ALABAMA ADMINISTRATIVE CODE
CHAPTER 465-X

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CHAPTER 465-X-1
DEFINITIONS

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465-X-1-.01 Definition of Terms

465-X-1-.01 Definition of Terms.

(1) Code of Ala. 1975, § 34-14A-2, provides for definitions of the following terms: Advertising, Alabama Residential Building Code, Applicable Residential Building Code, Board, Cost of the Undertaking, Council, Division, Homeowner, Improvement, Inactive License, License, Licensee, Person, Qualifying Representative, Residence, Residential Home Builder, Residential Roofer, Structure, and Transaction. Residential remodelers are included within the definition of "Residential Home Builder."

(2) Act. The term "Act" as used in these rules shall mean Title 34, Chapter 14A of the Code of Ala. 1975 regulating the home building and home improvement industries.

(3) Agricultural Building. A building, not meeting the definition of residence or structure within the Act, and used for raising, harvesting, and selling crops or for the feeding, breeding, management, raising, sale of, or the production of livestock, including beef cattle, sheep, swine, horses, ponies, mules, poultry, fur-bearing animals, honeybees, and fish, or for dairying and the sale of dairy products, or for the growing and sale of timber and forest products, or any other agricultural or horticultural use or animal husbandry and any combination thereof pursuant to Ala. Code § 40-8-1(b)(1).

(4) Alabama Administrative Procedure Act. The term “Alabama Administrative Procedure Act” refers to the act codified at Title 41, Chapter 22 of the Code of Ala. 1975.

(5) Gross Negligence. The term "gross negligence" as used in Code of Ala. 1975, § 34-14A-8, shall mean engaging in the business of residential home building by a licensee (including by its duly authorized agent), characterized by that licensee’s reckless disregard for the rights, safety, or welfare of homeowners, which could result in injury or damage to life or property or financial loss.

(6) Homeowners' Recovery Fund. The term "Homeowners' Recovery Fund" as used in these rules shall mean that special fund deposited into the State Treasury and held by the Board in trust for the purpose of carrying out the provisions of Section 15 of the Act.

(7) Incompetence. The term "incompetence" as used in Code of Ala. 1975, § 34-14A-8, shall mean engaging in the business of residential home building by a licensee (including by its duly authorized agent) who fails to perform in a reasonable manner under the standard used in that community for residential home building, including but not limited to the proper supervision of subcontractors.

(8) Misconduct. The term "misconduct" as used in Code of Ala. 1975, § 34-14A-8, shall mean engaging in the business of residential home building by a licensee who intentionally makes any assertions or representations which are fraudulent, deceitful, or misleading to a homeowner or otherwise knowingly or intentionally engages in conduct which is fraudulent, deceitful or misleading to a homeowner. Misconduct of a licensee also includes but is not limited to knowingly or intentionally falsely representing itself as the residential home builder in charge of residential construction, including but not limited to, purchasing building permits for unlicensed builders, or otherwise assisting unlicensed builders in the business of residential home building through the use of its license.

(9) Repair, improvement, or reimprovement. The term “repair, improvement, or reimprovement” as used in Code of Ala. 1975, § 34-14A-2(16) shall mean engaging in the business of residential homebuilding by contracting directly with a homeowner to perform construction on a residence or structure, whether attached or detached from a residence or structure, when the cost of the undertaking exceeds $10,000 for repair, improvement, or reimprovement; or when the cost of the undertaking exceeds $2,500 for repair, improvement, or reimprovement of a residential roof.

(a) When the construction, attached or detached, does not affect the structural integrity of a residence or structure, or does not involve more than one trade, a limited license is required, except that residential roofing requires a license limited to roofing.

(b) When the construction affects the structural integrity of the residence or structure, an unlimited license is required.

(c) When the construction, attached or detached from the residence or structure involves more than one trade, an unlimited license is required.

(d) Repair, improvement, or reimprovement does not include construction activities performed by persons who are otherwise licensed and regulated by the State of Alabama and who are operating within the scope of their respective licenses on behalf of clients. The term “improvement” is defined by Ala. Code § 34-14A-2(9).

(10) Residential Roofing. The term “residential roofing” as used in these rules shall mean installing products or repairing surfaces on the external upper covering of a residence or structure that seals, waterproofs, or weatherproofs the residence or the structure, when the cost of the undertaking exceeds $2,500.

(11) Single Lot. The term “single lot” as used in Ala. Code § 34-14A-2(18) and as used in these rules shall mean:

(a) A single lot as prescribed by local zoning ordinances or building codes.

(b) Builders who construct or offer to construct more than four (4) residences on a single lot, including site-built homes, condominiums, duplexes, or multi-unit residential buildings consisting of more than four (4) residential units are subject to the jurisdiction of the Alabama Licensing Board for General Contractors.

(12) Violation of the Act. The term "violation of the Act" as used in these rules shall mean any of the following:

(a) That a licensee:

1. has committed fraud or deceit in obtaining a license,

2. is guilty of gross negligence, incompetence, or misconduct in the practice of residential home building,

3. has failed to maintain a valid license,

4. has performed residential construction activity outside or beyond the scope of the license issued,

5. has violated any applicable building law or code adopted by a county or municipality

pursuant to Section 12 of the Act,

6. has failed to repay any amount paid out of the Homeowners' Recovery Fund on behalf of the licensee,

7. has failed to disclose to a homeowner the status of its insurance in compliance with Ala. Code §34-14A-19,

8. has failed to disclose compliance with a program designed to enhance the resiliency of the structure beyond the requirements of the applicable building codes in writing prior to the commencement of construction pursuant to the requirements of Ala. Code § 34-14A-7(h),

9. has failed to notify the board within 10 days after notice of the institution of a felony criminal prosecution against the licensee or the designated qualifying representative of the licensee pursuant to the requirements of Ala. Code § 34-14A-7(e)(1),

10. has failed to notify the board within 10 days after notice of any criminal verdict rendered against the licensee or the designated qualifying representative of the licensee, or that a pending criminal action has been dismissed pursuant to the requirements of Ala. Code § 34-14A-7(e)(2),

11. has failed to use a valid written contract including offer and acceptance indicated by the signing of all parties, including display of active valid license number issued by the board,

12. has used the Home Builders Licensure Board logo for commercial purposes as set forth in Ala. Code § 13A-10-13;

13. has failed to display the valid active license number issued by the board while advertising as defined in Ala. Code § 34-14A-2(1) pursuant to Ala. Admin r. 465-X-1-.01(18), or

(b) That a residential home builder has failed to procure a valid license.

(13) Continuing Education Course. The term continuing education course shall mean a training program that complies with the procedures, standards and minimum requirements established for continuing education and has been approved by the Board.

(14) Continuing Education Credit. The term continuing education credit shall mean 50-minute credit hour of instruction.

(15) Continuing Education Instructor. The term continuing education instructor shall mean an individual that complies with the procedures, standards and minimum requirements established for continuing education and who has submitted a training program to the Board for continuing education credit review and has been approved by the Board.

(16) Continuing Education Provider. The term continuing education provider shall mean an institution or organization that complies with the procedures, standards and minimum requirements established for continuing education and who has submitted a training program to the board for continuing education credit review and been approved by the Board.

(17) Residential Building Code. The term “residential building code” as used in these rules and pursuant to the requirements in Alabama Code § 34-14A-12 (1975) shall mean the Alabama Residential Building Code as defined in Ala Code § 34-14A-2(2) (1975), or the Applicable Residential Building Code

as defined in Ala Code § 34-14A-2(3) (1975) and as the minimum standard utilized in Board investigations for determining probable cause if a licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction has violated the Act.

(a) In those local jurisdictions (county, municipality, or otherwise) with an adopted building law or code, the "residential building code" shall be the adopted building code within the local jurisdiction.

(b) In those local jurisdictions (county, municipality, or otherwise) without an adopted building law or code, the "residential building code" shall be the Residential Building Code as recommended by the Alabama Residential Building Code Advisory Council and adopted and ratified by the Board.

(18) Scope of Advertising: Scope of advertising covers any actions, materials, marketing, promotions or solicitations within the definition of advertising, Ala Code § 34-14A-2(1) (1975), by a licensee or a residential home builder that would demonstrate to the general public and consumers the services contemplated within the definition of a Residential Home Builder, Ala Code § 34-14A-2(16) (1975), and requires the display or recording of the valid, active license number issued by the Board.

(a) In print, television, and/or other visual advertisements, display of the license number as "HBLB #: (the valid, active license number issued by the Board)" or "Alabama HBLB #: (the valid, active license number issued by the Board)" or some equivalent thereof is sufficient.
(b) In radio advertisements, narration of the license number as "HBLB #: (the valid, active license number issued by the Board)" or "Alabama HBLB #: (the valid, active license number issued by the Board)" or some equivalent thereof is sufficient.
(c) Social media pages, posts and websites, the valid, active license number issued by the Board should be easily accessible for the consumers and the general public to find within the page or post.
(d) There is no requirement on font size or location of the placement of the license number, so long as it is easily accessible for consumers and the general public to find.
(e) For vehicle decals, signage and wraps, follow (a).
(f) Local jurisdictions may also have ordinances governing what must be displayed with advertising and whether a particular type of advertising is allowed.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 13A-10-13; 34-14A-1, 34-14A-2, 34-14A-7, 34-14A-8, 34-14A-11, 34-14A-12, 34-14A-14, 34-14A-15, 34-14A-19 34-14A-80, 34-14A-82, 34-14A-83.
History: New Rule: Filed May 12, 1993, effective June 16, 1993. **Amended:** Filed April 2, 1997; effective May 7, 1997. Amendment and Emergency Amendment filed October 1, 1997; Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed May 6, 2002; effective June 10, 2002. Emergency Amendment: Filed May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended:** Filed August 10, 2020; effective October 15, 2020; Amended October 20, 2021; effective February 13, 2022. **Amended**: Filed January 16, 2025; effective March 17, 2025.

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ORGANIZATION, ADMINISTRATION & PROCEDURE

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465-X-2-.01 Purpose. The Alabama Home Builders Licensure Board was created to regulate the home building, residential construction, and remodeling industries and to provide home building standards in the state of Alabama.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975 §§ 34-14A-1, *et seq*.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

465-X-2-.02 Officers. The Board annually shall elect from its members a Chairman, Vice Chairman and Secretary/Treasurer. The Chairman shall exercise general supervision of the Board's affairs, shall preside at all meetings when present, shall appoint all committees, sign all vouchers or, on approval of the Board, may delegate this duty to the Executive Director, and shall perform all other duties pertaining to this office. The Vice Chairman, in the absence of the Chairman, shall perform all the duties of the Chairman. The Secretary/Treasurer, in the absence of the Chairman and Vice Chairman, shall perform all the duties of the Chairman.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-4, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed September 4, 1998; effective October 9, 1998. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-2-.03 Executive Director; Board Members.

(1) The Board shall select and employ an Executive Director who shall be responsible for the administration of Board policies. The Executive Director shall fulfill the duties assigned to the executive secretary, secretary/treasurer, or secretary in the Act and Alabama Administrative Procedure Act. The Executive Director shall be designated as the agent for the Board for service of legal process upon the Board and act as its recording and corresponding secretary. The Executive Director, or his designee, shall serve as custodian of records for the Board. The Executive Director shall have custody of and shall safeguard and keep in good order all property and records of the Board; cause written minutes of every meeting of the Board to be kept in the book of minutes of this Board; sign all instruments and matters that require

approval of the Board; act as Treasurer and receive and deposit all funds to the credit of either the "Home Builders Licensure Board Fund," the "Property Acquisition Fund," or the "Homeowners' Recovery Fund" in the state treasury; sign all bills before requesting the state comptroller to make payment of any accounts; and perform such other duties as the Board, the Chairman, the Vice Chairman, or the Secretary/Treasurer may assign. The records kept shall include, without limitation, all license applications and supporting documentation and information; all other evidence of the important business transactions of the Board; a complete and permanent record of all applications rejected, licenses issued, and the findings of the Board regarding all examinations; all enforcement and disciplinary actions taken by the Board; all jurisdictions covered by the Act; and a correct permanent record and account of the monies and funds of the Board kept in accordance with sound accounting principles. Upon the Board's instruction, the Executive Director may issue licenses in accordance with the standards established by the Board. All correspondence to the Board, including requests for information and all submissions of the requests should be made to the Executive Director at the Board's office in Montgomery, Alabama.

(2) The Board may employ other full or part-time staff, including an administrative assistant and secretaries or others, who shall work under the direction and supervision of the Executive Director.

(3) All Board staff, including the Executive Director and the administrative assistant, shall be entitled to reimbursement for travel the same as other employees of the state of Alabama, including actual expenses for authorized out-of-state travel, and per diem and transportation costs for in-state travel. Members of the Board may also receive $350.00 per day, not to exceed fifteen days per year, for attending meetings of the Board or its committees. Members of the board shall be reimbursed for such necessary travel expenses as are paid to state employees.

(4) The titles "Executive Secretary" and "Executive Director" may be used interchangeably.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-3, 34-14-A-4, 34-14A-8, 34-14A-11, 41-22-1 *et seq*.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed June 20, 1994; Emergency Amendment effective June 20, 1994; Amendment effective October 28, 1994. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-2-.04 Meetings.

(1) Within 30 days after the annual appointment of new members, the Board shall meet for the purpose of organizing and transacting such business as may properly come before it.

(2) The Board also shall meet at least quarterly, and at such other times as the Chairman may designate. A majority of the members of the Board also may call a special meeting of the Board.

(3) Each member of the Board shall be given at least ten days' notice of the time, place, and purpose of any regular or special meeting, unless such notice is waived by the individual member or unless such member is present at the called meeting. The Executive Director shall cause such reasonable notice of the meetings of the Board to be given to the media as shall be appropriate under the circumstances.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.

Statutory Authority: Code of Ala. 1975, §§ 34-14A-4, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed June 20, 1994; Emergency Amendment effective June 20, 1994; Amendment effective October 28, 1994. **Amended:** Filed March 7, 2008; effective April 11, 2008. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-2-.05 Voting. All Board members, including the Chairman, are entitled to make or second motions. A majority of those members of the Board present and voting on any matter shall decide that matter before the Board, except that the Chairman of the Board or other Board member presiding as Chairman shall rule upon all questions of procedure and, in the event evidence is taken, on the admissibility of that evidence, consistent with the requirements of Section 13 of the Alabama Administrative Procedures Act. The Chairman shall not regularly vote as a member of the Board, except that in the event of a tie vote, the Chairman shall vote to break the tie.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, § 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

465-X-2-.06 Roster of Licensees. The Board shall publish, electronically or otherwise, by March 31 of each year a complete roster of all licenses issued and renewed for that calendar year. The board may provide mailing lists of licensees to only approved continuing education providers, who have signed an agreement restricting the use thereof to solely dissemination of approved continuing education course information.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, § 34-14A-9, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended**: Filed August 27, 2018; effective October 12, 2018. Emergency Rule filed December 16, 2020; Emergency Rule effective December 16, 2020; Permanent Rule effective April 12, 2021.

465-X-2-.07 Applicability of the Act. The Act shall apply in all counties of the state and all residential home builders within the state shall be required to be licensed by the board annually.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, §§ 34-14A-6(7), 34-14A-11, 34-14A-16.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed August 25, 2011; effective September 29, 2011.

465-X-2-.08 Declaratory Rulings.

(1) The Board may issue declaratory rulings to any person substantially affected by a rule with respect to the validity of any rule, or with respect to the applicability to any person, property, or state of facts of any rule or statute enforceable by the Board, or with respect to the meaning and scope of any order of the Board. Such ruling shall be issued provided:

(a) The Petitioner shows that the petitioner is substantially affected by the rule in question,

(b) Sufficient facts are supplied in the request to permit the Board to make a valid determination, and

(c) The request arises from an actual question or controversy.

(2) A request for declaratory ruling must be in writing and must be filed on the form prescribed by the Board.

(3) Such rulings will be made in accordance with the Alabama Administrative Procedure Act, Section 11.

Authors: David R. Boyd, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 41-22-11.
History: Original Rule and Emergency Rule filed June 20, 1994; Emergency Rule effective June 20, 1994; Permanent Rule effective October 28, 1994.

465-X-2-.09 Advisory Opinion.

(1) The Board may, in its discretion, issue an advisory opinion to any licensee, governmental official, or entity substantially affected by a rule or statute enforceable by the Board. Board advisory opinions may address, but not necessarily be limited to, the applicability of such rule or statute to the licensee, official, or entity or to a set of facts hypothetically involving a licensee, official, or entity, or may address the meaning and scope of any order of the Board.

(2) A request for any advisory opinion must be in writing and must specifically state that it is a "request for an advisory opinion."

Authors: David R. Boyd, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 41-22-11.
History: Original Rule and Emergency Rule filed June 20, 1994; Emergency Rule effective June 20, 1994; Permanent Rule effective October 28, 1994.

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LICENSING

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465-X-3-.01 Requirement for Licensing. All residential home builders shall have and maintain a current license issued by the Board. A license is current only during the calendar year in which it is issued. Unless timely renewed, a license automatically shall expire at the end of the calendar year for which it was issued subject to the provisions of Ala. Code § 41-22-19.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-11; 41-22-19.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-3-.02 Filing. License applications, annual license renewal applications, and all other applications required by these rules shall be deemed filed as of the date it is postmarked. All other submissions or documents required by these rules shall be deemed filed when received by the Executive Director. Completed applications filed at least 30 days before the next regularly scheduled Board meeting shall be considered before or at the time of that meeting; consideration of completed applications filed less than 30 days before such meeting may be delayed until the time of the next subsequent meeting of the Board. The Executive Director may reject an application that is inaccurate, incomplete, not notarized, or for which all fees due have not been paid at the time the application is filed.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-7, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011.

465-X-3-.03 Exemptions. The licensing requirements of the Act shall not apply to:

(1) Any employee of a licensee who engages in the residential home building business solely as the employee of that licensee and personally does not hold himself or herself out for hire or engage in the business of residential home building, including residential roofing;

(2) An authorized employee of the United States, the state of Alabama, or any municipality, county, or other political subdivision if the employee personally does not hold himself or herself out for hire or otherwise engage in the business of residential home building, including residential roofing, except in accordance with his or her employment;

(3) General contractors who, on January 1, 1992, held a valid general contractors license issued under Chapter 8 of this title, and who continue to maintain that license in good standing;

(4) Real estate licensees, licensed engineers, and licensed architects operating within the scope of their respective licenses on behalf of clients;

(5) Owners of property acting as their own residential home builder including residential roofer and providing all material supervision themselves in the building or improvement of one-family or two-family residences on their own property for their own occupancy or use, which residences are not offered for sale to the public. For the purpose of the Act and these rules:

(a) Owners of property shall be deemed to have acted as their own residential home builder if they do not hire or compensate anyone to engage in the business of residential home building, including residential roofing, on their residence; and

(b) The exemption for owners of property applies only to the owner. Residential home builders, including residential roofers, contracting directly with the owner are not exempt from holding any license required pursuant to the Act; and

(c) Proof of the sale or offering for sale of such structure by the owner claiming the owner exemption within one year after completion of same is presumptive evidence that the construction was undertaken for the purpose of sale; and

(d) The exemption for owners of property is a nontransferable privilege. Attempts to transfer this exemption by agency, power of attorney, or other legal means is presumptive evidence that the claim of owner exemption is not valid.

(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 Code of Ala. 1975 §§ 24-4A-1, 24-6-4;

(7) Agricultural buildings, as defined in Ala. Admin. Code r. 465-X-1-.01(3), except for any residence contained therein.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-6, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 4, 2006; effective September 8,

2006. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-3-.04 Licensing.

(1) **Form of License.** Licenses shall be issued only to individuals, partnerships, corporations, limited liability companies, and not-for-profit organizations:

(a) An individual applying for a license personally must satisfy all the licensure requirements.

(b) A partnership, corporation, limited liability company, and not-for-profit organization applying for a license must satisfy all licensure requirements.

1. A general partnership, limited partnership, corporation, limited liability company, or not-for-profit organization applying for a license must designate as its qualifying representative an individual who is either a general partner (in the case of any partnership) or an officer (in the case of a corporation) or a member (in the case of a member-managed limited liability company) or a manager (in the case of a manager-managed limited liability company) and who either holds a license individually or meets the experience and ability requirements for licensure. The entity seeking the license may rely upon the designated qualifying representative's experience, ability, and successful completion of any examination (testing experience and ability, conducted either by the Board or a third party under contract with the Board), but must present evidence to the Board that it satisfies all other licensing requirements. The name of the partnership, corporation, or limited liability company, along with that of its designated qualifying representative, shall appear on the face of that entity's license.

2. If the designated qualifying representative of a partnership, corporation, or limited liability company ceases for reasons other than provided for in section 1(b)3, to be a partner or officer or member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) of that entity, the designated qualifying representative and the partnership, corporation, or limited liability company immediately shall so notify the Board. Unless another partner, officer, or member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) as the case may be, who either individually maintains a current and valid license or meets the experience and ability requirements for licensure is designated as that entity's new qualifying representative within 45 days after the previous designated qualifying representative ceases to hold that position, the license for that partnership, corporation, or limited liability company automatically shall be revoked, subject to a show cause hearing before the Board.

3. In compliance with the Code of Alabama Section 41-9A-3 (1975), if the designated qualifying representative of a partnership, corporation, or limited liability company ceases by death, mental or physical incapacitation to be a partner or officer or member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) of that entity, the partnership, corporation, or limited liability company may claim a waiver of hardship for reasonable time to allow a person meeting the experience and ability requirements to become the new designated qualifying representative of the entity.

(i). The partnership, corporation, or limited liability company shall so notify the Board and shall submit the prescribed hardship waiver within 45 days of the designated qualifying representative’s death, mental incapacitation, or physical incapacitation.

(ii). The submitted waiver shall include an attached copy of an obituary or death certificate in the instance of the death of the designated qualifying representative. The submitted waiver request shall include but not limited to attached documentation from a diagnosing physician in the instance of mental or physical

incapacitation to include but not limited to diagnosis date.

(iii). Any hardship waiver submitted to the Board after 45 days from the death or incapacitation of the designated qualifying representative may be denied subject to a show cause hearing before the Board.

(iv). A granted hardship waiver shall be valid for no more than a maximum of 135 days after the date of death or incapacitation of the designated qualifying representative.

(v). The waiver may not be extended, and the license may be revoked subject to a show cause hearing before the Board.

(vi). A fee equal to one-half of the renewal fee for the license held by the entity may be assessed before issuance of hardship waiver.

(vii). If another partner, officer, or member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) as the case may be, who either individually maintains a current and valid license or meets the experience and ability requirements for licensure is designated as that entity's new qualifying representative within 45 days after the previous designated qualifying representative ceases to hold that position because of death, mental incapacity, or physical incapacity, then entity may submit the proper change of qualifier form instead of the hardship waiver.

(c) The extent to which a residential home builder, including residential roofers, may engage in the residential home building business depends upon the form of license held:

1. A residential home builder, including residential roofers, who is not licensed individually may engage in the residential home building business only through a licensed partnership, corporation, or limited liability company, of which the builder is an employee, partner, officer, or member.

2. A residential home builder, including residential roofers, who is the designated qualifying representative of an entity may engage in the residential home building business only through that entity; if such builder wishes to engage in the residential home building business either individually or through another entity that is not otherwise licensed, that builder must obtain a license, either individually or on behalf of the other entity, of which the builder may be the designated qualifying representative. A residential home builder who is the qualifying representative of an entity shall be deemed to have satisfied the experience and ability requirements for licensure, but must satisfy all other licensing requirements, including without limitation, the financial responsibility requirements, before qualifying for a license either individually or on behalf of another entity.

3. A residential home builder, including residential roofers, licensed individually may engage in the residential home building business either individually or through a licensed entity of which the individual licensee is an employee, partner, officer, or member.

EXAMPLES:

(i) ABC Builders, Inc. has three officers, each of whom meets the experience and ability requirements for licensure. Adams is the qualifying representative of the corporation. Brown individually meets all the licensing requirements, including without limitation the financial responsibility requirement, and obtains an individual license. Carter is not licensed, either individually or as the qualifying representative of the corporation. Adams and Carter may engage in the residential home building only through ABC Builders, Inc., but Brown may do so either individually or through ABC Builders, Inc.

(ii) Five years after ABC Builders, Inc. was issued a license, Adams decides to engage in the residential home building business through a newly formed partnership, Adams Builders, of which he is a partner. Adams Builders applies for a license, naming Adams as its qualifying representative. Because he is the qualifying representative of ABC Builders, Inc., Adams is deemed to have satisfied the experience and ability requirements for licensure, but Adams Builders will have to satisfy all other requirements for licensure, including without limitation the financial responsibility requirement.

(iii) Five years after ABC Builders, Inc., was issued a license, Carter decides to engage individually in the residential home building business. Because Carter is neither the qualifying representative of ABC Builders, Inc. nor licensed individually, Carter will have to satisfy all of the requirements for licensure, including the experience and ability requirements, which means successful completion of any examination testing experience and ability, conducted either by the Board or a third party under contract with the Board.

(2) **Type of License.**

(a) Licenses may be issued without limitation, with limitation, or with limitation specifying a single trade.

(b) The extent to which a residential home builder, including residential roofer, may engage in the residential homebuilding business depends upon the type of license held:

1. A residential home builder who holds a current and valid residential home builders license **without limitation** may engage in the business of residential home building, as referred to in Ala. Code § 34-14A-2(12) (1975), regardless of the scope of the construction.

2. A residential home builder who holds a current and valid residential home builders license **with limitation** may only engage in the business of residential home building, as referred to in Ala. Code § 34-14A-2(12) (1975), when the scope of the construction is limited to the repair, improvement, or reimprovement, as such term is defined herein, of a residence or structure, and the residential homebuilder does not meet the definition of residential roofer as defined Ala. Code § 34-14A-2(13), and the scope of the work does not meet the definition of residential roofing as defined in Ala. Admin. Code r. 465-X-1-.01(10).

3. A residential roofer, as defined in Ala. Code § 34-14A-2(13), who holds a current and valid residential roofers license may only engage in residential roofing when the scope of the roofing is limited to the installation or repair of the external covering of a residence or structure.

EXAMPLES:

(i) Builder holds a current and valid residential home builder's license **without limitation**. Builder may contract directly with Homeowner to perform any residential construction activity including new residential construction, and repair, improvement or reimprovement to an existing residence.

(ii) Builder holds a current and valid residential home builder's license **without limitation**. Builder contracts directly with Homeowner to construct a new residence. The cost of the undertaking is $250,000. Builder hires Framer to frame the new construction and pays him $30,000. Framer is **not required to hold a license** issued by the Board because he did not contract directly with the homeowner to perform the construction activity, but instead is working directly for a residential home builder who holds a license without limitation and who contracted directly with the homeowner.

(iii) Framer enters into a contract directly with Homeowner to frame an addition to an existing

residence. The cost of the undertaking is $30,000. Though only one trade is being performed (framing), Framer must hold a current and valid residential home builder's license **without limitation** because the cost of the undertaking exceeds $10,000 and the construction activity affects the structural integrity of the residence.

(iv) Foundation contractor enters into a contract directly with Homeowner to construct a foundation for a residence. The cost of the undertaking is $15,000. Though only one trade is being performed (foundation construction), Foundation contractor must hold a current and valid residential home builder's license **without limitation** because the cost of the undertaking exceeds $10,000 and the construction activity affects the structural integrity of the residence.

(v) Best Siding, LLC, enters into a contract directly with Homeowner to install vinyl siding on Homeowner's residence. The cost of the undertaking is $20,000. Best Siding, LLC, must hold a residential home builder's license because the cost of the undertaking exceeds $10,000; however, because the construction activity involves only one trade (siding installation) and it does not affect the structural integrity of the existing residence, Best Siding, LLC, may hold a residential home builders license **with limitation.**

(vi) Roofer enters into a contract directly with a Homeowner to repair storm damage to at least one roof truss, which will require a framer, and to re-roof a residence. The cost of the undertaking is $11,000. Roofer is required to hold **a residential home builder's license without limitation** because more than one trade is involved, and the work affects the structural integrity of the residence.

(vii) Roofer enters into a contract directly with Homeowner to install a new roof, including replacing only existing damaged decking and damaged fascia. The cost of the undertaking is $8,000. Roofer must hold a residential home builders license limited to roofing (roofers license) because the cost of the undertaking exceeds $2,500; Because the construction activity involves only one trade (roof installation, including replacing damaged decking and fascia) and it does not affect the structural integrity of the residence, Roofer may hold a residential home builders license **with limitation**, limited to roofing.

(viii) Builder enters into a contract directly with Homeowner to make repairs to a residence, including painting and replacement of sheetrock. The cost of the undertaking is $8,500. Though the construction activity involves more than one trade (painting, and sheetrock replacement), Builder is **not required to hold a license** issued by the Board because the cost of the undertaking does not exceed $10,000. If the cost of the undertaking had exceeded $10,000, Builder would be required to hold a residential home builder's license **without limitation** because more than one trade is involved.

(3) **Requirements for License Without Limitation.** In order to receive a license **without limitation (unlimited license)**, a residential home builder must successfully complete the following actions:

(a) File an accurate, complete, timely, and notarized application for license with the Board;

(b) Pay the application fee, the Homeowners' Recovery Fund fee and any other fee required by these rules;

(c) Demonstrate proof of financial responsibility by submitting to the Board, at the applicant's expense:

1. A credit report with business-related credit and financial information in a form satisfactory to the Board (provided directly from a credit reporting agency).

(i) The credit report shall include the business-related credit accounts information of the individual or entity to be licensed and a public records search of the individual or entity to be licensed.

(ii) In addition, a partnership's credit report shall include a public records search on the partnership and also on each partner. A partnership over a year old has the option of submitting the business-related credit accounts information on the partnership or on each partner individually.

(iii) In addition, a partnership, corporation, limited liability company, or other legal entity less than one year old may be required to provide business-related credit accounts information on the partners, corporate officers, or members individually where the partnership, corporation, or limited liability company does not have a credit history sufficient to reasonably satisfy the Board of the applicant's financial responsibility.

(iv) An applicant whose application is pending for more than 90 days (owing to a defect in the application for which the applicant is responsible) may be required to file an updated credit report (provided directly from a credit reporting agency).

2. An applicant must not have any outstanding business-related collection account(s), or foreclosure account(s), except that

(i) An applicant may have a business-related collection account(s), or foreclosure account(s) if the amount(s) of the business-related collection account(s), or foreclosure account(s) does not exceed $1,000 in the aggregate. (Example: (A) one $1,000 business-related collection account, or foreclosure account and no other business-related collection account, or foreclosure account, or (B) one $500 business-related collection account, one $250 business-related collection account, and one $250 foreclosure account.)

(ii) An applicant with a business-related collection account(s), or foreclosure account(s), which exceeds $1,000 in the aggregate must provide documentation to show that the collection account(s), or foreclosure account(s) has been paid, or must show to the Board's reasonable satisfaction that arrangements have been made to pay the account(s), including but not limited to evidence of a payment plan and history of payment, or provide the Board with a written explanation of the circumstances surrounding the business-related collection account(s), or foreclosure account(s) sufficient to reasonably satisfy the Board of the applicant's financial responsibility.

3. An applicant must not have any outstanding judgments, judgment liens, or any perfected liens, except that

(i) An applicant may have an outstanding judgment(s), judgment lien(s), or any perfected lien(s) under dispute in court, with the taxing authority, or on appeal, if the amount(s) of judgment(s), judgment lien(s), or any perfected lien(s) (under dispute in court, with the taxing authority, or on appeal) does not exceed the amount of $1,000 in the aggregate. (Example: (A) one $1,000 outstanding judgment, judgment lien, or any perfected lien under dispute in court, with the taxing authority, or on appeal and no other outstanding judgment(s), judgment lien(s), or any perfected lien(s) under dispute in court, with the taxing authority, or on appeal or (B) one $650 outstanding judgment, judgment lien, or any perfected lien under dispute in court, with the taxing authority, or on appeal and one $350 outstanding judgment, judgment lien, or any perfected lien under dispute in court, with the taxing authority, or on appeal.)

(ii) An applicant may have an outstanding judgment(s), judgment lien(s), or any perfected lien(s) if the amount(s) of the judgment(s), judgment lien(s), or any perfected lien(s) does not exceed $1,000 in the aggregate. (Example: (A) one $1,000 outstanding judgment, judgment lien, or any perfected lien and no other outstanding judgment(s), judgment lien(s), or any perfected lien(s) or (B) one $650 outstanding judgment, judgment lien or any perfected lien and one $350 outstanding judgment, judgment

lien, or any perfected lien.)

(iii) Business-related judgments, judgment liens, and any perfected liens include any judgment, judgment lien or any perfected lien that may attach to real estate that an applicant takes in his/her/its name and sells, deeds, or otherwise transfers to a consumer and adversely affects the consumer's title. A certified copy of the satisfaction and release from the appropriate court(s) is sufficient evidence of satisfaction and release.

4. Disclosure of Social Security Number. All licensure applications, including new and renewal licensure applications, have a space for the disclosure of an individual's social security number.

(i) The disclosure of an individual's social security number under the Alabama Child Support Act of 1997, Act 97-447, § 30-3-194 (1997 Cum. Supp.) is **MANDATORY**. The Board requires the disclosure of the social security number to be used for the purposes under said act described therein.

(ii) The disclosure of an individual's social security number for the purpose of obtaining business-related financial and credit information and public records search is **VOLUNTARY**. The Board requests the disclosure of the social security number, pursuant to Code of Ala. 1975, § 34-14A-7(a)(4), to obtain business-related financial and credit information and a public records search in order to examine an applicant's business-related financial condition. The Board may provide, or the individual may provide, the social security numbers to the credit reporting agency for the purpose of obtaining this information. An individual who does not wish to disclose his or her social security number may provide the business-related financial and credit information and public records search in an alternate format. The alternate format shall be: provide five (5) notarized business-related credit letters from financial institutions, building suppliers, or other creditors outlining specific payment history, and a certified public records search.

(d) Satisfy the Board that the applicant possesses such experience and ability as to be entitled to a license as a residential home builder by successfully completing the examination (testing experience and ability, conducted by the Board, a third party under contract with the Board, any other nationally recognized examination as approved by the Board, or any combination thereof) required by the Board;

(e) Satisfy the Board that the applicant possesses such good character and willingness to serve the public and conserve the public health and safety as to be entitled to a license as a residential home builder; and

(f) File any additional pertinent information required by the Board on a case-by-case basis to determine whether the applicant is qualified to receive a license.

(g) If the applicant is a corporation, satisfy the Board that the applicant is in good standing with the Alabama Department of Revenue and is either duly organized in the State of Alabama or qualified as a foreign corporation to do business in Alabama.

(h) If the applicant is a limited partnership or limited liability company, satisfy the Board that the applicant is either duly organized in the State of Alabama or qualified as a foreign limited partnership or limited liability company to do business in Alabama.

(4) **Requirements for License With Limitation**. In order to receive a license **with limitation (limited license)**, a residential home builder must successfully complete the requirements for licensure as required under Rule § 465-X-3-.04(3) with the exception of subsection (d), and must satisfy the experience and ability requirements as set forth herein.

(a) Any person acting as a residential home builder within the State of Alabama applying for a license **with limitation (limited license)** shall be deemed to have satisfied the experience and ability requirements for licensure if such person submits an application to the Board establishing:

1. That the applicant possesses sufficient building qualifications and experience to receive a license, as demonstrated by satisfactory evidence presented to the Board. Proof that an applicant currently holds or held on or before one (1) year prior to the date the application is received by the Board, a business or occupational license, issued by a governmental instrumentality of this state, as a contractor, roofer, or other related construction trade, shall provide sufficient evidence of the applicant's building qualifications and experience. The Board may also require:

2. That the applicant is recommended for licensure by a licensed builder holding a current and valid unlimited home builders license issued by Alabama or any other state. The recommendation must be in writing and signed by the licensed home builder; **or**

3. That the applicant is recommended for licensure by a building official in Alabama or any other state.

(5) **Requirements for License With Limitation, Limited to Roofing (Roofers License)**. In order to receive a **roofers license**, a residential roofer must successfully complete the requirements for licensure as required under Rule § 465-X-3-.04(3) with the exception of subsections (c) and (d), and must satisfy the financial responsibility and experience and ability requirements as set forth herein.

(a) Demonstrate proof of financial responsibility by submitting to the Board, at the applicant's expense, a bond issued by a licensed bonding or surety company. The bond:

1. must be in an amount not less than $10,000;

2. must name the Home Builders Licensure Board as the obligee of the bond;

3. must be valid for coverage from the date of issuance to December 31 of the current licensure year; and,

4. must include a legal instrument sufficient to authorize the Board to exercise the bond.

(b) Any person acting as a residential home builder within the State of Alabama applying for a license **with limitation, limited to roofing (roofers license)** shall be deemed to have satisfied the experience and ability requirements for licensure if such person submits an application to the Board establishing:

1. That the applicant possesses sufficient roofing qualifications and experience to receive a license, as demonstrated by satisfactory evidence presented to the Board. Proof that an applicant currently holds or held on or before one (1) year prior to the date the application is received by the Board, a business or occupational license, issued by a governmental instrumentality of this state, as a contractor, roofer, or other construction trade, shall provide sufficient evidence of the applicant's building qualifications and experience, **or**

2. That the applicant is a manufacturer-certified roofing installer. The Board may also require:

3. That the applicant is recommended for licensure by a licensed home builder holding a current and valid unlimited home builders license in Alabama or any other state. The recommendation must be in writing and signed by the licensed home builder; **or**

4. That the applicant is recommended for licensure by a building official in Alabama or any other state.

(6) **Grandfathering Provisions.** When applicants who were initially grandfathered from examination (testing experience and ability, conducted either by the Board or a third party under contract with the Board) on or before June 16, 1994, and who met the requirements under previous Code of Ala. 1975, § 34-14A-5, and who apply for a new license in a different legal capacity less than three (3) years from the date of expiration of the former license, the Board shall rely on the building qualifications met under § 34-14A-5 as sufficient evidence of applicant's experience and ability requirements for licensure; provided there are no pending disciplinary problems with the applicant.

(7) **Out of State License Holders.** Any applicant holding a valid license as a residential home builder issued by a jurisdiction outside 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:

(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; or

(c) the applicant submits proof of successful passage of any other examination approved by the Board for demonstrating experience and ability; and

(d) in any of the above instances, the applicant may be required to complete testing of at least the Alabama business and law section of an approved examination.

(8) **Military Family Jobs Opportunity Act Applicants.** Any applicant meeting the eligibility requirements of Ala. Code § 31-1-6(c) may also satisfy the experience and ability requirements for licensure as provided for in section 7, above. Upon meeting the remaining requirements for licensure as set forth in this chapter, the applicant will be eligible for a waiver of the initial license fee for not less than 180 days, to be extended as determined by the Executive Director. A completed application submitted pursuant to this section will be expedited and will be reviewed by the Board at its next scheduled board meeting.

(9) **Military Education, Training, or Service Applicants**. Any applicant meeting the eligibility requirements of Ala. Code § 31-12A-2 may satisfy the experience and ability requirements for licensure if applying for license within three years of completion of military education, training, or service and upon Board review to determine level of education, training, or service being substantially similar to Alabama Residential Home Building requirements.

(a) Applicants may satisfy the experience and ability requirements with documentation of education, training, or service demonstrating residential construction record.

(b) Applicants may be required to complete the Alabama Business and Law section of the license examination.

(10) **Extension of Licensing for Military Service Members**. An individual licensee or the designated qualifying representative of a corporation, limited liability company, or partnership and who is a member of the Armed Forces of the United States shall be entitled to the process of automatic renewal of license consistent with the requirements of Ala. Code § 31-12A-4, so long as the licensee or the designated

qualifying representative of a corporation, limited liability company, or partnership is in good standing with the branch of the armed services and with the Board at the time of annual license renewal.

(a) Any license renewed pursuant to statutory application shall remain in inactive status until such time as the licensee meets requirements to return to active license status.

(b) In the instance of a designated qualifying representative of a corporation, limited liability company, or partnership, the individual designated qualifying representative may be allowed to place his or her experience and abilities on inactive status; however, the entity may be required to name a new designated qualifying representative if the entity desires to maintain an active license.

(11) **Inactive Licenses.**

(a) Any licensee who desires to receive an inactive license shall make and file with the Board an accurate, complete, notarized, written application for an inactive license on a form prescribed by the Board prior to the expiration of the current license. The application shall be accompanied by the payment of the annual inactive license fee required by the Board and any other fees required by these rules. After the Board accepts the application, the application may be reviewed by the Board at the next scheduled Board meeting.

(b) 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 an accurate, complete, notarized, 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 as set out in Code of Ala. 1975, § 34-14A-7(i)(3). Maintaining ICC certification as a certified building official, building inspector, residential building inspector, property maintenance and housing inspector, or building plans examiner, or maintaining a license/certification as a design professional, shall be considered to be sufficient proof of building qualifications, experience and ability to receive an inactive license.

(c) 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) of Code of Ala. 1975, § 34-14A-7 and subparagraph (d) of paragraph (2) of this regulation. A person holding an inactive license must show proof of having completed six (6) hours of continuing education prior to returning to active status. The designated qualifying representative must obtain the six (6) credit hours of continuing education hours for corporations, limited liability companies, and partnerships.

(12) **Applicants Holding Expired Licenses Less Than Three Years Old.**

(a) Any licensee who desires to reactivate an expired license less than three years old shall make and file with the Board 30 days prior to the next meeting of the Board an accurate and complete written application on a form prescribed by the Board to reactivate the expired license. The application shall be accompanied by the application fee, the Homeowners' Recovery Fund fee, and any other fees required by these rules. After the Board accepts the application, the applicant may be reviewed by the Board at the next scheduled Board meeting. An applicant holding an expired license who files such an application within three years from the date of expiration of the license shall be deemed to have satisfied the experience and ability requirements for licensure provided there are no pending disciplinary problems with the applicant and all other licensing requirements have been met.

(b) For an individual applicant to be considered an applicant holding an expired license, the applicant must hold an expired license in his individual capacity. For a partnership, corporation, or limited liability company applicant to be considered an applicant holding an expired license, the applicant must hold an expired partnership, corporation, or limited liability license with the same designated qualifying representative as the applicant applying for reactivation.

(c) In addition, applicants who have been denied a license, or whose license has been revoked or suspended, or who have pending disciplinary problems, are not considered applicants holding an expired license.

(13) **Applicants Holding a Denied License Less Than Three Years Old.** Any applicant whose license has been denied and who desires to receive a new license shall make and file with the Board 30 days prior to the next meeting of the Board an accurate, complete, notarized written application on a form prescribed by the Board with the Executive Director and satisfy the criteria set forth in reg. 465-X-3-.04(3)(b), (c), (e), (f), (g) and (h) as applicable, or reg. 465-X-3-.04(4) as applicable. The application shall be accompanied by the application fee, the recovery fund fee, and any other fees required by these rules. After the Board accepts the application, the applicant may be reviewed by the Board at the next scheduled Board meeting. An applicant whose license has been denied and who files such an application and is issued a new license within three years from the year of denial of the previous license shall be deemed to have satisfied the experience and ability requirements for licensure.

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Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-6, 34-14A-7, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Amended:** Filed February 11, 1994; effective March 18, 1994. **Emergency Amendment**: Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. **Amended:** Filed April 2, 1997; effective May 7, 1997. Amendment and Emergency Amendment filed October 1, 1997; Emergency Amendment effective October 1, 1997. Amendment and Emergency Amendment filed October 27, 1997; Emergency Amendment effective October 27, 1997. Amendment and Emergency Amendment filed October 27, 1997; Emergency Amendment effective October 27, 1997. Amendment filed November 12, 1997. **Amended:** Filed January 30, 1998; effective March 4, 1998. **Amended:** Filed September 4, 1998; effective October 9, 1998. **Amended:** Filed June 4, 1999; effective July 9, 1999. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed April 2, 2004; effective May 7, 2004. **Amended:** Filed June 4, 2004; effective July 10, 2004. **Amended:** Filed November 4, 2004; effective December 9, 2004. **Amended:** Filed December 9, 2004; effective January 13, 2005. **Amended:** Filed February 7, 2005; effective March 14, 2005. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed October 6, 2008; effective November 10, 2008. **Amended:** Filed August 11, 2010; effective September 15, 2010. **Emergency Amendment Filed:** May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018, effective October 12, 2018. **Amended:** Filed August 10, 2020; effective October 15, 2020. **Amended:** Filed October 19, 2021; effective February 13, 2022. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-3-.05 [Repealed effective June 20, 1994]

465-X-3-.06 Annual License Renewal, Consequence Of Failure To Renew.

(1) A license is valid only during the calendar year indicated on the license. At the end of that calendar year, the license expires unless it is timely renewed by the licensee.

(2) To renew a license **without limitation**, the licensee must timely file a complete and accurate annual license renewal application with the Executive Director, satisfy the criteria set forth in reg. 465-X-3-.04(3)(b), (c), (e), (f), (g), and (h), as applicable and beginning October 1, 2021, obtain six (6) credit hours of continuing education taught by a Board approved provider or instructor. The designated qualifying representative must obtain the six (6) credit hours of continuing education hours for corporations, limited liability companies, and partnerships. Two (2) of the six (6) credits must be in areas specific to Alabama as designated by the Board. To renew a license **with limitation**, including limited to residential roofing, the licensee must timely file a complete and accurate annual license renewal application with the Executive Director, satisfy the criteria set forth in reg. 465-X-3-.04(4) as applicable and beginning October 1, 2021, obtain six (6) credit hours of continuing education taught by a Board approved provider or instructor. The designated qualifying representative must obtain the six (6) credit hours of continuing education hours for corporations, limited liability companies, and partnerships. Two (2) of the six (6) credits must in areas specific to Alabama as designated by the Board. If a licensee changes its address or telephone number during the license year, the licensee promptly must notify the Board of the new address and new telephone number. Annual license renewal applications must be filed by November 30 of the year preceding the year for which the license is to be renewed. Any renewal applications postmarked on December 1 or thereafter will be considered late.

(3) To renew an inactive license, the inactive licensee must timely file a complete and accurate annual inactive license renewal application with the Executive Director, and satisfy the criteria set forth in reg. 465-X-3-.04(9)(a), (b), and (c), as applicable. If an inactive licensee changes its address or telephone number during the license year the inactive licensee promptly must notify the Board of the new address and new telephone number. Annual inactive license renewal applications must be filed by November 30 of the year preceding the year for which the inactive license is to be renewed. Any inactive renewal applications postmarked on December 1 or thereafter will be considered late.

(4) A license holder who fails to file the annual license renewal application, or the annual inactive license renewal application, by December 31 of the calendar year for which the license was issued shall no longer be licensed as a residential home builder, after December 31 of the calendar year for which the license was issued.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Anna C. Northington, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-7.
History: Filed March 22, 1993. New Rule: Filed May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. **Amended:** Filed April 2, 1997; effective May 7, 1997. **Amendment and Emergency Amendment** filed October 1, 1997; **Emergency Amendment** effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed August 4, 1998; effective September 8, 1998. **Amended:** Filed November 2, 2001; effective December 7, 2001. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed June 4, 2004; effective July 10, 2004. **Amended:** Filed November 4, 2004; effective December 9, 2004. **Emergency Amendment:** Filed May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018, effective October 12, 2018. **Amended:** Filed August 10, 2020; effective October 15, 2020.

465-X-3-.07 [Repealed effective October 1, 1997]

465-X-3-.08 **Replacement Licenses.** The Board shall issue a replacement license, upon application, to a licensee who shows by notarized statement that:

(1) the licensee's current license has been stolen, taken, lost, destroyed, defaced, or

(2) the licensee's name has been changed by marriage or court order, if the licensee is an individual, or by changing the name of the sole proprietorship, partnership, or corporation, if the license is issued in the name of such an entity. Where such a name change occurs, the license issued under the licensee's former name shall expire 60 days after the name change occurs, unless within that 60-day period the licensee obtains a replacement license bearing the licensee's correct name. When the replacement license is issued to accommodate a name change, the originally issued license must be returned to the Board as a condition of the issuance of the new license.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-1, 34-14A-5, 34-14A-7, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994.

465-X-3-.09 Examinations. In examining an applicant, the Board shall consider the applicant's experience, ability, character, business-related financial condition, ability and willingness to serve the public and to conserve the public's health and safety, and any other pertinent information needed for the Board to determine whether the applicant is qualified to receive a license as a residential home builder. The Board may rely on oral and written examinations (testing experience and ability, conducted by the Board, a third party under contract with the Board, any other nationally recognized examination as approved by the Board, or any combination thereof), its review of the application and related materials filed by the applicant, any references or information regarding the applicant or its qualifying representatives, or any combination thereof in determining whether to issue a license. Any written examinations (testing experience and ability, conducted either by the Board or a third party under contract with the Board) required for a license as a residential home builder shall be given at least quarterly at a place or places designated by the Board. An applicant has three (3) years from the year he or she receives a passing score on any written examination (testing experience and ability, conducted either by the Board or a third party under contract with the Board) within which to file a written application for license with the Board. At the expiration of the three (3) year period, if an applicant has not filed an application for and obtained a license, the applicant shall be required to retake and receive a passing score on any written examination (testing experience and ability, conducted either by the Board or a third party under contract with the Board) before a license will be issued.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14-7, 34-14-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. Amendment and Emergency Amendment filed October 1, 1997; Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed June 4, 1999; effective July 9, 1999. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-3-.10 Denial Of License.

(1) Grounds for Denial. The following shall constitute grounds on which the Board may deny an application for a license:

(a) Applicant's failure to meet any requirement or standard established by the Act or the rules adopted by the Board.

(b) False representations of facts on an application for licensure or renewal thereof.

(c) Applicant's having another person appear in the applicant's place for the licensing exam.

(d) Applicant's following a course of conduct that would be grounds for discipline under the Act or the rules adopted by the Board.

(e) The revocation, suspension or probationary status of the applicant's license in another state.

(f) Disciplinary action pending against the applicant in another state.

(g) Any other reasons authorized by law.

(2) Notice of denial. The Board shall give any applicant whose application for licensure or renewal is denied written notice specifying in detail the reason for the denial.

(3) Reexamination and Reconsideration.

(a) An applicant denied a license shall be given an opportunity to be reexamined after filing a new application and paying an additional application fee; provided, however, the Board in its discretion may waive any application requirements regarding the filing of any additional forms or the payment of any additional fees.

(b) An applicant denied a license shall be given an opportunity to be reexamined after filing a new application and paying an additional application fee; provided, however, any applicant denied a license shall not be required to sit for and pass any written examination (testing experience and ability conducted by the Board, a third party under contract with the Board, any other nationally recognized examination as approved by the Board, or any combination thereof) if application for a new license is made and a new license is issued within three years from the year the previous license was denied and the applicant has met all other requirements for licensure.

(c) An applicant who claims to have been wrongfully denied a license may request reconsideration of the Board's decision at any time within 45 days after the date of the Board's notice of denial. This request for reconsideration must be in writing and must include evidence that the Board relied on inaccurate or incomplete information in denying the applicant a license; evidence of rehabilitation or the elimination or cure of the grounds on which the denial was based; or other explanatory evidence bearing on the applicant's record. In connection with this request for reconsideration, the applicant shall be entitled to appear before the Board, or a committee thereof, in order to present the request. Applicants requesting reconsideration of denial shall be notified of the opportunity to appear before the Board by letter, mailed certified mail, return receipt requested, to the most recent address on file with the Board at least 15 days prior to the scheduled date of the hearing. In the event an applicant receives less than 15 days notice as described herein, the Board may grant a continuance until the next hearing date.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-7, 34-14A-8, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Amended:** Filed September 4, 1998; effective October 9, 1998. **Amended:** Filed June 4, 1999; effective July 9, 1999. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-3-.11 [Repealed effective January 13, 2012]

465-X-3-.12 [Repealed effective January 13, 2012]

465-X-3-.13 [Repealed effective January 13, 2012]

465-X-3-.14 [Repealed effective January 13, 2012]

CHAPTER 465-X-4
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465-X-4-.01 When Required; Failure for Timely Payment. An application for a license or any request for which a fee is required, must be accompanied by payment of the requisite fee in full, or else the application or request shall be denied.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed June 20, 1994; Emergency Amendment effective June 20, 1994; Amendment effective October 28, 1994.

465-X-4-.02 Method of Payment; Time of Payment. Fees may be paid by a personal check, certified check, cashier's check, money order, or by electronic means using a credit or debit card. Fees are deemed paid when the funds represented by the check, money order, or by electronic means using a credit or debit card, actually are received by or made available to the Board's Executive Director.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-11.
History: Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed June 20, 1994; Emergency Amendment effective June 20, 1994; Amendment effective October 28, 1994. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-4-.03 Fees Not Refundable. No fee or part of a fee paid by an applicant for a license, or any request for which a fee is required, shall be refunded as a result of the revocation or suspension of the applicant's license. In the event an applicant fails to complete the application process successfully or to take or pass the examination (testing experience and ability, conducted either by the a third party under contract with the Board, any other nationally recognized examination as approved by the Board, or any combination thereof), or the Board refuses to issue a license to an applicant, any license fee or Homeowners' Recovery Fund fee submitted as part of the application process shall be refunded to the applicant upon receipt of a written request for refund from the applicant, submitted within three years of final board action on the application, except the nonrefundable application processing fee.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, 34-14A-11.
History: Filed March 22, 1993. **New Rule:** Filed May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. Amendment and Emergency Amendment filed October 1, 1997; Emergency Amendment effective

October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed May 6, 2002; effective June 10, 2002**. Amended: Filed January 15, 2025; effective March 17, 2025.**

465-X-4-.04 Fees: Fees shall be as follows:

(1) Annual License Fees.

This fee must accompany the initial application for a license and each annual license renewal application.

(a) License without limitation	235.00
(b) License with limitation	235.00
(c) License with limitation, limited to residential roofing	150.00

(2) Annual Homeowners' Recovery Fund Fee. 15.00

This fee must accompany license applications and license renewal applications for licenses without limitation and with limitation. This fee does not apply to licenses with limitation, limited to roofing

(3) Nonrefundable Application Processing Fee For New Applicants. 100.00

This fee must accompany all applications submitted by applicants for a new license.

(4) Nonrefundable Application Processing Fee For Applicants Holding Expired Licenses Without Limitation and With Limitation Less Than Three Years Old. 350.00

This fee must accompany all applications submitted by applicants holding expired licenses without limitation and with limitation less than three years old, who desire to reactivate the expired license.

(5) Nonrefundable Application Processing Fee For Applicants Holding Expired Licenses With Limitation, Limited to Residential Roofing Less Than Three Years Old. 150.00

This fee must accompany all applications submitted by applicants holding expired licenses with limitation, limited to residential roofing less than three years old, who desire to reactivate the expired license.

(6) Inactive Fees for Licenses Without Limitation And With Limitation. 125.00

This fee must accompany an application for an inactive license without limitation and with limitation and each renewal inactive license application. Building officials applying for or renewing an inactive license are exempted from this fee. Licensees renewing as inactive pursuant to Ala. Code Section 31-12A-4 are exempted from this fee.

(7) Inactive Fees for Licenses With Limitation Limited to Residential Roofing. 75.00

This fee must accompany an application for an inactive license with limitation, limited to residential roofing and each renewal inactive license application. Building officials applying for or renewing an inactive license are exempted from this fee. Licensees renewing as inactive pursuant to Ala. Code Section 31-12A-4 are exempted from this fee.

(8) Record Fee. 15.00

This fee must accompany a request for an applicant's examination records.

(9) Late Fee. 50.00

This fee must accompany all license renewal applications received on December 1, or thereafter, of the year preceding the year for which the license is to be renewed. Building officials filing a late application for an inactive license are exempted from this fee.

(10) Bad Check Fee. 30.00

Pursuant to Code of Ala. 1975, § 8-8-15, this fee must accompany any check, or other negotiable instrument drawn on a bank or other depository institution and made payable to the Board, if the instrument is not paid or is dishonored by the institution.

(11) Application Package Fee. 25.00

Pursuant to Code of Ala. 1975, § 41-22-4(3), this fee must accompany a request for an application package for a new license to be mailed. The application package includes a copy of Code of Ala. 1975, § 34-14A-1 *et seq*., administrative rules and necessary forms for licensure.

(12) New Continuing Education Provider Fee. 250.00

This fee must accompany a new provider application.

(13) Continuing Education Provider Renewal Fee 125.00

This fee must accompany a provider renewal application.

(14) New Instructor Fee. 100.00

This fee must accompany a new instructor application.

(15) Instructor Renewal Fee 50.00

This fee must accompany an instructor renewal application.

(16) New Course Fee 50.00

This fee must accompany a new course application.

(17) Course renewal Fee 25.00

This fee must accompany a course renewal application.

(18) Continuing Education Late fee 50.00

This fee may be accrued by failing to comply with continuing education requirements by November 30th.

(19) Non-traditional approval fee 50.00

This fee is to accompany request for non-traditional continuing education request.

(20) Credit hour fee

Providers may be required to submit a fee of up to $5.00 for every credit hour taught to each licensee.

(21) Licensee designated qualifying representative hardship waiver fee 125.00

This fee must accompany a hardship waiver submitted by the designated qualifying representative of a licensed corporation, limited liability company, or partnership with a limited or unlimited license applies for waiver pursuant to Ala. Code Section 41-9A-3.

(22) Licensee or designated qualifying representative hardship waiver fee 75.00

This fee must accompany a hardship waiver submitted by the designated qualifying representative of a licensed corporation, limited liability company, or partnership with a license limited to roofing applies for waiver pursuant to Ala. Code Section 41-9A-3.

(23) Lost or Stolen Replacement License Fee 25.00
This fee must accompany a request for a lost or stolen wallet card and/or certificate.

(24) Change of Designated Qualifying Representative for Corporation, Limited Liability Company, and Partnership Fee. 100.00
This fee must accompany a change of designated qualifying representative for a corporation, limited liability company, and partnership already licensed by the Board.

(25) Public Records Fees
Standard request for public records 20.00
This fee may be required before request is fulfilled after notice of the fee is provided to the person requesting.
Time-intensive Request for Public Records 20.00 per hour
This fee may be required before request is fulfilled after notice of the fee is provided to the person requesting. The agency may also charge actual cost incurred while processing requests.
Payment of this fee may be required before request is fulfilled and after notice of the fee is provided to the person requested.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt
Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-7, 34-14A-11, 34-14A-15.
History: Filed: March 22, 1993. **New Rule:** Filed: May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. Amendment and Emergency Amendment filed October 1, 1997. Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended**: Filed September 4, 1998; effective October 9, 1998. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed March 7, 2008; effective April 11, 2008. **Amended:** Filed February 4, 2009; effective March 11, 2009. **Amended:** Filed June 17, 2010; effective July 23, 2010. **Amended:** Filed May 6, 2011; effective June 10, 2011. **Emergency Amendment:** Filed June 10, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed May 28, 2015; effective July 3, 2015. **Amended:** Filed August 27, 2018, effective October 12,2018. **Amended:** Filed August 10, 2020; effective October 15, 2020. Amended: Filed December 16, 2020; effective April 12, 2021. **Amended:** Filed October 19, 2021; effective February 13, 2022. **Amended:** Filed November 15, 2021; effective April 14, 2022. **Amended**: Filed April 3, 2023; effective September 14, 2023. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-4-.05 Additional Costs. Applicants required to provide to the Board specified information from third parties [including without limitations, credit reports and examination results (testing experience and ability)] shall pay the cost of obtaining such information directly to the provider, provided;

however, the cost of obtaining such information shall be payable to the Board, and the Board shall reimburse the provider for such cost where the Board and the provider have a contract which provides for payment to be handled in this manner.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-11.
History: Filed: March 22, 1993.
New Rule: Filed: May 12, 1993, effective June 16, 1993. **Emergency Amendment:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. Amendment and Emergency Amendment filed October 1, 1997. Emergency Amendment effective October 1, 1997.
Amended: Filed January 28, 1998; effective March 4, 1998.

465-X-4-.06 Fee Adjustments. The Board may adjust fees as necessary to provide sufficient revenues to pay all salaries, costs, and expenses incurred by the board in enforcing this chapter and promoting public health, safety, welfare, and consumer protection.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-5, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed August 17, 2018; effective October 12, 2018.

CHAPTER 465-X-5
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465-X-5-.01 Violations of the Act. The municipal or county official charged with the responsibility of issuing building or similar permits shall report to the Executive Director the name and address of any person who, in the official's opinion, has violated the Act.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, § 34-14A-13.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

465-X-5-.02 Initiation of Proceedings.

(1) The Board may initiate such action as it deems appropriate to investigate and determine compliance by residential home builders and licensees with the provisions of the Act and the rules of the Board.

(2) Unless the Board initiates proceedings on its own motion, it shall take action only upon receipt of a written, sworn consumer complaint filed by an original homeowner, stating in detail the activities complained of and that the party is alleged to have engaged in, and presenting the evidence of when, where and how a violation occurred.

(3) An original homeowner submitting a consumer complaint may be required to support it by personal appearance before the Board. If, upon request by the Board, such person refuses to support the consumer complaint by a personal appearance, the Board, in its discretion, may choose to discontinue its investigation of the consumer complaint or dismiss a pending disciplinary action proceeding.

(4) An original homeowner submitting a consumer complaint shall submit the consumer complaint within six years of substantial completion of the construction, or within six years of the date the

original homeowner took possession of the residence. Consumer complaints not submitted within six years of substantial completion of construction of the residence, or within six years of the date the original homeowner took possession of the residence, shall not be investigated by the Board.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed June 20, 1994; Emergency Amendment effective June 20, 1994; Amendment effective October 28, 1994. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 25, 2011; effective September 29, 2011.

465-X-5-.03 Complaint Procedure.

(1) In the event a consumer complaint is filed against a licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction, or the Board determines from other information that an investigation is necessary, the procedure for investigation or complaint shall be as follows:

(a) Upon undertaking an investigation of a licensee, the Board shall notify the licensee of the investigation and the specific charges being investigated. The notice shall include the applicable residential building code for investigation purposes.

1. An investigation initiated against a licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction, where the residential construction has occurred in a local jurisdiction (county, municipality, or otherwise) with an adopted building law or code, the Board shall apply the adopted building law or code for determining probable cause if the licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction has violated the Act.

2. An investigation initiated against a licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction, where the residential construction has occurred in a local jurisdiction (county, municipality, or otherwise) that has not adopted a local building law or code, the Board shall apply The Alabama Residential Building Code to include but not limited to the Alabama Energy Code requirements as recommended by the Alabama Residential Building Code Advisory Council and adopted by the Board for determining probable cause if the licensee, residential home builder, residential roofer, or any other person within the Board's jurisdiction has violated the Act.

(b) If the residential home builder is engaging in the business of residential home building or residential roofing, the Board shall provide written notice, in the form of a stop work order, as prescribed at Ala. Code § 34-14A-14 (1975). If the residential home builder or residential roofer has engaged in the business of residential home building or residential roofing, the Board may notify the residential home builder or residential roofer of the requirements for licensure and the administrative, civil and criminal liability for a violation of the Act.

(c) Each year the Board shall designate a member and two alternate members to serve on an investigative committee. The Board members designated to serve on the investigative committee must be builder members of the Board. This investigative committee shall consist of the designated Board member, or a designated alternate member, the Executive Director, and the Board's attorney and shall investigate the information or complaint to determine whether there is probable cause for disciplinary and/or enforcement proceedings, and shall, on behalf of the Board, direct the Board's counsel to initiate proceedings consistent

with its finding(s) The Board member or the alternate member who participates on the investigative committee shall not participate in any disciplinary proceedings arising from the investigation.

(d) The investigative committee may enter into informal settlements with the licensee or residential home builder or residential roofer it is investigating, provided each informal settlement is ratified by the Board.

(e) At the end of the investigation, the investigative committee shall make a recommendation to the Board as to whether probable cause exists that a violation of the Act has occurred, and for the Board to initiate disciplinary proceedings and/or to forward any necessary information to the appropriate governmental authorities. If the investigative committee determines following its investigation that no probable cause exists, the proceedings will terminate.

(2) In the case of complaints against licensees holding a license without limitation and with limitation:

(a) In the event the investigative committee recommends that probable cause exists that a violation of the Act has occurred, the investigative committee shall instruct Board counsel to prepare a summons and complaint or notice and opportunity for hearing, or to forward information to the appropriate governmental authorities. The Board shall schedule a hearing to be held within three months from the filing of an administrative summons and complaint or notice and opportunity for hearing by the Board's Executive Director.

(b) The summons and complaint or notice and opportunity for hearing shall be mailed certified mail, return receipt requested, to the most recent address of the licensee on file with the Board at least 15 days prior to the scheduled date of the hearing. In the event the summons and complaint or notice and opportunity for hearing is refused or the return receipt has not been received by the Board or its attorney at least ten days before the scheduled hearing, the licensee may be served by mailing a copy of same first-class mail at least seven days before the hearing date.

(c) The summons and complaint or notice and opportunity for hearing shall give notice in substantial compliance with the Alabama Administrative Procedure Act, Section 12(b).

(d) In the event the investigative committee instructs Board counsel to forward information to the appropriate governmental authorities, information concerning the essential facts constituting a violation and an allegation that a violation of the Act has been committed should be provided to a magistrate or official authorized by law to issue warrants of arrest.

(e) If the person complained of is a member of the Board, that member shall be notified and thereafter shall not participate in any matter related to the complaint.

(3) In the case of complaints against licensees holding a license with limitation, limited to roofing:

(a) In the event the investigative committee recommends that probable cause exists that a violation of the Act has occurred, the investigative committee shall instruct Board counsel to prepare a summons and complaint for notice and opportunity of hearing.

(b) The investigative committee may also find probable cause to invoke Board authority as obligee for a claim to be made against the licensee’s bond and shall instruct Board counsel to notify the

licensee of the probable cause finding and reasons thereof.

(c) Upon the calling of and the payment from the licensee's bond, the Board shall also issue a complaint against the licensee, allowing the licensee 90 days in which to make the bond whole. If the bond is not made whole at the end of 90 days, the complaint procedure set forth in reg. 465-X-5-.03(2) will proceed as follows:

1. The Board shall schedule a hearing to be held within three months from the filing of the complaint initiated by the Board.

2. The complaint initiated by the Board shall give notice in substantial compliance with the Alabama Administrative Procedure Act, Section 12(b).

3. In the event the investigative committee instructs the Board counsel to forward information to the appropriate governmental authorities, information concerning the essential facts constituting a violation and an allegation that a violation of the Act has been committed should be provided to a magistrate or official authorized by law to issue warrants of arrest.

(d) If the person complained of is a member of the Board, that member shall be notified and thereafter shall not participate in any matter related to the complaint.

(4) The Board, in its discretion, may invoke the complaint procedures set forth in this chapter of these rules against any unlicensed residential home builder or residential roofer.

(5) In the event an unlicensed residential home builder or residential roofer has been identified to have engaged in advertising as defined in Ala Code § 34-14A-2(1) to be a Residential Home Builder as defined in Ala Code § 34-14A-2(16), the Board may direct staff to:

(a) Send a warning letter to the identified unlicensed residential home builder or residential roofer of the unlicensed advertising violation, documented proof thereof, information on how the unlicensed residential home builder or residential roofer may become licensed, and that further violations of the law may result in administrative, civil or criminal action.

(b) Upon documentation of an unlicensed residential home builder or residential roofer being identified as having continued to engage in advertising as defined in Ala Code § 34-14A-2(1) to be a Residential Home Builder as defined in Ala Code § 34-14A-2(16), Board staff shall submit any and all evidence of the violation to the Board investigative committee for review.

(c) Upon a finding of probable cause of a second or subsequent unlicensed residential home builder or residential roofer engaging in in advertising as defined in Ala Code § 34-14A-2(1) to be a Residential Home Builder as defined in Ala Code § 34-14A-2(16), the investigative committee may direct the Board counsel to refer the matter to the office of the Attorney General to pursue appropriate injunctive relief enjoining the violation.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-8, 34-14A-11, 41-22-1, *et seq*.
History: Filed: March 22, 1993. **New Rule:** Filed: May 12, 1993, effective June 16, 1993. Amendment and Emergency Amendment filed October 1, 1997. Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed November 2, 2001; effective December 7, 2001. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed Nov. 4, 2005; effective December 9, 2005. **Amended:** Filed August 4, 2006; effective September 8, 2006.

Amended: Filed October 6, 2008; effective November 10, 2008. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended:** Filed October 19, 2021; effective February 13, 2022. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-5-.04 Informal Settlement.

(1) No action shall be taken to effect an informal settlement of a controversy, either prior to or during a contested case proceeding, without formal approval by the Board of such action.

(2) Informal settlement negotiations may be initiated by either party to the controversy, provided that neither party is obligated to use informal procedures.

(3) If the Board approves participation in an informal settlement procedure, it shall negotiate its settlement upon the terms it believes to be in the best interest of the Board and the public, and if the settlement is effectuated the terms of the settlement shall be incorporated, by reference, in the official minutes of the Board.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11, § 41-22-12.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

465-X-5-.05 Prehearing Discovery.

(1) Prehearing discovery shall be permitted, at the discretion of the Chairman or the hearing officer, in order to prevent fraud, conserve the Board's time, prevent undue surprise at the hearing, or otherwise to provide fundamental fairness.

(2) The attorney for the Board or the respondent may, upon application to the Chairman or the hearing officer, obtain discovery regarding any matter not privileged that is relevant to the subject matter involved in the pending action, whether it relates to the charge of the Board or the defense of the respondent.

(3) Methods of discovery.

(a) Upon written application to the Chairman or the hearing officer, the following discovery may be allowed or ordered:

1. Deposition upon oral examination of any expert witnesses.

2. Interrogatories to respondent.

3. Order for production and copying of documents and things against any person.

(b) The discovery must be had in accordance with any terms and conditions imposed by the Chairman or the hearing officer. The Chairman or the hearing officer may impose any such terms and conditions as are just upon discovery in order to protect a person from annoyance, embarrassment, oppression, or undue burden and expense.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, § 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22,

1993; Permanent Rule effective June 16, 1993. **Amended:** Filed November 2, 2001; effective December 7, 2001. **Amended:** Filed August 25, 2011; effective September 29, 2011.

465-X-5-.06 Disciplinary Hearings.

(1) **Conduct of Hearing.**

(a) Disciplinary hearings are closed to the public.

(b) The Board may, in its discretion, appoint some person to act on its behalf as hearing officer at disciplinary hearings. In the event a hearing officer is appointed, the officer shall preside at the hearing and shall rule on all questions of evidence and procedure, notwithstanding any other provisions of these Rules to the contrary. The Board, in its discretion and subject to the applicable provisions of the Alabama Administrative Procedure Act, may appoint a hearing officer to hear the evidence and submit a report to the Board, including recommended findings of fact and conclusions of law.

(c) The respondent shall plead either "guilty" or "not guilty" to the charges set forth in the complaint.

(d) Each side shall be permitted to make a short opening statement.

(e) The Executive Director, or a designee thereof, acting on behalf of the investigative committee, shall present its evidence, followed by the respondent, followed by rebuttal by the Executive Director or designee. Each witness called may be examined in the following manner:

1. Direct Examination.

2. Cross Examination.

3. Examination by Board.

4. Redirect Examination.

5. Recross Examination.

6. Re-examination by Board.

(f) Each side shall be permitted to make a short closing statement summarizing the evidence presented and urging the application of relevant law to the evidence presented.

(g) The Board may request one or both sides to prepare for the Board's consideration a proposed order of the Board including findings of fact, official notice, and conclusions of law. Underlying facts of record which support the findings should be cited.

(h) The Board shall issue an order within 30 days after either the hearing is concluded, if conducted by the Board, or the Board's receipt of the hearing officer's report, if the hearing was conducted by a hearing officer. The order shall include findings of fact, official notice taken and conclusions of law, stated separately. Parties shall be notified either personally or by certified mail, return receipt requested, of any order, and a copy of the final order shall be delivered and mailed to each party or to his or her attorney of record.

(i) The Board may enclose an invoice for the costs of the hearing with an order imposing disciplinary action upon a licensee. Payment of said costs will be included in the calculation of any fines or fees owed by the licensee to the board in connection with the disciplinary action.

(2) **Evidence.** Evidence shall be admitted in accordance with the Alabama Administrative Procedure Act, Section 13. The probable cause note, and any attachments thereto, shall be admitted into evidence as a portion of the complaint without further authentication.

(3) **Other.** The hearing otherwise shall be conducted in compliance with the provisions of the Alabama Administrative Procedure Act; however, 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 to be taken other than a public or private reprimand.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11, 41-22-1, *et seq*.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-5-.07 Discipline.

(1) **Revocation and Suspension of License and Imposition of Administrative Fines.** The Board may revoke or suspend the respondent's license, may require the successful completion of builder education course(s), and may levy and collect administrative fines not to exceed $5,000 per violation of the Act or these rules:

(a) upon a finding by the Board or a court of competent jurisdiction that respondent has committed fraud or deceit in obtaining a license or has been guilty of gross negligence, incompetence, or misconduct in the practice of residential home building, or has violated the standards of practice;

(b) upon the Board's payment of any amount out of the Homeowners' Recovery Fund on behalf of the respondent; in this instance, the Board shall revoke the respondent's license;

(c) upon a finding by the Board that, in the case of a partnership, corporate, or limited liability company licensee, the licensee's designated qualifying representative has ceased to be a general partner, officer, member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) of the licensee and no other general partner, officer, member (in the case of a member-managed limited liability company) or manager (in the case of a manager-managed limited liability company) has been designated to the Board as the licensee's successor qualifying representative within 45 days after the original designated qualifying representative ceased to serve in that capacity.

(d) upon a finding of the Board that the licensee provided false documentation reflecting the completion of continuing education credits.

(e) upon a finding by the Board that a licensee has failed to notify the Board in writing, by certified mail, as required by the Act and these rules, of any of the following:

1. The institution of any felony criminal prosecution against him or her, including a copy of

any indictment or information making the charges.

2. In any criminal action, the rendering of any final verdict or the dismissal of any charges against him or her, including a copy of the court order or other document giving the licensee such notice.

(f) upon a finding by the Board that the licensee has failed to use a valid written contract when engaging in the business of residential home building.

(g) upon a finding by the Board that the licensee has engaged in the business of residential home building outside or beyond the scope of the license.

(h) upon a finding by the Board that the licensee has failed to comply with any requirement of the Act or these rules.

(i) upon a finding by the Board that the licensee has failed to maintain the required bond.

(2) **Stay of Execution of Order.** The Board may, in its discretion, permanently or temporarily stay the execution of its order to revoke or suspend the respondent's license; provided, however, the Board shall not stay the execution of its revocation order if the respondent has failed to repay any amount paid on the respondent's behalf out of the Homeowners' Recovery Fund. The stay may be conditioned on any provision the Board deems appropriate under all the circumstances of a particular case.

(3) **Considerations.** In determining whether a license should be revoked or suspended and whether execution of a revocation or suspension order should be stayed, and if so, under what conditions, the Board shall consider all the relevant factors, including, but not limited to, the following:

(a) The severity of the offense;

(b) The danger to the public;

(c) The number of repetitions of offenses;

(d) The length of time since the date of violation;

(e) The number of complaints filed against the licensee;

(f) The licensee's experience;

(g) The actual damage, physical or otherwise, to the complainant;

(h) The deterrent effect of the penalty imposed;

(i) Any efforts at rehabilitation; and

(j) Any other mitigating or aggravating circumstances.

(4) **Surrender of License.** Upon the Board's revocation or suspension of a license, the licensee promptly shall surrender to the Board the license card issued to the licensee.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.

Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11, 34-14A-15.
History: Filed: March 22, 1993. **New Rule:** Filed: May 12, 1993, effective June 16, 1993. **Emergency Amended:** Filed June 20, 1994. **Amended:** Filed September 23, 1994; effective October 28, 1994. Amendment and Emergency Amendment filed October 1, 1997. Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed November 2, 2001; effective December 7, 2001. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed October 6, 2008; effective November 10, 2008. **Emergency Amendment:** Filed May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended:** Filed August 10, 2020; effective October 15, 2020. **Amended:** Filed October 19, 2021; effective February 13, 2022.

465-X-5-.08 [Repealed effective June 20, 1994]

465-X-5-.09 Appeal. A licensee whose license has been revoked or who otherwise has been the subject of a final disciplinary action may appeal the Board's order to the circuit court of the county within which the licensee resides or, if the licensee is not an Alabama resident, to the Circuit Court of Montgomery County. The circuit court shall determine whether the Board's order is supported by substantial evidence. Any such licensee must file with the Board written notice of his intention to appeal within 30 days of receipt by the licensee of the Board's final order and must file a petition for judicial review in the appropriate court within 30 days after filing the notice of appeal with the Board.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 41-22-20.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed August 4, 2006; effective September 8, 2006.

465-X-5-.10 Reissuance or Reinstatement of License After Revocation or Suspension.

(1) **Application for Reissuance or Reinstatement.** Any licensee whose license has been revoked or suspended may apply to the Board for reissuance or reinstatement of the license at any time; provided, however, the Board shall not consider an application for reissuance or reinstatement if the applicant has failed to repay any amount paid on the applicant's behalf out of the Homeowners' Recovery Fund or if any bond requirement has not been met. In the application for reissuance or reinstatement, the applicant shall state why the license should be reissued or reinstated and shall specifically set forth any change in circumstances that would justify the reissuance or reinstatement. The application for reissuance or reinstatement must include evidence that the applicant meets the current licensure requirements for, and unless excused by the Board the applicant must qualify for, licensure through all the procedures as set forth in § 465-X-3-.04 of these rules.

(2) **Board Action.** Upon receipt of such application, the Board may grant the applicant a hearing on reissuance or reinstatement, at which time the applicant may appeal to the Board to reissue or reinstate the applicant's license. The Board shall reissue or reinstate the applicant's license if four or more members of the Board vote in favor of the reissuance or reinstatement.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Beth Acker, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, 34-14A-8, 34-14A-11.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993; Amendment and Emergency Amendment filed October 1,

1997. Emergency Amendment effective October 1, 1997. **Amended:** Filed January 28, 1998; effective March 4, 1998. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Emergency Amendment:** Filed May 31, 2011. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-5-.11 Conflict or Bias.

(1) No Board member shall be entitled to vote or otherwise participate in any hearing or disciplinary matter if the Board member is personally biased for or against the respondent or when such voting or participation would violate the provisions of the Alabama Administrative Procedure Act, Section 18(a).

(2) Any party in a hearing or respondent in a disciplinary action who wishes to assert bias or conflict may do so by filing with the Executive Director, at least three days before the scheduled hearing, a suggestion of disqualification and a supporting affidavit setting forth the factual basis for the suggestion.

(3) The Board or hearing officer shall consider the suggestion of disqualification on the record as a preliminary matter at the hearing before any other question is decided.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 41-22-18(a).
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993. **Amended:** Filed May 6, 2002; effective June 10, 2002.

465-X-5-.12 Temporary Restraining Orders and Other Injunctive Relief. Upon receipt of evidence that a residential home builder has violated or is about to violate the Act or the rules of the Board, the Executive Director, acting on the instructions of the Board, may petition the Circuit Court of the county in which the violation occurred or is about to occur to issue a temporary restraining order or other appropriate injunctive relief enjoining such violation.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 34-14A-14.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

465-X-5-.13 Institution of Criminal Proceedings. Upon receipt of evidence that any person has:

(1) Undertaken or attempted to undertake the business of residential home building or residential roofing without first having procured a valid license as required by the act,

(2) Knowingly presented to or filed false information with the Board for the purpose of obtaining a license, or

(3) Violated any law or code adopted by a county commission under the provisions of the Act, the Executive Director, acting on the instructions of the Board, shall present such evidence to the appropriate governmental authority within the county in which the residential home builder or residential roofer has acted and may file a complaint regarding the violations directly with the sheriff in the appropriate county.

Authors: David R. Boyd, Dorman Walker, Lois Woodward, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-11, 34-14A-13, 34-14A-14.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22,

1993; Permanent Rule effective June 16, 1993. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-5-.14 Public Records-Public Information.

(1) The Board must release the following information to the public regarding complaint and investigation files, disciplinary action proceedings:

(a) A settlement agreement adopted and ratified by the Board that closes a complaint file and represents the Board's final decision in the disciplinary action proceedings,

(b) The formal charges against a residential home builder or a residential roofer filed by the Board's executive secretary and any amendments thereto, orders to show cause, and

(c) The Board's final decision in disciplinary action proceedings entered after a formal disciplinary action hearing.

(2) Disciplinary action hearings shall not be open to the public.

(3) The Board shall in compliance with Code of Ala. 1975, §§ 36-12-40-36-12-41, 36-12-43, 36-12-44, 36-12-45 and 36-12-46, make available upon appropriate request, public records and may charge a reasonable fee.

Authors: Beth Acker; Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt
Statutory Authority: Code of Ala. 1975, §§ 13A-14-2(a), 34-14A-2, 34-14A-8, 36-12-40, 41-22-12(g).
History: New Rule: New Rule and Emergency Rule filed October 1, 1997; Emergency Rule effective October 1, 1997. New Rule filed January 28, 1998. **Amended:** Filed August 4, 2006; effective September 8, 2006. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended: Filed January 15, 2025; effective March 17, 2025.**

465-X-5-.15 Public Records-Confidential Information.

(1) All records, reports, documents, photographs, and information contained in complaint and investigation files maintained by the Board, and the entire record in disciplinary action proceedings shall be confidential, shall not be public record, and shall not be available for court subpoena or for discovery in civil proceedings.

(2) The Board reserves the right to appeal a decision of a court, where the court orders disclosure in violation of applicable Alabama statutes and case law.

Authors: Beth Acker; Kathy Perry Brasfield.
Statutory Authority: Code of Ala. 1975, §§ 13A-14-2(a), 34-14A-8, 36-12-40, 41-22-12(g).
History: New Rule: New Rule and Emergency Rule filed October 1, 1997. Emergency Rule effective October 1, 1997. New Rule filed January 28, 1998. **Amended:** Filed August 4, 2006; effective September 8, 2006.

CHAPTER 465-X-6

AMENDMENT OF RULES

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465-X-6-.01 Petition for Adoption of Rules.

(1) Any person who wishes to propose that the Board adopt, repeal, or amend any rule may do so on the form prescribed by the Board and available from the Executive Director.

(2) The Board shall meet and consider any petition of adoption, repeal, or amendment within 60 days of its submission.

Authors: David R. Boyd, Dorman Walker, Lois Woodward
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 41-4-16, 41-4-35, 41-15-9, 41-22-8.
History: Original Rule and Emergency Rule filed March 22, 1993; Emergency Rule effective March 22, 1993; Permanent Rule effective June 16, 1993.

CHAPTER 465-X-7
HOMEOWNERS' RECOVERY FUND

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465-X-7-.01 Homeowners' Recovery Fund. An aggrieved homeowner who contracts directly with a licensee of the Board holding a license without limitation or with limitation, excluding a license with limitation limited to roofing, may recover, from the Homeowners' Recovery Fund, actual economic damages sustained within the State of Alabama as the direct result of the licensee's gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation by the licensee of the rules and regulations of the Board, provided that the aggrieved homeowner has obtained a valid judgment, excluding a consent judgment, and has exercised reasonable efforts to obtain a satisfaction of the judgment from the licensee prior to making a claim against the Homeowners' Recovery Fund. Actual economic damages are the reasonable cost of repairing the damages, other than minor cosmetic damages, sustained by a homeowner as the direct result of a licensed home builder's gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation by a licensed residential home builder of the rules and regulations of the Board. Actual economic damages shall be supported by an itemized list of the actual economic damages incurred by the homeowner, a description of the repairs reasonable and necessary to correct the damages, and an estimate, by a licensee of the Board holding the type license required to perform the scope of the work included in the estimate, of the reasonable cost of making the repairs. Actual economic damages shall not include interest, damages awarded for pain and suffering or mental anguish, damages awarded for loss of consortium, damages which are the result of acts of the homeowner, court costs or attorney fees.

Author: Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-2, 34-14A-5, 34-14A-11, 34-14A-15
History: Original rule filed: May 5, 1999; effective June 9, 1999. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018.

465-X-7-.02 Procedure for Making a Claim Against the Homeowners' Recovery Fund.

(1) The following procedure shall be followed by a homeowner when making a claim against the Homeowners' Recovery Fund for actual economic damages sustained within the State of Alabama as the direct result of a licensed residential home builder's gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation by a licensed residential home builder of the rules and regulations of the Board:

(a) The homeowner shall notify the Board in writing, by certified mail, at the time a civil action is commenced (not later than 10 days from the date on which the complaint is filed with the court), which may result in liability for the Homeowners' Recovery Fund. The homeowner shall include with the notice a copy of the civil complaint which has been filed in the appropriate court.

(b) The homeowner shall submit to the Board a sworn written complaint, i.e. a consumer complaint, on a form prescribed by the Board, stating in detail the activities complained of and the activities the licensee is alleged to have engaged in.

(c) When the Board receives proper notice that a civil action has been commenced which may result in liability for the Homeowners' Recovery Fund, the Board may, at any time during the course of the proceedings, enter an appearance, file pleadings and appear at court hearings, defend or take action it deems appropriate either on the 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.

(d) Upon receipt of the homeowner's sworn written complaint (consumer complaint), on a form prescribed by the Board, stating in detail the activities complained of and that the licensee is alleged to have engaged in, the Board will investigate the matter as prescribed at 465-X-5-.03.

(e) In order for the Homeowners' Recovery Fund to be liable to a homeowner, the homeowner shall first obtain a valid judgment, excluding a consent judgment, from a court of competent jurisdiction against the licensed home builder and said judgment shall be based on the licensed home builder's gross negligence, incompetence, and/or misconduct in the practice of residential home building or a violation of the rules and regulations of the Board. The licensed home builder must have been licensed at the time the acts constituting gross negligence, incompetence, or misconduct in the practice of residential home building were committed or the violation of the rules and regulations of the Board occurred and at the time the parties entered into the construction contract.

(f) After a homeowner obtains a valid judgment, excluding a consent judgment, in a court of competent jurisdiction against a licensed home builder on the grounds of gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation of the rules and regulations of the Board, the homeowner shall, when the judgment is final, make reasonable efforts to collect the judgment from the licensed home builder. Thereafter, if the homeowner desires to seek recovery from the Homeowners' Recovery Fund, the homeowner shall:

1. File a verified claim for actual economic damages in the court in which the judgment was entered; and,

2. Give the Board 30 days written notice that the homeowner intends to apply to the court for an order directing payment out of the Homeowners' Recovery Fund of the amount remaining unpaid on the judgment. Said notice shall include:

(i) The date the judgment was entered by the court, the amount of the judgment, and the amount of the judgment attributable to actual economic damages; and,

(ii) An itemized list of the actual economic damages incurred which forms the basis of the aggrieved homeowner's claim against the Homeowners' Recovery Fund. This list shall include the actual economic damages incurred by the homeowner, a description of the repairs reasonable and necessary to correct the damages, and an estimate, submitted by a licensee of the Board holding the type license required to perform the scope of the work included in the estimate, of the reasonable cost of repairing the damages incurred. The homeowner shall also submit copies of the contract(s) entered into by the parties and any building specifications and/or construction drawings used in building the residence; and,

(iii) The amount owing on the judgment. In showing the amount owing on the judgment, the homeowner shall show evidence of reasonable efforts made by the homeowner to collect the judgment from the licensed home builder/judgment debtor. The homeowner shall provide documentation showing: steps taken by the homeowner to locate the licensed home builder/judgment debtor; steps taken by the homeowner to discover if the licensed home builder/judgment debtor has assets from which to collect the judgment, including but not limited to bank accounts, real and/or business property and equipment; steps

taken by the homeowner to determine whether the licensed home builder is insured and if insured, that the homeowner has filed a claim with the licensed home builder's/judgment debtor's insurance carrier; steps taken by the homeowner to file a lien against the licensed home builder/judgment debtor; and, steps taken by the homeowner to file a garnishment against the licensed home builder/judgment debtor.

(g) After expiration of the 30-day notice requirement, the homeowner shall make application to the court for an order directing payment out of the Homeowners' Recovery Fund. When the homeowner's application to the court for an order directing payment out of the Homeowners' Recovery Fund is set for hearing, the homeowner shall be required to show:

1. That 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; and,

2. That he or she has obtained a judgment, other than a consent judgment, based on the gross negligence, incompetence and/or misconduct of a licensed home builder in the practice of residential home building or a violation by a licensed home builder of the rules and regulations of the Board; and,

3. That the licensed home builder was licensed at the time the parties entered into the construction contract, and at the time of the occurrence of the acts which form the basis of the complaint and which resulted in a judgment for the homeowner based on the licensed home builder's gross negligence, incompetence, and/or misconduct in the practice of residential home building or a violation by a licensed home builder of the rules and regulations of the Board and,

4. The amount of the judgment awarded by the court and the amount of the judgment attributable to actual economic damages, i.e., the reasonable cost of repairing the damages, other than minor cosmetic damages, sustained by the homeowner as the direct result of the licensed home builder's gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation of the rules and regulations of the Board. Actual economic damages shall not include interest, damages awarded for pain and suffering or mental anguish, damages awarded for loss of consortium, damages which are the result of acts of the homeowner, court costs or attorney fees. The evidence required to show actual economic damages shall include, but not be limited to, an itemized list of the damages incurred, a description of the repairs reasonable and necessary to correct the damages and an estimate, submitted by a licensee of the Board holding the type license required to perform the scope of the work included in the estimate, of the reasonable cost of repairing said damages; and,

5. That the homeowner has joined any and all bonding companies which issued corporate surety bonds to the judgment debtor as principal and all other necessary parties; and,

6. That the following items, if recovered by the homeowner, have been applied to the actual economic damages:

(i) Any amount recovered from the judgment debtor.

(ii) Any amount recovered from bonding companies.

(iii) Any amount recovered in out-of-court settlements.

(2) The maximum amount of payment from the Homeowners' Recovery Fund is as follows:

(a) Payments for claims based on judgments or settlements against any one licensee shall not exceed $90,000 in the aggregate.

(b) Payments for claims arising out of the same transaction shall not exceed $30,000 in the

aggregate.

(3) The Board may review and challenge the actual economic damages submitted by the homeowner and the Board may submit evidence to dispute said damages. The Board may also challenge, as inadequate, the steps taken by the homeowner to collect the judgment.

(4) Failure of the homeowner to follow the provisions set forth in this chapter of these Rules for making a claim against the Homeowners' Recovery Fund shall preclude payment from the Fund.

Author: Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11, 34-14A-15.
History: Original rule filed: May 5, 1999; effective June 9, 1999. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 25, 2011; effective September 29, 2011. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-7-.03 Subrogation. If the Court orders the Board to pay any sum from the Homeowners' Recovery Fund, the Board shall be subrogated to all the rights of the homeowner/judgment creditor. As the judgment creditor, the homeowner to whom any sum from the Homeowners' Recovery Fund was paid shall execute an Assignment of Rights, assigning to the Board all of his/her/its rights, title, and interest in the judgment, to the extent of the amount paid from the Homeowners' Recovery Fund, to the Board.

Author: Kathy Perry Brasfield
Statutory Authority: Code of Ala. 1975, §§ 34-14A-11, 34-14A-15.
History: Original rule filed: May 5, 1999; effective June 9, 1999. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 25, 2011; effective September 29, 2011.

465-X-7-.04 Repayments to Recovery Fund.

(1) Should the Board pay 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 following licenses and may no longer recognize the experience and ability qualifications of the individual licensee or the qualifying representative of the licensee:

(a) The license of the licensee,

(b) Any individual license held by the licensee's qualifying representative,

(c) The licenses of any entities with the same qualifying representative as the licensee.

(2) The Board may refuse to issue a new license to any of the licensees or individuals listed in subsection (1)(a)-(c) above, or to recognize the experience and ability qualifications of the individual licensee or the qualifying representative of the licensee, until the amount paid out of the Homeowners' Recovery Fund on behalf of the licensee has been repaid in full, plus interest at the rate of twelve percent (12%) per annum.

(3) The Board may enter into a Consent Agreement setting terms and conditions for the repayment of the Recovery Fund amount paid out on behalf of a license and the issuance of a new license.

(a) A person wishing to enter into a Consent Agreement shall submit a written request for the Board to consider such and to set terms and conditions,

(b) The request if approved shall require the applicant to execute a written consent agreement with the Board prior to issuance of any new license,

(c) Non-compliance with the Consent Agreement terms may result in the suspension, revocation or nonrenewal of a license.

Authors: David R. Boyd, Lois Woodward, Kathy Perry Brasfield, Jamie A. Durham, J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-8, 34-14A-11, 34-14A-15.
History: Original Rule and Emergency Rule filed June 20, 1994; Emergency Rule effective June 20, 1994; Permanent Rule effective October 28, 1994. **Amended:** Filed May 5, 1999; effective June 9, 1999. **Amended:** Filed May 6, 2002; effective June 10, 2002. **Amended:** Filed August 27, 2018; effective October 12, 2018. **Amended**: Filed January 15, 2025; effective March 17, 2025.

CHAPTER 465-X-8

CONTINUING EDUCATION

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465-X-8-.01 Continuing Education

The Board may establish or adopt, or both, education requirements and may approve, administer, or financially support, the program or programs providing residential construction education. The Board shall adopt the administrative rules and regulations for continuing education set forth herein.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11.
History: Original Rule filed August 10, 2020; effective October 15, 2020.

465-X-8-.02 Continuing Education Committee.

(1) The Board may annually designate a continuing education committee consisting of three (3) members to review applications for educational providers, instructors, courses, and facilities.

(2) The continuing education committee may review applications for educational providers, instructors, courses, and facilities for approval, denial or ratification by the Board.

(3) a. The continuing education committee may recommend to the Board suspension of the continuing education requirements for licensure for all licensees, subject to the provisions of 465-X-8-.05(2) for no more than one renewal year (January 1 through December 31).

b. The Board shall promulgate new rules and regulations pursuant to Ala. Code § 34-14A-11 (1975) upon determination that the suspension of the continuing education requirements for licensure

should extend beyond one renewal year.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11.
History: Original Rule filed August 10, 2020; effective October 15, 2020.

465-X-8-.03 Continuing Education Requirements for Licensees and Designated Qualifying Representatives.

(1) Beginning with the 2022 licensure year, all active individual licensees and/or the designated qualifying representative (DQR) for an active corporation, limited liability company, or partnership licensee shall obtain six (6) credit hours of continuing education taught by a Board approved provider or instructor each year in order to maintain an active license.

(2) A licensee and/or the DQR for an active corporation, limited liability company, or partnership licensee may carry over up to six (6) hours of continuing education hours from one licensure period to the following licensure period.

(3) Licensees and/or the DQR for an active corporation, limited liability company, or partnership licensee may be required to complete at least two (2) credit hours each year of specific courses approved by the Board.

(4) The Board may act as a provider and use qualified Board staff as instructors to provide specific and required classes relative to the Home Builders Licensure Board law and administrative regulations or other courses as needed.

(5) Licensees/DQRs may complete the remaining credit hours each year from approved elective courses.

(6) Credit hours taken to meet continuing education requirements for similar professions and taught by Board approved instructors may be used to meet the Board's continuing education requirements. Licensees seeking credit for courses taken to meet continuing education requirements for similar professions not taught by a Board approved instructor may follow instructions set forth in Ala. Admin. Code r. 465-X-8-.03(7) below.

(7) Licensees seeking credit for a non-traditional continuing education course must submit the written request and any required documentation of the course completed to the Board with the required fee for review and approval within the current license year and prior to the renewal of the license for the following year.

(8) Board approved continuing education instructors who are also individual licensees and/or the DQR for a corporate, limited liability company, or partnership licensee may use their course instruction to satisfy the continuing education requirement. Instructors must provide the Board with evidence of what Board approved courses he or she taught, when course(s) were taught, and how many credit hours were taught. Instructors will receive credit for an individual course one time only.

(9) Remedial education courses ordered as a part of disciplinary action by the Board shall not count toward the six (6) hours of continuing education.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11.
History: Original Rule filed August 10, 2020; effective October 15, 2020. **Amended:** Filed October 19, 2021; effective February 13, 2022. **Amended**: Filed January 15, 2025; effective March 17, 2025. Amended: Published September 30, 2025; effective November 14, 2025.

465-X-8-.04 Exemptions. The continuing education requirement of the Act shall not apply to:

(1) All active licensees or DQRs age 60 and over, on or before October 1, at the start of the license renewal period.

(2) Licensees possessing an inactive license, including building officials.

(3) Licensees who are a United States Armed Forces reservist or serve in the national guard or air guard, who were activated and/or deployed a time period exceeding ninety (90) consecutive days during a licensure year, shall be exempt from the continuing education requirement for one preceding renewal period. Proof must accompany renewal license application.

(4) Any licensee applicant who qualifies under the provisions of the Military Family Jobs Opportunity Act and the Board's administrative regulations, may be exempt from the continuing education requirement during the first year of licensure.

(5) Licensees and designated qualifying representative (DQR) submitting renewal application for the first renewal year after receiving initial license.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11.
History: Original Rule filed August 10, 2020; effective October 15, 2020. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-8-.05 Personal Hardship:

(1) Upon written request and proof that the licensee, designated qualifying representative, or family member has suffered a hardship resulting from a major catastrophic event that resulted in the destruction or damage to personal and/or business property, or a major medical issue that prevented the licensee from working, the Board may, in its discretion waive the continuing education requirement for one renewal year.

(2) Upon determination by the continuing education committee that a major catastrophic event, natural or otherwise, has caused such widespread loss to personal and/or business property or caused significant economic hardship to licensees, it may recommend to the Board suspension of the continuing education requirement for all licensees for one renewal year.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11.
History: Original Rule filed August 10, 2020; effective October 15, 2020.

465-X-8-.06 Requirements for Providers, Instructors, Courses, and Facilities

(1) All institutions, organizations, and individuals shall submit an application, proposed courses and curricula, and non-refundable fees to the Board to be considered for approval at least 60 days prior to the first scheduled event where the applicant intends to provide approved continuing education credit.

(2) All instructors shall submit an application, resume, and non-refundable fees to the Board to be considered for approval at least 60 days prior to the first scheduled event where the applicant intends to provide approved continuing education credit.

(a) The Board may require prior teaching experience.

(b) The Board may require a college degree.

(c) The Board may accept proof of competency and/or certification.

(d) The Board may require providers and instructors who offer a course online to offer the course at least once a year in a classroom setting to accommodate licensee's needs and abilities to comply with continuing education requirements.

(e) The Board may require that courses specific to Alabama be offered in the classroom or by live online media.

(f) The Board may require instructors and providers to attend a review and oversight session to ensure course curriculum and presentation is consistent with agency law, regulations and legal opinions.

(3) Courses that meet the continuing education requirements for similar professions must be taught by a Board approved instructor to count toward the licensee's continuing education credits.

(4) All proposed courses and curricula submitted with application shall include a thorough description of course including title, description, and length of course.

Advertisement must include language reflecting that the course was approved by the Board.

(5) All facilities offering courses for continuing education must meet Americans with Disabilities Act guidelines.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11
History: Original Rule filed August 10, 2020; effective October 15, 2020. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-8-.07 Approval of providers, instructions, and courses

Upon approval of an application, each approved provider and/or instructor shall agree to conduct courses in accordance with Board requirements and shall indicate agreement by signing a continuing education provider/instructor agreement form provided by the Board.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11
History: Original Rule filed August 10, 2020; effective October 15, 2020.

465-X-8-.08 Reporting procedure; violation of rules; reinstatement

(1) Approved providers and instructors shall provide documentation to the Board and licensees of successful completion of course hours and pay the credit hour fee within five business days of course completion. Instructors and/or providers who fail to provide or provide false documentation to the Board and/or licensees may be subject to suspension and permanent removal from the list of Board approved instructors and providers.

(2) The Board shall have the authority to monitor approved courses, providers and instructors to determine compliance with the terms of the agreement and the rules and regulations of the Board. The Board may suspend, revoke or terminate the agreement with any approved continuing education provider or instructor if the Board determines that either has failed to comply with the terms of the agreement or the rules and regulations of the Board. All providers, instructors and courses shall be up to date relative to code, law, and regulations relevant to content covered.

(3) Any institution, organization or individual who acts as a provider or instructor of continuing education without being properly certified, or who provides the Board with falsified information or documentation may be subject to having their provider or instructor status revoked and/or prevented from obtaining future approval as a provider or instructor. A provider or instructor with a revoked status may petition the Board for reinstatement; such petition must be accompanied by a filing fee as determined by the Board.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11
History: Original Rule filed August 10, 2020; effective October 15, 2020. **Amended**: Filed January 15, 2025; effective March 17, 2025.

465-X-8-.09 Renewal of Providers, Instructors, and Courses

(1) Certification is valid only during the calendar year indicated on the certificate. At the end of that calendar year, the certification expires unless it is timely renewed by the provider or instructor.

(2) To renew a certification, providers and instructors must timely file a complete and accurate annual renewal application with the Executive Director.

(3) Courses are only valid during the calendar year indicated on the certification letter or certificate and will expire at the end of the calendar year. To recertify the course, providers and instructors must timely file a complete and accurate annual renewal application with the Executive Director.

Authors: J. Seth Gowan, Lauren Latham, Darlene Burt.
Statutory Authority: Code of Ala. 1975, §§ 34-14A-7, § 34-14A-11
History: Original Rule filed August 10, 2020; effective October 15, 2020.

CHAPTER 465-X-9
ALABAMA CONSTRUCTION TRADE ACADEMY

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465-X-9-.01 Alabama Construction Trade Academy Fund.

(1) The Alabama Construction Trade Academy Fund is established in the State Treasury for the purpose of supporting the development and continuation of construction trade education throughout the state.

(2) The Fund may receive federal, state, and private funding and may be used to leverage and match private funding.

(3) The Board may not use monies from the Fund for its administrative and operational costs, provided however any obligation of the Board shall be contingent upon appropriation or spending authority of monies from other funding source(s) solely for the specified administrative and operational costs.

(4) Amounts deposited in the Fund shall be budgeted and allotted in accordance with Code of Ala. 1975 Sections 41-4-80 through 41-4-96, inclusive and Sections 41-19-1 through 41-19-12, inclusive.

(5) Monies in the fund at the end of the fiscal year shall remain in the fund.

(6) The Board shall itemize monies deposited into the fund by county, municipality or local jurisdiction program.

a. Local programs shall receive monies from the Fund, at minimum equal to the amount collected from local participating jurisdictions.
b. Local programs may receive additional monies from the Fund as authorized by the Alabama Home Builders Foundation and conditioned upon availability of federal, state, and private funding within the Fund as well as compliance with any criteria, requirements, and rules governing the monies.

(7) The Board, through the Alabama Construction Trade Advisory Council and in cooperation with public and private partners shall establish a grant program to provide funding mechanisms for:

a. Tool grants
b. Program incentives
c. Supplies
d. Mobile facilities

(8) The Board shall award grants to local programs that are recognized by the Alabama Home

Builders Foundation and part of the Alabama Homebuilding Academy Network.

Author: J. Seth Gowan, Lauren Kloess Latham.
Statutory Authority: Code of Ala. 1975. § 34-14A-20.
History: New Rule: Filed August 20, 2026; effective October 15, 2026.

465-X-9-.02 Alabama Construction Trade Advisory Council.

(1) The Alabama Construction Trade Advisory Council is established to advise the Alabama Home Builders Licensure Board to establish and maintain program guidelines, promote the program statewide, evaluate applications for funds, distribution of funds, develop monitoring and accountability mechanisms and reporting of construction trade education programs.

(2) The Alabama Construction Trade 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 State Board of Heating, Air Conditioning, and Refrigeration Contractors.
d. One member appointed by and currently serving on the Alabama Board of Electrical Contractors.
e. One appointee of the Alabama Community College System who specializes in technical trade education.

(3) Members shall be appointed for a period of three years by the respective appointing authority.

(4) Members may be reimbursed by their respective appointing authority for necessary travel expenses for attending council meetings and other necessary events.

(5) The council shall be inclusive and reflect the racial, gender, geographic, urban, rural, and economic diversity of the state.

(6) The council shall assist the board with the reporting to the Alabama Legislature no later than the fifth legislative day, a report to include projects funded, geographic distribution of projects funded, private sector participation, administrative costs and program outcomes.

Author: J. Seth Gowan, Lauren Kloess Latham.
Statutory Authority: Code of Ala. 1975. § 34-14A-20.
History: New Rule: Filed August 20, 2026; effective October 15, 2026.

465-X-9-.03 Alabama Construction Trade Academy Eligibility Guidelines.

(1) Local jurisdiction programs may be eligible for funding pursuant to completing all requirements of the application process as adopted by the Board.

(2) The advisory council shall develop and recommend the application form and supporting documents subject to Board approval.

(3) Programs shall include those that provide:

a. Mobile demonstration units that show the various systems of a structure and how they interconnect.
b. Tool and supply grants for construction trade education.
c. Newly established construction trade courses.
d. Adult education initiatives.
e. Any other proposal that in the opinion of the Board would address a construction trade education need.

(4) Programs shall demonstrate to the Board that it is capable of implementing the program, provide a positive impact on construction trade education, demonstrate private sector support, and establish a local advisory council.

(5) Programs shall for a five-year period offer the courses funded and comply with all data collection and reporting requirements.

(6) Applying programs shall be evaluated for level of private sector support, level of construction trade education need in the local area, projected number of students to be served, positive impact on construction trade education availability, leveraging of public and private sector investment in the local program.

(7) Applying and, thereafter participating programs shall submit a proposed annual operating budget to include all anticipated operational costs and workforce trade programs provided.

Author: J. Seth Gowan, Lauren Kloess Latham.
Statutory Authority: Code of Ala. 1975. § 34-14A-20.
History: New Rule: Filed August 20, 2026; effective October 15, 2026.

465-X-9-.04 Alabama Construction Trade Academy Funds Distribution.

(1) The Board shall distribute funds to approved local programs at minimum, equal to the amount deposited from local participating county and municipality partners.

(2) The Board shall distribute monies to a recipient at least on a quarterly basis.

(3) An annual operating budget is required for a local program to receive monies from the Fund.

(4) A local program that fails to comply with any requirements and guidelines as set forth by the Board, may be subject to expulsion from the program and required to transfer equipment, supplies and materials to the Alabama Home Builders Foundation for redistribution to eligible and compliant programs.

(5) Local programs may be subject to financial audit.

Author: J. Seth Gowan, Lauren Kloess Latham.
Statutory Authority: Code of Ala. 1975. § 34-14A-20.
History: New Rule: Filed August 20, 2026; effective October 15, 2026.

APPENDIX A

PRESCRIBED FORMS

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APPENDIX A-2

PETITION FOR ADOPTION OF RULE

I. ***Petitioner.***

Name: _____

Address: _____

Telephone: _____

II. ***Character of Change.***

I propose that the Home Builders Licensure Board

a. ( ) adopt the following rule.

b. ( ) amend rule as follows.

c. ( ) repeal rule in total.

III. ***Text of Proposed Rule.***

If you check "A" above, attach a typed copy of the rule you propose.

If you check "B" above, attach a typed copy of the currently effective rule, adding any proposed language. Proposed new language should be underlined and proposed deletions should be stricken through. For example, if a rule currently provided that "Board meetings are held on Mondays and Fridays" and you wish to change meeting days to Tuesdays and Fridays, you should type "Board meetings are held on ~~Mondays~~ Tuesdays and Fridays."

If you check "C" above, skip this and go to Part IV. (Use additional sheets if necessary.)

IV. ***Purpose of Change.***

Briefly describe on additional sheets the effect of this change and why you believe the change should be made.

V. ***Signature.*** _____

APPENDIX A-3

PETITION FOR DECLARATORY RULING
On Rule No. _____

1. ***Petitioner.***
   Name. _____
   Address. _____
   Telephone. _____

2. All rules or statutes that may be involved in the petition, if known: _____
   _____
   _____
   _____

3. Clear and concise statement of the precise factual situation involved: _____
   _____
   _____
   _____

4. The exact question to which an answer is desired: _____
   _____
   _____

5. The reason for submitting the petition:_____
   _____
   _____

6. Full disclosure of the petitioner's interest:_____
   _____
   _____

7. Statement as to whether the petitioner's case is presently under consideration by the Home Builders Licensure Board or in any pending proceeding: _____
   _____
   _____

8. ***Affidavit Certification:***

   Signature of Petitioner _____

   Sworn to and subscribed before me this the_____day of_____,_____.

   _____
   (Notary Public)