

**ARIZONA STATE BOARD OF TECHNICAL REGISTRATION
MINUTES FOR
HOME INSPECTOR RULES AND STANDARDS COMMITTEE SESSION MEETING**

Wednesday, August 5, 2020, beginning at 9:30 a.m.
1110 W. Washington, Conference Room #240
Phoenix, AZ 85007

1. CALL TO ORDER – 9:34am

2. ROLL CALL

Present – Peter Leeds

Present Telephonic – Andrew Everroad, Eugene Montgomery, David Swartz, Paul Staron

Absent –

Staff – Melissa Cornelius (appeared at 9:46am), Douglas Parlin, Robert Stam, Kurt Winter

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 January 15, 2020 minutes.

Mr. Leeds moved and Mr. Staron seconded to approve the minutes; motion carried.
Mr. Montgomery abstained.

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

- A. COVID-19 effects on the BTR

Ms. Cornelius reported that Board staff now worked remotely alternating days and that the Board office was professionally cleaned in March. Mr. Stam reported that Board staff have remained productive while working remotely.

- B. Board member composition changes

Ms. Cornelius reported that the Board was still awaiting the AG’s opinion as to whether the current Board Members whose terms have expired would remain on the Board once the new law went into effect and that it may be possible for a registrant to apply for one of the public member positions.

C. BTR Rules package status

Mr. Swartz asked if there was an emergency rule making process available to agencies. Ms. Cornelius answered 'yes,' but the process was marginally faster than the normal rule making process.

Ms. Cornelius explained the premise for the proposed rule change. Mr. Swartz agreed with the premise and asked the Committee members for their opinions.

Mr. Montgomery stated that ARS 12-542 indicated that the statute of limitations for property damages was two years. Mr. Keith Smith stated that ARS 12-530 indicated that the statute of limitations for a home inspection was four years. Mr. Leeds asked if the purpose of the proposed rule change was to make sure home inspectors couldn't get out of paying for financial assurance by going inactive. Mr. Swartz answered 'yes,' stating that it would help protect the public. Ms. Cornelius stated that the proposed rule was being promulgated to assure compliance with the law. Mr. Leeds opined that the proposed rule should match the law at its most minimal standard, which was two years. Mr. Staron opined that requiring a home inspector to keep financial assurance after retiring was onerous. Mr. Parlin stated that the choice of two years came about from Board staff's discussions with the insurance industry.

Mr. Winter informed the Committee that an oral proceeding regarding the rules was scheduled for September 10, 2020.

Mr. Stam opined that the rule change wouldn't effect home inspectors who were delinquent and subsequently cancelled. Ms. Cornelius stated that the Board would still have authority pursue any complaint against said home inspector.

D. Update on National Home Inspector Exam NHIE and Exam Availability

Mr. Staron reported that examination centers were overwhelmed with examinees, though two centers in Arizona were able to schedule exams within 10 days of an examinee applying and that the NHIE was now available in 34 states.

E. Home inspection education providers

Mr. Smith stated that his school was following social distancing procedures, including allowing fewer student participants during parallel inspections. Mr. Stam reported that the Board now inputs which school a home inspector attended in its CRM database and that the data showed that around 50% of students take online schooling.

F. Firm Renewal Process

Mr. Staron gave feedback on the firm online renewal process. Board staff discussed the feedback.

Mr. Smith asked for clarification regarding whether a home inspector working for both themselves and another company needed firm registration. Mr. Leeds answered that the home inspector needed his own registration and the company he worked for needed firm registration.

G. Home Inspector Certification Cancellation

Mr. Stam explained that it was burdensome for a canceled home inspector to reapply, more so than any other registrant population, and wanted to get the Committee's opinion on the matter.

Ms. Cornelius informed the Committee that a change to the Home Inspector renewal cycle would require a statute change. Mr. Swartz asked if there was a way to correct the issue without promulgating rules and statutes. Mr. Stam stated that the Board tries to reach out to registrants via email and mail when it's time to renew. Mr. Leeds stated that it was the registrant's responsibility to renew, but asked staff if the Board was able to help a registrant accidentally placed on delinquent status. Ms. Cornelius answered 'yes,' the Board had the authority to correct any mistakes, but would need to review the matter before coming to any determination. Mr. Winter asked the Committee and staff how the Board could help a home inspector whose license was canceled. Ms. Cornelius answered that the registrant would need to make a request in writing to the Board; the matter would be agendaized for a future Board meeting, and the Board would make a determination on the request. Mr. Winter asked if the failure to receive a renewal reminder from the Board, and subsequently the registrant fails to timely renew, would the Board consider the matter the Board's fault, requiring them to rectify the situation for registrant. Mr. Leeds answered 'no,' the onus to renew timely was on the registrant.

H. Discussion and possible action on whether to amend AAC R4-30-102 definitions of "Parallel Inspection" and "Parallel Inspector"

Mr. Swartz asked for the Committees' opinion for increasing the number of individuals who could accompany a parallel inspector on a parallel inspection. Mr. Leeds opined that the change was unnecessary since multiple parallel inspectors, with four applicants per parallel inspector could conduct a parallel inspection on the same home at the same time. Mr. Swartz commented that he hoped that Covid-19 would not make finding parallels difficult for applicants. Mr. Stam stated that Covid-19 had made finding parallels more difficult, but not to the extent that a rule change was warranted.

I. Discussion, planning and possible action on changes to the Home Inspector Standards in general

Mr. Swartz opened the discussion. Mr. Leeds asked if the Committee could do away with the Home Inspector Supplement Checklist once the standards were updated. Mr. Swartz and Mr. Staron stated that they were skeptical that any standards change would result in the retirement of the checklist supplement. Mr. Winter explained that the Committee could decide to update an already existing standard or start from scratch, and whether to create new standards in which the Board rules reference or write the standards as rules. Mr. Staron opined that the Committee update the standards, not rewrite them. Mr. Staron asked who should be involved in updating the standards. Mr. Winter opined asking those who applied for Mr. Leeds' committee position to be included. Mr. Winter explained to the Committee how to use staff's created google site and google docs to comment and work on rewriting the standards. Ms. Cornelius explained that the Committee would need to follow open meeting law when they meet to discuss their work on the standards.

J. Discussion and possible action on whether to amend the current GFCI standard

Mr. Leeds opined that the GFCI standards, much like the rest of the Home Inspector Standards, need to be updated. The Committee agreed that this topic would be included in the discussion of updating the Standards.

K. Training in how to use Google Docs for amending the Standards of Professional Practice for Arizona Home Inspectors

See agenda item 5I

6. DIRECTOR'S REPORT

A. Budget Update

Ms. Cornelius reported that, due to Covid-19, the Board would be utilizing a "skinny budget;" that the State would have a deficit, and that the State planned to defer some of the deficit through the use of received federal funding, the State's "rainy day fund," and possibly sweeping agency savings.

B. Previous Meeting Follow-Up

a. Newsletter Published

Nothing Discussed

- C. Statistics Review
 - a. Monthly numbers

Ms. Cornelius reported that there was a slightly larger number of active home inspector this month over last month.

- b. Cash Flow Report

Mr. Montgomery asked if the Board had considered raising fees. Ms. Cornelius answered ‘yes,’ but explained that fee increases were not necessary at this time because the Board has not spent all of its appropriation in the last three years.

- c. Licensing Trends

Ms. Cornelius reported that the registration process for home inspectors took, on average, 24 days, which was better than two years ago when it took 3 months.

7. COMMITTEE CHAIRMAN’S REPORT

Nothing Discussed

8. FUTURE AGENDA ITEMS

5b, 5c, 5i, Ms. Pritzl’s Retirement

9. FUTURE MEETINGS

November 10, 2020

- 10. **ADJOURNMENT** – Mr. Leeds moved and Mr. Staron second to adjourn at 12:25pm; motion carried.