "Hiring and retaining qualified investigators, we are searching and contacting people daily to fill these needs. Need less state administrative burden because we are self- funded."

Board Member #4 - "We need more investigators. We are trying to recruit more investigators now, but retaining and compensating qualified investigators is hard to do within the pay scales."

Board Member #5 - "We have had a challenge hiring inspectors however 2 have just been hired I think we need at least 1-2 more. Consumers who use unlicensed contractors are hesitant to give us the necessary information to build a case against the unlicensed builders"

Board Member #6 - "none known"

Board Member #7 - "We need a statewide minimum building code. We also need building inspections in all counties and jurisdictions."

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

Board Member #1 - "Lowering the \$10,000 threshold for licensing"

Board Member #2 - "personally, I think a state-wide building code is greatly needed. Most people think we have a state-wide code, but this is untrue. I have advocated the need for a state-wide code since I have been on this board. There are too many "gray" areas in the current regulation, which states....."conforms to the construction practices of the geographic region". Also, any projects under \$10,000 do not have to be performed by a licensee. A reduction in this number is needed. I see individuals writing multiple contracts for \$9990,etc trying to circumvent the law. We have no help for consumers when this happens"

Board Member #3 - "Need to lower the threshold of having to have a license down from \$10,000 to \$1,000, also need a statewide building code to encompass the whole state."

Board Member #4 - "We need to lower the cost of the undertaking threshold below \$10,000 for jurisdiction."

Board Member Questionnaire

Board Member #5 - "I think to fully protect the consumer we need a statewide building code. For the less populated areas or where growth is slow a city or county could handle the inspection process thru a 3rd party inspector that's paid on a fee basis."

Board Member #6 - "current laws acceptable"

Board Member #7 - "Currently there is a \$10,000 threshold before the license law applies to a contractor doing the work. This needs to be lowered or removed."

3. Is the Board adequately funded?

Yes	7	100%
-----	---	------

Board Member #1 - "adequately funded as is but a need for additional investigators will require more funding"

Board Member #2 - "The board is funded by its licensees."

Board Member #3 - "We are funded by fees not state funding."

Board Member #4 - "We need to reduce the administrative burden on the agency because we are self-funded."

Board Member #5 - "For the time being"

Board Member #7 - "We are self-funded but any reduction in administrative burden on the agency would certainly help"

4. Is the Board adequately staffed?

Yes	3	43%
No	4	57%

Board Member #1 - "We need more investigators in the field policing unlicensed builders and other violations of license law."

Board Member #2 - "one of the legal staff members recently resigned. A new legal staff member is needed. Also, with continuing education in the near future, the staff will need to be increased Most important is the need for more field inspectors. It appears that the pay scale should be increased to attract qualified applicants"

Board Member #3 - "We are adequately staffed in the office but need more outside investigators. [REDACTED]. [REDACTED] is trying to rectify this but there is a lack of trained experienced people to fill these openings."

Board Member #4 - "Other than the need for more inspectors, as previously mentioned."

Board Member #5 - "I feel like the Board is. The agency as a whole no I believe more investigators are needed Our long range plan is to require continuous education so we will need to staff up for monitoring those CE credits"

Board Member #7 - "We must to be able to recruit, retain and competitively compensate qualified agency investigators. This requires funds."

Board Member Questionnaire

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

Yes	1	14%
No	6	86%

Board Member #1 - “We have added additional space and taken on licensing of roofers”

9. **Does the Board plan any significant changes in its operations?**

Yes	4	57%
No	2	29%
Unknown	1	14%

Board Member #1 - “we are however, constantly reviewing and updating our strategic plan. there have been lots of changes in the past few years, e.g. licensing requirements for roofers. Additionally, going forward we are implementing continuing education requirements for licensees”

Board Member #2 - “implementing the continuing ed program will require additional staff and committees”

Board Member #3 - “We are currently in the process of implementing continuing education for our industry.”

Board Member #7 - “We are currently working on implementing continuing education for our licensees. We strongly believe this will be a good thing to help insure that contractors in Alabama are well qualified. This could have an effect on the number of license renewals. If that number drops so does revenue which also gets back to question number 7.”

10. **Do you have any other comments you would like to make?**

Board Member #1 - “There is a need for a statewide minimum residential building code, covering the entire state, not just municipalities The board is self funded and we still have a huge administrative burden - our costs and efficiencies could be much better if this burden were reduced”

Board Member #2 - “I have served on this board since 2013. I take great pride in serving the consumers of the state, an appointment which I take very seriously. It

Board Member Questionnaire

does appear that this board acts in a just and honest manner based on common sense and law with no prejudice”

Board Member #3 - “Our board continues to strive to protect consumers while at the same time trying to be fair and equitable to our licensees.”

Board Member #4 - “We are in dire need of a statewide minimum residential building code with inspections in all county and municipal jurisdictions.”

Board Member #5 - “Being a business owner it gets frustrating when we’re a self funded agency that the extra time and expense it takes to purchase needed equipment and supplies because state red tape”

Board Member #6 - “no”

Board Member #7 - “I am truly honored to serve on this board. I have been a remodeling contractor for 37 years and have seen firsthand how the license requirement for contractors has helped provide consumer protection through regulation of the industry and also promote professionalism. I also believe that each and every board member is there for that same purpose and have no personal agendas.”

Individual Home Builder Licensee Questionnaire

A letter was sent to one hundred licensees requesting their participation in our survey. Sixteen participated in the survey. The percentages, where shown, are based on the number who responded to the question.

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

Yes	15	94%
No Opinion	1	6%

Respondent #16 - "I am not sure that enough knowledge is required to obtain a license in this state. I have inspected some pretty shabby work through the years. What concerns me the most is the lack of knowledge on basic construction principles."

2. 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	11	69%
No Opinion	3	19%

Respondent #2 - "I had a completely unrelated business with my husband and because of the economic downturn nearly ten years ago had to file personal bankruptcy. I have not been able to hold an "active" card since that time which I don't believe is a necessary policy since it did not have anything to do with homebuilding practices that were in relation to my license."

Respondent #16 - "INACTIVE license"

3. Do you think any of the Board's requirements are irrelevant to the competent practice of your profession?

Yes	4	25%
No	10	63%
Unknown	1	6%
No Opinion	1	6%

Respondent #2 - "The fact that a personal bankruptcy unrelated to homebuilding has caused me to have an active license."

Respondent #15 - "Contractors that do not do foundation or structural work should not have to test on these topics."

Respondent #16 - "Would not know, since I do not receive any correspondence."

Individual Home Builder Licensee Questionnaire

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

Yes	12	75%
No	1	6%
Unknown	1	6%
No Opinion	2	13%

Respondent #16 - "I am an INACTIVE License Holder, and do not receive ANY notifications, except renewal. (License Number [REDACTED])"

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

Yes	15	94%
No	1	6%

Respondent #16 - "Problems in the past few years. Provided multiple requests for renewal in 2017, but not processed timely. Provided multiple requests in 2018, and NEVER processed, so I had a year that I did not receive anything. (License Number [REDACTED])"

6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 - "No comment"

Respondent #2 - "Quality of work performed and holding builders to a higher level of quality and craftsmanship overall. Not sure what the board is doing to encourage this."

Respondent #3 - "Fraud, deceit, in industry that gets only a tiny .punishment compared to the abuse committed. More should lose license, pay larger fines, should be barred from starting over for a long period. Too much poor work!!!"

Respondent #4 - "Unlicensed subcontractors able to bid less for the jobs.."

Respondent #5 - "I have no issues"

Respondent #6 - "No issues at this time"

Respondent #7 - "Allowing builders to do unethical business and building practices and not having any consequences . I'm not sure if the board is trying to do anything about it"

Respondent #8 - "Qualified licensed contractors"

Respondent #9 - "cheaper building practices by "big box" builders that cut corners and do the minimums. Quality is not as good and the structures don't hold up for the long haul. Ie: foundations are minimal and allows for the brick to sag and crack. Interior walls are loaded up with sheetrock mud to cover up faults which later crack, etc. post the 1 year time....etc."

Respondent #10 - "Customers are not using licenses trades to perform the work and undercutting the prices of trades that play by the rules and have proper insurance and credentials. I have no idea what the board is doing to address this concern."

Individual Home Builder Licensee Questionnaire

Respondent #11 - “lack of qualified labor pool; unknown”

Respondent #12 - “economy affecting new home builds”

Respondent #13 - “Unlicensed Builders According to newsletter, they are going after them. I'm not sure that the problem's not a local one with the local codes enforcement staff slipping on their end.”

Respondent #14 - “Unlicensed Home Builders and Contractors. The Board will cite and prosecute those who practice residential construction without a license.”

Respondent #15 - “Municipality Inspectors ridged and personal interpretation of building codes.”

Respondent #16 - “I am a Federal Building Inspector, and work in rural areas. I can assure you that these areas are not being serviced adequately. Not enough enforcement. SEND ME A JOB APPLICATION!”

7. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	8	50%
No	2	12%
Unknown	3	19%
No Opinion	3	19%

Respondent #3 - “if they are doing their duties, then the duties need to be restated to better protect homeowners”

Respondent #6 - “I think the Board does an extremely good job.”

Respondent #13 - “Would like to see more visible enforcement”

Respondent #16 - “Again, hire some employees for enforcement. I realize that your employees have a lot of area to cover, but you also need to cover and enforce the rural areas. In all my years in federal service, I have been involved in one enforcement action.”

Company Home Builder Licensee Questionnaire

A letter was sent to one hundred licensees requesting their participation in our survey. Nineteen participated in the survey. The percentages, where shown, are based on the number who responded to the question.

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

Yes	16	84%
No	2	11%
No Opinion	1	5%

Respondent #10 - “All Builders, existing and new, who have not done so, should be required to take a written, monitored test to obtain or retain a builders license in the state of Alabama.”

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

Yes	2	11%
No	16	84%
No Opinion	1	5%

Respondent #10 - “Board needs to more diligent in enforcement of rules, policies, laws.”

3. Do you think *any* of the Board’s requirements are irrelevant to the competent practice of your profession?

Yes	1	5%
No	15	79%
No Opinion	3	16%

Respondent #10 - “Board needs to more diligent in enforcement of rules, policies, laws.”

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

Yes	16	84%
No	2	11%
Unknown	1	5%

Company Home Builder Licensee Questionnaire

7. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	15	78%
Unknown	2	11%
No Opinion	2	11%

Respondent #10 - “Not enough understanding of the board's performance and working environment to comment.”

Individual Roofer Licensee Questionnaire

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

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

Yes	9	50%
No	7	39%
No Opinion	2	11%

Respondent #2 - “Only made people work weekends to avoid permits and license. Only honest people are legal.”

Respondent #3 - “Because it holds each person with a Roofers License accountable.”

Respondent #4 - “I think local inspectors do adequate job of enforcing current regulations.”

Respondent #6 - “Only beneficial to the public IF municipalities and counties' official enforce the regulation. Inspectors must be involved to ensure proper installation. I see "racking" of Architectural shingles often, which is a problem in "the making".”

Respondent #10 - “we already carry a bond and have to be licensed in all towns to pull a permit”

Respondent #11 - “It separate the professional contractor from the overnight (contractor)”

Respondent #12 - “Everyone knows why the legislature passed this law. (Hint: It ain't about protecting the public welfare).”

Respondent #16 - “This survey is being answered by the office manager, not the owner of the company. Only partly! Actually the builders need some protection from some of the customers who are just scamming builders to get free work. There should be a balance of protections for the public AND BUILDERS.”

2. 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	10	55%
Unknown	1	6%
No Opinion	2	11%

Respondent #2 - “Yes I do because of un-equivalent process and no consequences for those caught (illegal immigrants)”

Respondent #4 - “Prevents the small business from bidding on some jobs.”

Individual Roofer Licensee Questionnaire

Respondent #6 - "I'm in the middle on this. Most regs are well thought out."

Respondent #11 - "It prevent me from doing all jobs pertaining to a contractor which can be perform roofing, painting sheetrock, flooring ,small carpenter, etc,"

Respondent #12 - "Not on mine. But on the professions of lots of others."

Respondent #16 - "Some are."

3. Do you think *any* of the Board's requirements are irrelevant to the competent practice of your profession?

Yes	6	33%
No	9	50%
No Opinion	3	17%

Respondent #4 - "I see no reason to require small businesses to acquire a surety bond."

Respondent #5 - "Possible for a competent roofer to not meet requirements, due to lack of funds, for one reason or another, aka.. injury or illness."

Respondent #11 - "I can do a lot of jobs pertaining to contractor work"

Respondent #12 - "The Individual Roofer's License."

Respondent #16 - "Some are. Also breaking down an overall home builders license into separate licenses for roofing and other things is just a way of milking more money out of the business owners. Bad enough we get nickel and dimed by the state, and each county and each city within the county to do business. Too many layers of taxation and licensing."

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

Yes	9	50%
No	7	38%
Unknown	1	6%
No Opinion	1	6%

Respondent #4 - "I have never received any notification from the board of rules, policies or laws."

Respondent #6 - "I have some concerns about the term "Residential" limiting my efforts in marketing to Roof Replacement opportunities of Light Commercial buildings."

Respondent #11 - "it weave out the overnight contractor"

Respondent #12 - "Only if I go to their website constantly."

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

Yes	13	72%
No	4	22%
No Opinion	1	6%

Individual Roofer Licensee Questionnaire

Respondent #10 - "I have been licensed for 2 yrs the first yr was a nightmare to get it issued 2nd yr was ok"

Respondent #11 - "The sooner you pay the sooner they respond"

Respondent #12 - "Depends on what "timely" means. If a month is "timely," then yes."

Respondent #16 - "Took 2 months after sending payment in on Nov. 20, 2019 to finally get license mailed to us in mid Jan., 2020."

6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 - "NO OPINION"

Respondent #2 - "Illegal immigrants. They can reduce prices 50% and make more money due to taxes and insurance and ANOTHER LICENSE NOW"

Respondent #3 - "Roofers operating without license. The board has sent with my new license for 2020 a note pad to report names of unlicensed roofers."

Respondent #4 - "To many unlicensed companies sneaking in to do a roofing job then abruptly leaving."

Respondent #5 - "Not enough young people with enough interest willing to learn the trade of roofing."

Respondent #6 - "Unfair competition with regards to Workmen's Compensation Insurance. i.e. there are Fake documentations of coverage out there, thereby reducing costs to Trade providers, putting small operations at a disadvantage."

Respondent #7 - "N/A"

Respondent #8 - "Don't know of anything."

Respondent #9 - "No comment"

Respondent #10 - "I can see nothing that they are doing other than charging us money fees and additional bond"

Respondent #11 - "Question number 3, I don't know"

Respondent #12 - "Passing of requirements for additional licenses, which requires yet more fee money to the Board."

Respondent #13 - "People working without a license and contractors using unlicensed roofers By implementing license requirements"

Respondent #14 - "Illegal immigrants working subcontractors without licenses"

Respondent #15 - "Unlicensed contractors. The board is requiring a state Roofers license into order to get local business license."

Respondent #16 - "Not happy about having to pay a complete roofing license fee all over again after having just paid it in 2019 for only a month and a half of use. There again, was a bunch of hoops to go through to get it and took 3 months. The fee should have been prorated, and it should not take so long to do. Making the business owner send back the to the bond company after signing it, to have the bond company mail it to license board is ridiculous waste of time. The business owner should be able to send it directly to the license board after signing it as to not waste weeks of time with snail mail back and forth. Also, the fee should be prorated!"

Respondent #17 - "No Comment"

Respondent #18 - "Knocking on doors for clients. No"

Individual Roofer Licensee Questionnaire

7. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	8	44%
No	1	6%
Unknown	2	11%
No Opinion	7	39%

Respondent #10 -“don’t know if they have any duties once they have your money never hear from them”

Respondent #12 - “I’ll pass on this question, with one exception: The cost of Workers Compensation insurance in this state is egregious for roofers, and it would be a welcome move if they would lobby the legislature to regulate how and in what amounts insurance companies can charge for this type of insurance.”

Respondent #14 - “Requiring a copy of the renewed insurance policy prior to issuing the renewed license could cause problems in getting permits, etc. at the beginning of the year. Should accept the receipt/check stub/copy of check instead of the policy.”

Respondent #16 - “Needs improving!”

Company Roofer Licensee Questionnaire

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

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

Yes	10	72%
No	2	14%
No Opinion	2	14%

Respondent #11 - “It keeps the public protected from those that operate without proper insurance and license.”

Respondent #12 -“I think it’s necessary but it seems it’s only going to effect the companies that are already legit that the board can find easily. Companies that are already doing business the correct way. It’s not these companies that are the problem it’s the ones with no insurance and no license.”

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

Yes	3	21%
No	10	72%
No Opinion	1	7%

Respondent #12 - “But I do think it is unfair to require companies that already pay for licenses and insurance to have the additional expense of paying for another license and bond.”

3. Do you think any of the Board’s requirements are irrelevant to the competent practice of your profession?

Yes	3	21%
No	10	72%
No Opinion	1	7%

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

Yes	8	57%
No	4	29%
Unknown	2	14%

Company Roofer Licensee Questionnaire

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

Yes	13	93%
Unknown	1	7%

6. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 - "different requirements depending on the county that work is being performed"

Respondent #2 - "More regulation"

Respondent #3 - "Better roofing license enforcement"

Respondent #4 - "no comment."

Respondent #5 - "n/a"

Respondent #6 - "Insurance cost"

Respondent #7 - "compliance"

Respondent #8 - "no comment."

Respondent #9 - "None"

Respondent #10 - "I personally believe that the most significant issue facing our profession is unlicensed contractors who run off with home owner's money. They give us a bad name and make customers skeptical of genuine companies. I think by making a roofing license mandatory, the board will help weed these bad contractors out."

Respondent #11 - "Making sure businesses operate fulling licensed and insured. It is hard for a legal business to compete with those businesses that do not comply with the rules and regulations of the state."

Respondent #12 - "Unlicensed so-called roofers with no insurance or business license. No idea how the board finds them unless they come across them or someone reports them and by that time it's too late."

Respondent #13 - "N/A"

Respondent #14 - "The most significant issue to me is the fact that the this Board has the authority to charge me \$100.00 each year when I am already paying over \$1,000.00 for city and county (state) licenses. Enough is Enough!"

7. Do you think the Board and its staff are satisfactorily performing their duties?

Yes	9	64%
Unknown	1	7%
No Opinion	4	29%

Respondent #12 - "Always helpful."

Respondent #14 - "Do not know what their duties are other than collecting money for a license that is not needed."

Complainant Questionnaire

A letter was sent to one hundred complainants whose complaint had been resolved within the past two years, requesting participation in our survey. Twenty-five participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. How was your complaint filed with the Alabama Home Builders Licensure Board?

Mail	20	80%
Phone	2	8%
Other	3	12%

Respondent #3 - “Dropped off at office.”

Respondent #4 - “I personally drove the complaint to Montgomery AL for review.”

Respondent #6 - “Also, spoke with them by phone”

Respondent #13 - “Communicated by Mail, email, and phone”

Respondent #16 - “My Lawyer”

2. Was receipt of your complaint acknowledged?

Yes	24	96%
Unknown	1	4%

Respondent #4 - “Yes, the complaint was acknowledged.”

Respondent #5 - “Took a long time to respond back.”

Respondent #7 - “Not sure, I believe the next information, I received was a summons to appear in Montgomery.”

3. If you answer “YES” to Question 2, approximately how long after you filed your complaint were you contacted by the Board?

Immediately	1	4%
Within 10 days	5	20%
Within 20 days	1	4%
Within 30 days	7	28%
More than 30 days	7	28%
Unknown	4	16%

Respondent #4 - “I was contacted by a representative within 120 days of my complaint, I was advised that due to the storm that had taken place in surrounding counties, the Alabama home builders licensure board was assisting other families based on the severity of needs”

Respondent #7 - “Do not believe I was notified.”

Complainant Questionnaire

Respondent #10 - "My complaint was mailed on or about 01FEB19. I received acknowledgement from the board of receipt of my complaint 12FEB19."

4. Was the Board employee who responded to your complaint knowledgeable and courteous?

Knowledgeable	1	4%
Courteous	3	12%
Both	14	56%
Neither	3	12%
No Opinion	4	16%

Respondent #4 - "he was knowledgeable, but I felt he wasn't looking at the compassion of my concerns. I felt he came but already knew he wasn't going to make the sellers do anything other than the patch work they already done to this house. very disappointed that I waited a long time for a rep to assist me but when time came for review of assistance, I got the look of it isn't nothing we can do...but just didn't say it"

Respondent #5 - "Not courteous, hung up phone following heated discussion."

Respondent #7 - "[REDACTED] was helpful in the procedure."

Respondent #17 - "excuses"

Respondent #24 - "Acknowledged by mail"

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

Yes	19	76%
No	5	20%
Unknown	1	4%

Respondent #4 - "they did send me a notification stating that after carefully reviewing my claim, they find that the seller is not at fault of any of the accusations and or concerns that I had."

Respondent #7 - "Had to contact the Board always to get updates and information."

Respondent #10 - "Result of the investigation was communicated to me in a letter dated 01JUL19."

Respondent #11 - "Only to say that the complaint had been resolved. The resolution for this complaint was reached through negotiations between my attorney and myself and the builder and his attorney. The builder purchased the unfinished house and property from me and, as far as I know, completed the house and sold it. I am unaware of the results of the investigation or any interaction by the Board after the investigator filed his report."

Respondent #12 - "The results were basic not really investigated."

Respondent #14 - "I believe they contacted the contractor per our attorney now."

Respondent #22 - "Received your 'survey letter' as notification. Called HBLB on January 23, 2020 to get results. Reply was letter of results would be mailed. Asked

Complainant Questionnaire

for email of letter to forward to my lawyer. Received email next day and letter dated January 24, 2020 received on January 29, 2020.”

Respondent #25: “██████████ ██████████ called and came out to the house. He called ██████████ ██████████ the builder told him he needed to finish work on the house as of yet – 2-4-20 still not done. ██████████ also talked with ██████████ ██████████ – ██████████ ██████████ – he took \$14,000.00 Never did all the work contracted for”

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

Yes	6	24%
No	16	64%
Unknown	2	8%
No Opinion	1	4%

Respondent #1 - “I believe so, but I feel he was let off way too easy.”

Respondent #2: “I presented a mountain of evidence, and I have even more than the man said wouldn't be necessary. Any reasonable person who would look at the evidence would have come to a different conclusion than the board. That being said, the builder I complained of has since gone out of business due to the practices in which I accused him of!”

Respondent #4 - “No, I don't feel that the Board didn't do anything but just come look and contacted the seller...and said it is nothing to be done. I felt it was a waste of time for me to contact them and wait for such long drawn out response and or even to contact me in regards to my complaint. I was very disappointed that I provided everything that I was told to do, even the opinion of the Jefferson county permit board...due to the sellers not having a permit to due the electrical work of replacing the electrical system, which is totally illegal. the case is still open because they didn't do ANY of the things to correct the problem....a bunch of shade trees doing shady work...all I get is a HIGH power bill and a denial of there is nothing to be done”

Respondent #5 - “Due to incorrect work done on my home, investigator did nothing; did not make sense if contract states exact work to be done & contractor used totally different material 3 times in my MT Brook home and investigator does nothing. Please contact for further details at ██████████-██████████-██████████. Thanks.”

Respondent #7 - “One of the Board members is a home builder in Dothan. I strongly believe he influenced the Boards weak disciplinary action against the builder I filled my complaint against. My builder was accused and found guilty of violating numerous Codes, with fines totaling over \$10,000.00 yet he walked away with a plea bargain of \$2000.00 dollars.”

Respondent #9 - “I should have been given an opportunity to a hearing where I could present my case in full detail for the experts to make a decision based on these details. I do not think that pictures alone were sufficient to make a decision and/or fully address the complaint / issue .”

Respondent #10 - “I will forward to you, a 30DEC19 letter I wrote to the board, in response to their findings. As of this writing, 20JAN20, I have not received a reply.

Complainant Questionnaire

I completed the referenced on-line survey today. My completed survey references a 30DEC19 letter to the Home Builders Licensing Board that I wrote in response to their 01JUL19 letter that advised me of no probable cause to pursue disciplinary action, and that the Consumer Complaint file had been closed. No explanation was provided. My complaint was supported by photographic and documentary evidence of numerous examples of substandard results due to mismanagement of the remodel of my home, resulting in added costs to me to rework, or complete work that the Contractor was paid to perform but did not perform. The major part of my complaint concerned installation of a roof on my own house which was to be installed per the contract. It is incredible to me that an agency having oversight responsibility for home builders fails to recognize and deal with a contractor failing to perform work for which he has been paid. Thank you for providing oversight of agencies that have the mission of protecting the public. Feel free to contact me if you have any questions or comments. Sincerely, [REDACTED] [REDACTED]"

Respondent #12 - "Said they could not help me."

Respondent #14 - "I am not sure they did anything."

Respondent #15 - "I was trying to get my money back in the amount of \$12,500. This contractor never brought a nail into my house. He is still doing business and lying to the public. He still has approximately 10 Websites and is still deceiving the public. They did suspend his license but he is still working as if he is licensed. Search - [REDACTED] [REDACTED] in Fultondale, AL and you will see what I mean. This man is a chronic liar."

Respondent #16 - "my builder just quit after I gave him a payment"

Respondent #18 - "In my opinion, the penalty was too low for an unlicensed builder to sell a new home. Also, I was not entitled to escrow funds and had to reduce the cost of the sale of the home by an estimated amount of \$30,000"

Respondent #19 - "Builder is still licensed and able to continue. I wish the board was able to do more to protect the public."

Respondent #22 - "HBLB did what they do . . . We may be the only ones to take time to report this contractor and I hope he never takes anyone else for the 'ride' we've been on. As I stated in my report "he may be a 'creative' contractor but he is NOT a home builder". Word of mouth is best advertisement . . . We will NEVER recommend this contractor for anything to anyone!!!"

Respondent #25 - "House still not done – couldn't get mortgage because of this matter"

7. Were you satisfied with your dealings with the Alabama Home Builders Licensure Board?

Yes	6	24%
No	17	68%
No Opinion	2	8%

Respondent #2 - "I do not think they thoroughly investigated this. Either that, or it wasn't fairly done."

Complainant Questionnaire

Respondent #4 - "I will never refer the ALABAMA Home Builders Licensure board to anyone, because it is a waste of time. it was not in my best interest to even file a claim with this office, and to know that the sellers sold me a home that has faulty wiring/ just fixed the house up enough to sale/Terrible."

Respondent #5 - "No, contractor walked away with no discipline and then repeated some of same dealings with another home in my area. Does this make sense. reopened my case & asked for a different investigator but got same person who I hung up phone in my face during discussion. My case was doomed from start as investigator was NOT going to go back and say he did not complete case properly on the 1st complaint."

Respondent #6 - "Thought the roofing company should had been made to replace the roof but at least they were held accountable."

Respondent #7 - "I believe the Boards decision was influenced by another home builder from Dothan, Alabama"

Respondent #8 - "The rep. Very friendly and did a wonderful job handling the case. They were responsive and helped me get my funds back from the builder. I can't say enough about what a great job they did."

Respondent #10 - "Please feel free to contact me if you wish to discuss further.

Thank you. [REDACTED], Columbia AL [REDACTED]
[REDACTED]"

Respondent #12 - "After being told they could not help me, neither did they help me with info of something else I could try. The housing Board should be able to provide assistance if a complaint is filed with a member."

Respondent #13 - "I was very dissatisfied with the results governed by the Alabama Home Builders Board for the following reasons. The Board went through a process and the Home Builder decided not to contest my complain which is a clear acknowledgement of wrong-doing. Why I'm dissatisfied is because I the Customer suffered more than the Builder in the form of time spent filling out forms, phone calls, writing letters explaining verbally what happened, coping and sending documentation, following up, etc.. It cost me a lot of time and aggravation not to mention money loss as a result of the Home Builder's fraud. The process took from middle of May 2019 until Jan 2020. The Home Builder in my opinion Thumped his nose at the Board and didn't even show at the hearing. The Ruling by the Board was the Builder to pay a \$500.00 fine and 6 hours of builder education classes. I'm sure the Builder screwed his next customer out of that much money instead of driving to Montgomery for the Hearing. I figure my time and aggravation was worth 10X that. I assume the Board including two investigators had a substantial amount of time invested. So where is the incentive for Consumers to report anything to the Board?"

Respondent #14 - "I question if the Board desires to resolve a consumer complaint versus helping a member."

Respondent #15 - "They did nothing to help me get my money back. When I contacted the Recovery Fund, I was misled by [REDACTED]. She told me that I did not need an attorney. So I filed the complaint myself and did everything she said to do. When I thought I was going to collect from this fund she told me that I didn't do things right. I told her that you told me not to hire an attorney. She misled me and didn't seem to be concerned that I was not going to get my money back. This

Complainant Questionnaire

fund is what that is for. I found out that I did need an attorney so I hired one. [REDACTED] [REDACTED] in Bessemer. [REDACTED] - [REDACTED] - [REDACTED]. I had to pay attorney's fees. This was not a satisfying experience for me. They did suspend his license but like I said, he is still out there lying. The Board and the Recovery Fund need to work together and they definitely do not.”

Respondent #17 - “worthless”

Respondent #18 - “I was not given any explanation of what the Board was going to do to ensure this does not happen to a unsuspecting victim”

Respondent #19 - “Punishment for builder seemed very small in comparison to the amount of time and money involved in fixing his mistakes.”

Respondent #22 - “We were 'ok' with action and investigator, however, when we received the survey letter dated January 15, 2020 before receiving results was a little disappointing. When I called HBLB for the results I was told the claim closed 'back in December 2019'.”

Respondent #23 - “We had a water issue. We STILL have a water issue. Every home professional that has seen our backyard has said that they did a terrible job of grading the area and that we would continue to have water problems. Which we do. The reason we moved was to have a backyard for our son to play in and we are NEVER able to play in the back yard because of the water standing in the back yard. The grass is dying. It's absolutely ridiculous. The smallest amount of rain causes the biggest flood. Who else can I talk to about this because obviously it doesn't get handled properly when we file a complaint against someone that's friends with someone on the board. Thx. [REDACTED] - [REDACTED] - [REDACTED] and I can send you a video of the mess they call our backyard.”

Respondent #24 - “My only interaction was with [REDACTED] [REDACTED] who was the ultimate professional. Not only was he thorough, he provided some maintenance suggestions which have been invaluable. Mr [REDACTED] left me with a most positive impression of the HBLB.”

Respondent #25 - “Not at all paid fees – no results”

APPENDICES

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 Home Builders Property Acquisition 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.)

Section 34-14A-8 Revocation, etc., of license; 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-8.1 Public records; confidential records and closed proceedings; discovery.

(a) All administrative complaints, orders to show cause, notices of hearings, and statements of charges, and all amendments thereto, and all orders of the board which are dispositive of the issues raised thereby, shall be public record.

(b) All records, reports, documents, photographs, and information contained in complaint and investigation files, shall be confidential, shall not be public record, and shall not be available for court

subpoena or for discovery in civil proceedings. Disciplinary action proceedings shall be closed. The record in such proceedings, including witness testimony, exhibits, and pleadings, shall be confidential, shall not be a public record, and shall not be available for court subpoena or for discovery in civil proceedings.

(c) Nothing contained herein shall apply to records made in the regular course of business of an individual. Documents or records otherwise available from original sources are not to be construed as immune from discovery or use in any civil proceedings merely because they were presented or considered during the proceedings of the board.

(Act 2006-105, p. 136, §2.)

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.)

Section 34-14A-14 Violations; complaint procedures.

(a) 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 the provisions of 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.)

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 and shall be held by the board in trust for carrying out the purposes of the 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.)

Section 34-14A-20 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, two-year 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.
 - (l) 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.)*

Professional Services by Vendor - Fund 0719

	FY 2016	FY 2017	FY 2018	FY 2019
Administrative				
Alabama Association of Plumbing, Gas, & Mechanical Inspectors	\$ 999.99	\$ 999.00	\$ 999.00	\$ -
Alabama Legislative Reading & Research Service LLC	1,439.00	-	1,499.00	1,498.00
Calling Post Communications, Inc.	1,136.50	1,221.50	974.00	1,053.50
Code Officials Association of Alabama	400.00	400.00	-	-
Copeland Security Group, Inc.	516.00	473.00	559.00	129.00
Department of Finance	19.70	50.04	51.90	91.70
Department of Homeland Security	-	-	-	25.00
Gilmore Services	348.75	463.70	356.89	295.22
Greater Alabama Home Building Association	450.00	-	-	-
Legislative Services Agency	-	-	900.00	1,510.00
Motivated Enterprises	-	-	-	2,875.00
Office of Information Technology	-	-	15.50	18.60
Pruitt Communications, Inc.	-	-	-	387.00
Stamp Idea Group, LLC	-	-	-	49,650.00
Supreme Cleaning, Inc.	-	-	-	5,410.00
Wells Printing Company, Inc.	2,804.43	1,000.98	630.26	-
State Personnel Department	5,441.00	4,936.00	5,362.00	5,890.00
Total Administrative	13,555.37	9,544.22	11,347.55	68,833.02
Building Maintenance				
Alabama Dumpster Services, LLC	-	-	-	110.00
CMT Tree Service	-	3,700.00	-	-
Cook's Pest Control	420.00	447.00	456.00	494.00
J. Durham Design, LLC	1,250.00	-	-	-
JMR+H Architecture, P.C.	-	-	9,769.70	-
Larry Richardson	6,600.00	8,205.00	8,330.00	-
Precision Lawn & Irrigation Management	4,380.00	365.00	-	-
Scotts Lawn Service	462.00	66.00	-	-
Supreme Greens Turf Management Professionals, LLC	-	3,950.00	5,135.00	4,840.00
Total Building Maintenance	13,112.00	16,733.00	23,690.70	5,444.00
Education				
Alabama Association of Regulatory Boards	1,725.00	1,800.00	2,825.00	1,800.00
Alabama Association of Plumbing, Gas, & Mechanical Inspectors	300.00	600.00	600.00	600.00
Alabama District Attorneys Association	-	500.00	250.00	-
Auburn University Montgomery	-	-	-	8,700.00
East Alabama Code Officials Association	-	-	-	300.00
Federation of Associations of Regulatory Boards	-	1,600.00	850.00	3,500.00

	FY 2016	FY 2017	FY 2018	FY 2019
Education (Cont.)				
Home Builders Association of Alabama	-	900.00	900.00	-
International Code Council	685.00	102.50	-	-
National Association of State Contractors Licensing Agencies	225.00	495.00	2,710.00	3,380.00
National Property Management Association - Capitol City Chapter	-	-	-	90.00
NBI, Inc.	-	398.00	199.00	-
North Alabama Code Officials	-	400.00	-	-
Skillpath Seminars/NST Seminar	-	149.00	894.00	-
The National Construction Investigators Association	1,150.00	-	-	-
Total Education	4,085.00	6,944.50	9,228.00	18,370.00
Data Processing				
Alabama Interactive	-	125.00	500.00	-
Department of Finance	18,902.60	14,617.67	7,028.99	10,041.92
Elavon, Inc.	-	-	779.88	1,834.35
GL Suite, Inc.	46,628.04	45,250.39	61,892.02	69,431.07
Key Asset Lifecycle Management Services	21,396.00	10,698.00	30,295.96	35,159.28
Office of Information Technology	-	-	15,485.56	11,148.40
Total Data Processing	86,926.64	70,691.06	115,982.41	127,615.02
Legal Services				
Birmingham Reporting Service, Inc.	-	-	242.75	-
Boggs Reporting & Video, LLC	4,849.25	3,069.60	1,846.80	2,414.85
Deborah M. Garrett	175.00	-	-	-
Matthew Y. Beam	4,720.00	6,270.00	-	-
Ryals, Donaldson, & Agricola, P.C.	7,155.00	-	-	-
Total Legal Services	16,899.25	9,339.60	2,089.55	2,414.85
Total Professional Services	\$ 134,578.26	\$ 113,252.38	\$ 162,338.21	\$ 222,676.89

Professional Services by Vendor – Fund 1163

	FY 2016	FY 2017	FY 2018	FY 2019
Building Maintenance				
JMR &H Architects, P.C.	\$ -	\$ -	\$ 54,339.39	\$ 46,130.67
Data Processing				
Department of Finance	-	-	-	3,491.97
Total Professional Services	\$ -	\$ -	\$ 54,339.39	\$ 49,622.64

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) 263-1392

www.hblb.alabama.gov

January 14, 2020

Mr. Rodney Wagstaff
Examiners of Public Accounts
P.O. Box 302251
Montgomery, Alabama 36130-2251

RE: Sunset Report

Dear Mr. Wagstaff:

The following is a list of the current board members requested for the Sunset Review.

William (Bill) R. DeLoney, Chairman
Builder Member
Dothan, AL
Reappointed December 12, 2019 – December 31, 2022
Reappointed by Mac McCutcheon, Speaker of the House

Don Spurlin, Vice Chairman
Builder Member
Albertville, AL
Reappointed March 18, 2019 – December 31, 2020
Reappointed by Will Ainsworth, Lt. Governor

Peggy B. Turner, Secretary/Treasurer
Consumer Member
Birmingham, AL
Reappointed January 11, 2019 – December 31, 2020
Reappointed by Kay Ivey, Governor

Thomas L. (Lynn) Corder
Builder Member
Reappointed January 17, 2017 – December 31, 2019
Appointed by Robert Bentley, Governor

HOME BUILDERS  LICENSURE BOARD

Mr. Rodney Wagstaff
January 14, 2020
Page 2

Randy Cunningham
Building Official Member
Huntsville, AL
Reappointed March 18, 2019 – December 31, 2021
Reappointed by Will Ainsworth, Lt. Governor

Ken Kirchler
Builder Member
Auburn, Alabama
Reappointed February 28, 2019 – December 31, 2020
Reappointed by Mac McCutcheon, Speaker of the House

Roddy O. Sample
Builder Member
Birmingham, AL
Reappointed December 31, 2019 – December 31, 2022
Appointed by Will Ainsworth, Lt. Governor

Michael Toles, Sr.
Builder Member
Montgomery, AL
Appointed February 29, 2019 – December 31, 2021
Appointed by Mac McCutcheon, Speaker of the House

Sincerely,



J.R. CARDEN JR.
Executive Director
Home Builders Licensure Board

Board's Response to Significant Issues

Home Builders Licensure Board **Response to Significant Issues**

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.

Board Response to Significant Issue 2020-01:

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 has budgeted as of February 2020. 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.

Significant Issue 2020-02 – Five of the seven board members responding to our survey stated that the \$10,000 threshold for licensure should be lowered. Currently, contractors are required to have a license if the construction or remodeling is less than \$10,000. Contractors are circumventing obtaining a license by writing multiple contracts for amounts less than \$10,000 leaving the Board with no jurisdiction to help homeowners if problems arise with the contractor.

Board Response to Significant Issue 2020-02:

The \$10,000 economic threshold for the Board's jurisdiction was established in the statute as set by the Alabama Legislature. In the 2017 Regular Legislative Session, proposed legislation would have eliminated the economic threshold for jurisdiction. Through debate during the legislative process and discussion with legislators and interested parties, amendments to the legislation restored the economic threshold of \$10,000. Additional amendment(s) set a threshold for residential roofing of \$2,500 and created a limited roofers license with specific consumer protection components. The proposed and amended changes were passed by the Legislature in the 2018 Regular Legislative Session and was signed into law by the Governor in May 2018. The Board began enforcement of the new law(s) in October 2018.

The Board continues to be concerned by the anecdotal information it receives regarding unlicensed home builders circumventing the law as it relates to the economic threshold. The Board will continue to document as best it can, instances of harm to consumers by home builders circumventing the law, as well as increasing communication and outreach to consumers, local government building officials and those in the industry about the importance of state licensing. The Board's goal is to answer the questions legislators presented during the legislative process in 2017 and 2018 regarding the need for a lower economic threshold. Any changes to the law must be driven by a clear, documented and understood need to protect consumers.

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.

Board Response to Significant Issue 2020-03:

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 consumer 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. In response to this Significant Issue, the Board will 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 and what information the Board may legally share with the complainant.

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 hold the Board to a standard that exceeds the statutory responsibility and authority the Legislature intended and has authorized.