

MINUTES

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

HOME INSPECTOR RULES AND STANDARDS COMMITTEE

April 9, 2019 - 9:30am

1. **CALL TO ORDER** – 9:35am
2. **ROLL CALL – Present:** Jason Madison, Paul Staron, Peter Leeds (appeared at 9:41am), David Swartz, Andrew Everroad (appeared telephonically).
Staff: Melissa Cornelius, Patrice Pritzl, Kurt Winter, Robert Stam, Douglas Parlin

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 November 14, 2018 minutes.

Mr. Staron moved and Mr. Madison seconded to approve minutes; motion passed.

Mr. Everroad abstained.

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

- a. Update regarding concerns that homebuilder requirements are preventing home inspectors from inspecting newly built homes

Mr. Staron reported that he stated his concerns before the Registrar of Contractors and they suggested he find a solution through other means. Mr. Staron presented other possible solutions to the Committee and he expressed his wish to present said solutions to Board council. Ms. Cornelius pointed out that the law does not require that a home inspection be performed prior to a buyer closing on a home purchase. Mr. Swartz stated that not all home inspectors were qualified to inspect a newly built home.

- b. Review of Board Substantive Policy Statements

The Committee reviewed Substantive Policy Statements six, eight and sixteen. The Committee agreed that the latest rule changes in August 2018 made substantive policy statements eight and sixteen redundant.

Mr. Staron moved and Mr. Leeds seconded to request that the Board rescind substantive policy statements eight and sixteen; motion passed unanimously.

c. Update regarding Licensure by Endorsement – Proposed legislation 2019

Ms. Cornelius reported that Staff successfully added the Committee's recommended changes from the last meeting to the proposed legislation, that legislative council made clerical changes to the proposed legislation; and, that the proposed legislation passed through the rules legislative committee.

d. Review of Staff policy for complaint intake

Mr. Leeds asked if complaint intake over the phone was different from complaint intake using the online complaint form. Enforcement manager Parlin stated that either method would result in the creation of a complaint. Mr. Swartz asked if staff could inform alleged prior to submitting a complaint that a disciplinary action against a home inspector respondent will not result in a monetary reward beyond possible refund of home inspection fee. Ms. Cornelius explained that enforcement staff notice alleged that they would not be entitled to monetary rewards. Mr. Staron asked what criteria enforcement staff used to screen complaints. Mr. Parlin answered that he checked for jurisdiction and that a home inspection did take place. Mr. Staron asked if staff informed respondents of their rights. Mr. Parlin answered 'yes,' staff inform respondents of their rights at the appropriate time within the complaint process. Mr. Swartz asked if a home inspector respondent who the Board did not take disciplinary action against would show up on the Board's disciplinary action search page. Staff answered 'no,' only Board disciplined respondents would appear on the Board's disciplinary action search page.

e. Consider mandating that an EAC committee be comprised of at least one committee member from the area in which the home inspection took place if the home inspection occurred in a rural area.

Mr. Swartz asked staff to attempt to include at least one committee member from the area in which the home inspection took place if the home inspection occurred in a rural area. Ms. Cornelius stated that staff does make the attempt. Mr. Parlin stated that unfortunately EAC participation came down to availability. Committee members stated that having such a person on a committee, with their knowledge of the area, made a difference in the EAC. Mr. Madison stated the Standard of Practice did not change in rural areas. Mr. Leeds agreed, but indicated the issue was the urban home inspectors' lack of knowledge of common issues associated with homes in rural areas.

f. Legislative Bills HB2231, HB 2569 and HB2146

Ms. Pritzl explained that HB2231 was a sunset bill, that it did not deregulate licenses, but that it could be a route to possible deregulation in the future. Ms. Cornelius stated that she and Ms. Pritzl discussed their concerns with the bill with legislative staff, and requested that the bill exempt the Board's registrants. Ms. Cornelius asked if ASHI had a lobbyist. Mr. Swartz answered 'yes,' but they were utilized only in worst-case scenarios. Ms. Pritzl informed the Committee that other registrant populations were lobbying to be exempt from the bill and she expressed her concern that some registrant populations will be exempt and others not.

Ms. Cornelius expressed her belief that HB2146 might be a concern for home inspectors as it may exempt non-registrants performing home inspections if they followed the parameters as defined in the bill. Mr. Leeds stated that he was not concerned for the home inspector industry due to the number of requirements of a home inspection that a home inspector could not complete electronically.

Ms. Cornelius explained that HB2569 was similar to the Board proposed Licensure by Endorsement bill and, since the Board's bill was more specific, the Board's bill would take precedent in the event both bills passed.

g. Parallel inspection provider listing and standard reports

Mr. Swartz reported that AZASHI displayed a list of parallel inspection providers on its website and he presented a standards report to the Committee for their review. Mr. Staron asked if the report would be posted on the Board's website or ASHI's website. Mr. Swartz answered that it was not posted at all, but possibly ASHI's website in the future.

h. Non-compliant home inspection report distribution

Mr. Swartz reported that online home buying sites were providing free 'home condition' reports to homebuyers that may mislead them into thinking the site was providing them with a home inspection and he asked the Committee if a letter should be sent or some other action be taken to educate the sites of the Board's rules and statutes. Mr. Leeds commented that the sites were not presenting the condition reports as home inspections, that the sites used the reports as a marketing tool, and that the reports were vague. Mr. Staron agreed that the report could mislead the public. Mr. Leeds stated that the Board could not take action until someone submitted a complaint. Mr. Swartz stated that the site reports do not list a name as to whom drafted the report. Mr. Staron asked if a committee member could submit a complaint. Committee members answered anyone could submit a complaint against anyone. Ms. Pritzl commented that this did not appear to be a state issue but a national issue and suggested national associations may be more appropriate to approach the issue.

i. InterNACHI classes for licensing education

Mr. Swartz reported that the Department of Education could endorse licensing education and he wanted to let the Board know that home inspector applicants may apply with USED endorsed education that may or may not meet the Board's requirements. Ms. Pritzl informed the Committee that she and Mr. Stam were aware but the Board had not received any applications from InterNACHI. She commented she would take the Committee's concerns to the Board's legal counsel for review.

6. DIRECTOR'S REPORT

Mr. Everroard left meeting at 11:29am

Ms. Cornelius reported that OSPB denied the Board's requested funding to clean up the Board's data; that Peter Leeds will appear before GRRC as a witness to Mr. Smith's petition; that staff submitted their 5-year rule review; that staff was redesigning the website; that ASET was constructing a disciplinary action search site and payment portal for the Board website; and, that Jason Madison may be replaced.

7. COMMITTEE CHAIRMAN'S REPORT – Nothing to report

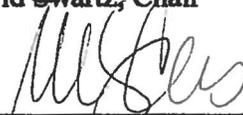
8. FUTURE AGENDA ITEMS – 5a, 5f, 5h, review website improvements, SB1448, HB2031, 5i, report on GRRC petition

9. FUTURE MEETINGS – 4/9/2019

10. ADJOURN – 11:34am



David Swartz, Chair



Melissa Cornelius, Executive Director