

MINUTES

Arizona State Board of Technical Registration
1110 W. Washington Street, Suite 240
Phoenix, Arizona 85007

HOME INSPECTOR RULES AND STANDARDS COMMITTEE

September 12, 2018 – 9:30 a.m.

1. **CALL TO ORDER** – 9:32am
2. **ROLL CALL** – David Swartz, Paul Staron, Peter Leeds, Andrew Everroad
Not Present – Jason Madison
Staff – Kurt Winter, Melissa Cornelius, Douglas Parlin, Robert Stam, Patrice Pritzl
AAG – Scott Donald

3. **CALL TO THE PUBLIC**

No one appeared before the Committee.

4. **ADOPTION OF MINUTES**

Review, Consideration and Possible Action on the following:

- A. Approve, modify and/or reject April 2018 minutes.

Mr. Leeds moved and Mr. Everroad seconded to approve the minutes; motion carried.

5. **REVIEW, DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING:**

- A. Whether to review EAC recommendations for discipline prior to sending them to the Board for Action.

John Elson, CHI, appeared before the Board.

Mr. Elson argued that the Board needed to change the designation of home inspectors from occupation to profession, that home inspectors needed a home inspector representative (Board Member) on the Board and that, in the interim, the HIRSC review EAC disciplinary recommendations prior to sending them to the Board.

Mr. Swartz indicated that the first two components of Mr. Elson's presentation were not agendized and therefore the Committee could not discuss them at this time, though they could be agendized for the next meeting. Mr. Donald remarked that Mr. Swartz was correct. Mr. Everroad asked if the Committee would consider all disciplinary actions prior to sending them to the Board. Mr. Elson answered 'no,'

stating the Committee would only consider the most serious of cases. Mr. Everroad stated his only issue with the idea was the possible burden placed upon the Committee and possible slowing of the investigation process. Mr. Leeds stated he did not wish to second-guess EAC recommendations and that the Committee and Board should trust them. Mr. Staron opined, if the Committee did not review EAC recommendations, that Staff make the Committee aware of the most egregious disciplinary actions taken against home inspectors at its regularly scheduled meetings. Mr. Donald informed the Committee that only the Board could decide whether the Committee could weigh in on disciplinary matters.

Mr. Leeds moved and Mr. Staron seconded to recommend to the Board that the Board allow the HIRSC to review EAC recommendations for 'severe' disciplinary measures prior to sending them to the Board for Action.

B. Whether the Licensing Requirement of 30 Parallel Inspections is too harsh.

Keith Smith, CHI, and Craig Collier, CHI, appeared before the Committee.

Ms. Cornelius addressed the Committee stating she placed this matter on the agenda after receiving inquiries regarding the recent rule changes and she wanted the Committee to discuss the matter so that she may better answer similar inquiries in the future.

Mr. Leeds stated that the 30 parallel inspections were a required part of the training process and that the former alternative of 100 home inspections was included in the former rules to grandfather in home inspectors during the initial registration intake period in the early 2000s. Mr. Leeds also pointed out that all 30 parallel inspections had to meet required standards not just the one report submitted to obtain certification. Mr. Everroad asked if the 30 parallel requirement was burdensome for applicants in low population areas. Mr. Swartz answered 'no.' Mr. Leeds agreed, stating that State certification authorized registrants to perform home inspections anywhere in the state and therefore the requirements to become registered needed to be uniform regardless of limited practice areas.

Ms. Cornelius asked how long it might take an applicant to complete 30 parallels. Mr. Swartz answered that two weeks would be the shortest amount of time an applicant could complete 30 parallels. The Committee members all agreed that the cost to an applicant to become certified as a home inspector could range anywhere from \$5000 to \$6000 depending upon how much an applicant paid for parallel inspection training and that this cost included schooling, parallel inspections and cost of the exam. Mr. Stam asked how much a newly registered home inspector expected to earn in their first year of practice. Committee members answered that the earnings could be anywhere between 30 to 50 thousand dollars.

Mr. Smith and Mr. Collier appealed to the Committee to change the newly enacted rule, which requires that those who provide necessary training as parallel inspectors have five years of experience and 250 inspections completed to State standards, on the basis that it was overly burdensome to their businesses and therefore limited the number of parallel inspectors. Mr. Leeds suggested that, in a school environment, a parallel inspector should be able to review parallel inspections not performed themselves. Mr. Donald disagreed stating that the rule specified that in-person supervision of a parallel inspection was required, not one after the fact, and added that the Board's interpretation of the rule was determinant, not that of the Committee.

Mr. Swartz indicated that the former rule allowed newly registered home inspectors to become parallel inspectors, which proved detrimental to the performance of new applicants and registered home inspectors. He did not believe under the old rule that applicants were learning all necessary requirements and could be the cause of high numbers of enforcement actions the Board takes against home inspectors who do not conduct inspections or draft reports that meet required standards. The new rule fixed that issue. Mr. Smith asked if the Board could change the rule to read '250 paid inspections OR registered for 5 years'. Mr. Swartz answered 'no,' stating that it is possible for a registrant to perform an insignificant number of home inspections over a five-year period. Mr. Smith asked if a registrant could complete some form of training to become qualified as a parallel inspector. Committee members answered 'no.'

Mr. Staron asked if the rule required a parallel inspector to perform both the fieldwork and the report review, or could different registrants perform each function separately. Mr. Donald answered that the rule explicitly stated that the parallel inspector, a single individual, performed the parallel inspection, that is, all aspects of the parallel inspection. Mr. Smith asked if the Board could add a grandfather clause to the rules. Mr. Leeds answered 'no.'

Mr. Leeds asked what the process was to change a rule. Ms. Prtizl answered that a new law came into effect recently that allowed a person to submit to the Board a request to change a rule thought burdensome. Ms. Cornelius commented that the rule had been in effect less than a month and suggested the Committee and the Board wait before starting any sort of new rule making process.

No action taken.

C. Review of Parallel Inspector requirements and List of Providers

See 5B.

No action taken.

- D. Whether homebuilder inspection requirements are substantially similar to home inspection standards.

Mr. Staron reported that homebuilders in Arizona were preventing home inspectors from inspecting newly constructed homes through a variety of means with little to no accountability and possibly to the detriment of public safety. Mr. Staron asked if the Board or the Committee could take any sort of stand or action regarding this matter. Staff indicated it might be possible to discuss the matter with other regulatory agencies.

Staff asked the Committee whether the homebuilder inspection requirements are substantially similar to home inspection standards. Committee members answered 'no.' Homebuilders inspect just a few items throughout the building process which were largely cosmetic issues, versus home inspectors who inspect everything for functionality after a structure is bought, pursuant to State approved standards.

- E. Home Inspector Application Processing Steps

Mr. Swartz asked for an update regarding the new fingerprint process for home inspector applications. Mr. Stam reported that staff was granting new applicants in less than a month, some within two weeks, due to the fingerprint changes and the increased number of application evaluators. He did note that it might be too early to tell if these numbers will continue.

6. DIRECTOR'S REPORT

Ms. Cornelius reported home inspector statistics, that Staff requested funds for IT, and, that the Board found a sponsor in the legislature for its licensure by endorsement bill. Mr. Swartz asked, on average, how many home inspector applications did the Board receive a month. Ms. Cornelius answered 8 to 10.

7. COMMITTEE CHAIRMAN'S REPORT –


Mr. Swartz asked if the committee could repeal a substantive policy statement. Ms. Cornelius answered that only the Board could repeal a substantive policy statement.

8. FUTURE AGENDA ITEMS


HI Board Member, Occupation vs. Profession, 5A, 5C, 5D Home builder restrictions,
Substantive Policy 8, NHIE update, Licensure by endorsement

9. FUTURE MEETINGS – November 14, 2018

10. ADJOURNMENT – 11:39am



David Swartz, Chair



Melissa Cornelius, Executive Director