

## RULE IMPACT STATEMENT

### TITLE 158. CONSTRUCTION INDUSTRIES BOARD CHAPTER 70. HOME INSPECTION INDUSTRY REGULATIONS

1. **BRIEF DESCRIPTION OF PURPOSE OF PROPOSED RULE:** The purpose of the proposed amendment to 158:70-5-2 is to require that home inspectors add the Construction Industries Board ("CIB") to the certificate of liability insurance as a certificate holder, not as an additional insured and with no additional cost, to ensure the CIB is notified if the liability policy is cancelled or expires for non-payment of premiums. The purpose of the proposed amendment to 158:70-9-5 is to avoid confusion by correcting verbiage as the provision pertains to continuing education courses.
2. **DESCRIPTION OF THE CLASSES OF PERSONS AFFECTED:** The agency, members of the home inspection industry and the public who are involved in or wish to be involved in the home inspection industry licensed and regulated by the Construction Industries Board ("CIB"), continuing education providers, and citizens of Oklahoma.
3. **CLASSES OF PERSONS BENEFITTED:** The agency, members of the home inspection industry and members of the public who are involved in or wish to be involved in the home inspection industry licensed and regulated by the Construction Industries Board ("CIB"), continuing education providers, and citizens of Oklahoma.
4. **ECONOMIC IMPACT UPON AFFECTED CLASSES OF PERSONS:** There are no new fees established by the proposed rules or additional fees expected. There should be no additional cost to home inspectors related to the requirement to add the CIB to the certificate of liability insurance as a certificate holder, not as an additional insured.
5. **COSTS AND BENEFITS TO THE AGENCY:** It is not anticipated that there would be a cost to the agency related to the proposed amendments. The benefit to the agency is to have clear, unambiguous rules and to receive timely notification when the liability insurance required for a home inspector is cancelled or expired.
6. **ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:** No economic impact on any political subdivision is anticipated by the proposed rules.
7. **ECONOMIC IMPACT ON SMALL BUSINESS:** The economic impact on small business is not measurable.
8. **MEASURES TAKEN TO MINIMIZE COMPLIANCE COSTS:** The proposed rule changes are the least costly or least intrusive method of achieving the purpose of the proposed rules. There are no non-regulatory methods for achieving the purpose of the proposed rule changes.
9. **EFFECT OF THE PROPOSED RULE ON PUBLIC HEALTH:** There is no anticipated effect of the proposed rules on public health.

10. **DETRIMENTS TO PUBLIC HEALTH IF THE RULE IS NOT ADOPTED:** There are no known detriments to public health if the rule is not adopted.
11. **DATE IMPACT STATEMENT PREPARED:** December 12, 2017.

**TITLE 158. CONSTRUCTION INDUSTRIES BOARD  
CHAPTER 70. HOME INSPECTION INDUSTRY REGULATIONS**

**SUBCHAPTER 5. LICENSE REQUIREMENTS, LICENSE FEES, LICENSE PERIOD,  
RE-EXAMINATION, DISPLAY AND INSURANCE**

**158:70-5-2. License fees, license period, re-examination, display, and insurance requirements**

- (a) **Initial license fees.** The following fees apply to home inspection industry licensure:
- (1) Approval fees for schools, instructors and home inspection organizations - \$100.00. If the same home inspection organization conference has multiple instructors, the fee will not exceed \$100.00.
  - (2) Approval fees for educational course content - \$50.00. If the same home inspection organization conference has multiple courses, the fee will not exceed \$100.00.
  - (3) Application for license - \$30.00
  - (4) Licensure for reciprocity - \$50.00
  - (5) Examination fee - \$200.00
  - (6) License fee - \$250.00
  - (7) License renewal - \$150.00
  - (8) License reactivation - \$50.00
- (b) **License period.**
- (1) A license shall expire twelve (12) months after issuance, and may be renewed without penalty for thirty (30) days following expiration.
  - (2) A license which has been expired for more than one (1) year shall not be renewed. An individual may obtain a valid license by successful completion of the appropriate examination and other licensure requirements.
- (c) **Re-examination.** Any applicant who fails an examination must wait thirty (30) days before retaking the home inspection examination.
- (d) **License display.** The state issued license number shall be placed on all letterhead stationery, business cards, bids, estimates and printed advertisements, and shall be included in electronic media advertisements. Decals and yard signs shall display the state issued license number.
- (e) **Personal license display.** All persons subject to these rules shall possess the state issued card any time the person is working. The card shall be shown when requested.
- (f) **Insurance requirements.** Each licensee must maintain insurance coverage and furnish and maintain in effect a certificate of insurance therefore which indicates that the licensee has a comprehensive general liability policy. Limits of liability are to be no less than \$50,000.00 combined single limit for bodily injury and property damage. The certificate of insurance shall provide for thirty (30) days notice to the Home Inspection License Unit, prior to cancellation or material alteration of the required insurance. The Licensee must add the Construction Industries Board as a certificate holder but not as an additional insured and with no additional cost. This is required in order for the Construction Industries Board to be notified in the event such liability policy is cancelled for any reason or expires for non-payment of premiums.

**SUBCHAPTER 9. EXAMINATION APPLICATIONS, EXAMINATIONS, COURSE APPROVAL REQUIREMENTS, INSTRUCTOR REQUIREMENTS, CONTINUING EDUCATION, DENIED APPLICATION APPEAL, SUBMISSION OF RECORDS, SUBSTANTIAL COMPLIANCE AND RECIPROCITY**

**158:70-9-5. Continuing education**

(a) **Continuing education hours.** No home inspection license shall be renewed unless the licensee has completed at least eight (8) credit hours, consisting of no more than two (2) hours of Ancillary Systems topics per year, of continuing education prior to the date of renewal.

(b) **Special approval requirements for continuing education.** All continuing education providers shall abide by the following requirements:

(1) Course content should be designed to update knowledge and improve inspection skills directly related to the components and systems described in Subchapter 1 of this Chapter.

(2) All courses shall be at least two (2) hours in length. Recommended curriculum for Committee approval may cover, but it is not limited to, the following topics related to residential real property of four or fewer residences: (Approval of Continuing Education material is not an endorsement or underwriting of the subject content or the presentation.)

- (A) structural systems
- (B) foundations, basements, grading and drainage
- (C) interior walls, windows, doors, stairways, ceilings and floors
- (D) exterior walls, windows, doors, and stairways
- (E) exterior coatings, claddings and glazing
- (F) roof structure, coverings, penetrations, drainage and attics
- (G) porches, decks, driveways and walkways
- (H) railings and assistive devices
- (I) thermal insulation, air penetration, and moisture barriers
- (J) electrical service entrances, panels, branch electrical circuits, connected devices
- (K) environmental heating, cooling ventilation, and air conditioning devices, controls and distribution systems
- (L) solid, liquid, and gas fuel heating systems
- (M) electrical heating and cooling systems chimneys, ductwork, vents, fans and flues (including dryer vents)
- (N) home inspection administrative subjects
  - (i) Oklahoma home inspection laws and regulations
  - (ii) Oklahoma Standards of Practice
  - (iii) ethics
  - (iv) Home Inspection documentation, forms and contracts
  - (v) Report writing and legal ramifications of report content
- (O) Ancillary Systems
  - (i) Plumbing systems, controls, and components (including septic systems)
  - (ii) Water supply system, capacities, and components (drilled wells/community water supplies)
  - (iii) Swimming pools, spas and hot tubs
  - (iv) Solar/wind/generator energy systems
  - (v) Lawn irrigation systems

## DRAFT of Proposed Amendments to Permanent Rules – 2018 Rulemaking

### (vi) Energy auditing

(3) Unless provided after regular working hours, the ~~training~~ course location shall be outside the regular work place.

(4) The CE provider shall return the sign-in sheets to the home inspection license unit.

(5) Complaint procedure.

(A) A person, government, or private organization may submit a written complaint to the Committee, or its designee, charging a provider of continuing education with a violation of the rules, and specifying the grounds for the complaint.

(B) Complaints must be in writing and include contact information, and shall be filed on the proper complaint form prescribed by the Construction Industries Board, or its designee.

(C) The Committee or its designee may consider an unsigned or anonymous complaint for further investigation.

(D) Upon receipt of a signed complaint form, a copy shall be sent to the continuing education provider addressed in the complaint. The continuing education provider shall provide a written response within fifteen (15) days. Upon receipt of the continuing education provider's written response, both complaint and response shall be considered by the Committee, or its designee, for appropriate action including dismissal of the complaint, further investigation, or a finding of violation of a statute or rule. The Committee, or its designee, shall notify both complainant and continuing education provider of the determination made by the Committee, or its designee for an anonymous complaint. Failure of the continuing education provider to respond will be considered as a violation of this rule.

(E) If a reasonable cause violation determination is made by the Committee, the Oklahoma Administrative Procedure Act shall be followed for all disciplinary proceedings undertaken including but not limited to all parts of this subsection.

**TITLE 158. CONSTRUCTION INDUSTRIES BOARD  
CHAPTER 70. HOME INSPECTION INDUSTRY REGULATIONS**

**RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

Subchapter 5. License Requirements, License Fees, License Period, Re-Examination, Display and Insurance

158:70-5-2 [AMENDED]

Subchapter 9. Examination Applications, Examinations, Course Approval Requirements, Instructor Requirements, Continuing Education, Denied Application Appeal, Submission of Records, Substantial Compliance and Reciprocity

158:70-9-5 [AMENDED]

**SUMMARY:**

The amendments to 158:70-5-2 require that home inspectors add the Construction Industries Board ("CIB") to the certificate of liability insurance as a certificate holder, not as an additional insured and with no additional cost, to ensure that the CIB is notified if the liability policy is cancelled or expires for non-payment of premiums. The amendment to 158:70-9-5 is to clarify that the provision applies to continuing education courses and not to home inspection training.

**AUTHORITY:**

Construction Industries Board; 59 O.S. §§ 858-627, 1000.4, and 1000.5

**COMMENT PERIOD:**

Written and oral comments will be accepted until 4:30 p.m. on January 16, 2018, at the following address: Construction Industries Board, ATTN: Administrative Rules Division, 2401 NW 23rd Street, Ste. 2F, Oklahoma City, OK 73107. During the open public comment period, comments may be delivered during regular business hours or submitted via regular mail.

**PUBLIC HEARING:**

A Public Hearing is scheduled for 1:30 p.m. on Wednesday, January 17, 2018, at the monthly meeting of the Construction Industries Board which will be held in the Construction Industries Board Conference Room at 2401 NW 23rd Street, Suite 2F, Oklahoma City, OK 73107. Anyone who wishes to make comments regarding the proposed rules at the public hearing must sign in by 1:30 p.m. See "Additional Information" section below.

**REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:**

The Construction Industries Board requests that business entities affected by these proposed rules provide the Construction Industries Board, within the comment period set forth and described above, in dollar amounts if possible, the increase in the level of direct costs, such as administrative fees, and the indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs that the business entity expects to be incurred due to compliance with the proposed rules. Business entities may submit this information in writing to the Administrative Rules Division through the close of the comment period on January 16, 2018, at the address shown below for obtaining copies of the proposed rules.

**COPIES OF PROPOSED RULES:**

Copies of the proposed rules are available at the Construction Industries Board, 2401 NW 23rd Street, Ste. 2F, Oklahoma City, OK 73107, or online at [www.cib.ok.gov](http://www.cib.ok.gov).

**RULE IMPACT STATEMENT:**

Pursuant to 75 O.S. § 303(D), a rule impact statement will be prepared and will be available beginning December 29, 2017, at the address listed above for obtaining copies of the proposed rules.

**CONTACT PERSON:**

Kim Stell, Business Program Officer/Assistant, 405-521-6550

**ADDITIONAL INFORMATION:**

If the monthly meeting of the Construction Industries Board scheduled for Wednesday, January 17, 2018, cannot be held due to inclement weather or lack of a quorum, the Public Hearing that would have occurred January 17, 2018, at that monthly meeting of the Construction Industries Board will be held instead at the monthly meeting scheduled for Wednesday, February 21, 2018, at 1:30 p.m., in the Construction Industries Board Conference Room at 2401 NW 23rd Street, Suite 2F, Oklahoma City, OK 73107. Anyone who wishes to make comments regarding the proposed rules at the public hearing must sign in by 1:30 p.m.