

*State of Arkansas
Contractors Licensing Board
Newsletter*



4100 Richards Road, North Little Rock, AR 72117 (501) 372-4661

March 2008

NEWS FROM THE CONTRACTORS BOARD

Howard Williams Retires As Administrator

On January 31, 2008, Howard Williams retired as Administrator of the Contractors Licensing Board after twenty four (24) years of service. He is greatly respected and admired by the Board, his staff and the industry. Throughout his years at the Board, Mr. Williams worked tirelessly to promote public protection and safety through the enforcement of the contractors licensing laws of the State of Arkansas. Much has changed since Mr. Williams began working for the Board 24 years ago. When he started, there were no enforcement procedures to ensure that contractors were licensed as required by law. Mr. Williams single handedly developed the enforcement process used in Arkansas today. He further ensured that enforcement and administration worked smoothly out of the same office. Today, there are approximately 10,000 licensed contractors qualified to perform work in the State of Arkansas.

Mr. Williams is a dedicated public servant to his community, the State of Arkansas, and the nation. He served on the Vilonia School Board for sixteen (16) years, serving as President of that Board for eleven of those years. He has been a board member of the Vilonia Waterworks since 1990. He has served on the Advisory Council of the Construction Management Program at the UALR since 1994. He helped start an undergraduate program at UALR for construction management. He has been a member of the National Association of Contractors Licensing Agencies since 1985 serving as President of that Association in 1988.

In 1999, Mr. Williams was presented with the SIR (Skills, Integrity, Responsibility) award by the Arkansas Chapter of the Associated General Contractors of America. The award is presented to individuals outside the AGC membership who have been instrumental in furthering the construction industry in Arkansas and who exemplifies the traits of skill, integrity, and responsibility in business and personal life. This award is considered a premier honor in the construction industry having been given to others such as Bill Clinton, Dale Bumpers, and John Paul Hammerschmidt.

In addition to his work as a public servant and his dedication to improving the construction industry, Mr. Williams is also a devoted family man. He has been married to the former Charlotte Lawrence since 1961. They have two daughters, Sherry Roller and Cathy Riggins and three grandsons.

Effective February 1, 2008, Greg Crow replaced Mr. Williams as administrator of the Contractors Licensing Board. Mr. Crow has served as the Board's Attorney since 1999. In addition, Vicki Pickering became the new attorney for the Board. Ms. Pickering has returned to the Board after serving as the Board's first staff attorney from 1997 to 1999.

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COMMERCIAL BOARD MEMBERS

Dan Wright
Chairman.....North Little Rock
Ray Nabholz
Vice Chairman.....Springhill
Mike Hocutt
Secretary..... Little Rock
Scott Copas..... Little Rock
Randy McNulty.....Pine Bluff
Cecil Malone.....Little Rock
Steve Russell.....Little Rock

RESIDENTIAL BOARD MEMBERS

Jack Hales
Chairman..... Rogers
Emily Rucker
Vice Chairman.....Alma
Bruce Cozart
Secretary..... Hot Springs
James Childress..... Cabot
Mike McFarland..... Springdale
G.L "Bill Bosley.....Little Rock
Hubert Glenn.....El Dorado

**CHECK OUT OUR WEBSITE @
www.arkansas.gov/clb
for the following information:**

- Contractors Licensing & Bond Law
- Rules and Regulations
- Contractors Search
- New Applications
- Name Change/Bond Forms
- Amended Classification Forms
- Complaint Forms
- New Arkansas Links such as NASCLA

Governor Beebe Appoints Steve Russell To The Board, Reappoints Randy McNulty

Governor Mike Beebe has appointed Steve Russell to the Board, as a Consumer Member. Mr. Russell is the President of First Arkansas Insurance. Mr. Russell was appointed for a five-year term, to expire in 2012. This is the first full term for Mr. Russell who had previously been appointed to finish out the unexpired term of Richard Mays, Jr. The Governor also reappointed Randy McNulty, of Southern Pavers, Inc. to the Board. Mr. McNulty was appointed to a five-year term, to expire in 2012. Mr. McNulty is currently the second longest serving member of the Board, have been on the Board since 1993.

Governor Beebe Reappoints Bill Bosley And James Childress To The Residential Committee

Governor Mike Beebe has reappointed Bill Bosley to the Residential Committee. Mr. Bosley is the President of Bosley Construction Inc. Mr. Bosley was appointed for a three-year term, to expire in 2010. Mr. Bosley has served on the Committee since its inception in 1999. Governor Beebe also reappointed James Childress to the Committee. Mr. Childress is the President of Childress & Co., Inc. Mr. Childress was appointed for a three-year term, to expire in 2010. Like Mr. Bosley, Mr. Childress has served on the Committee since its inception in 1999.

From the Desk of Greg Crow, Administrator

It is with great excitement that I accept the role as Administrator of the Contractors Licensing Board. The construction industry in Arkansas is vital to the State's economy and remains strong, even in the face of today's challenges. The Staff of the Board works hard to serve the industry and the public. We make every attempt to make the licensing and renewal process as "painless" as possible. We are constantly reviewing our process to see if it can be improved or streamlined. I look forward to serving the Board and industry for years to come.

The Board is proud to be a sponsor of the 4th Annual Construction Industry Conference, which will be held on March 20, 2008 at the Clinton Library in Little Rock. This is an exciting conference for Contractors, Engineers, Architects, Attorneys and anyone else involved in construction. The conference is sponsored by the Associated General Contractors, the Associated Builders and Contractors of Arkansas, the Home Builders Association of Arkansas, the Home Builders Association of Greater Little Rock, the Arkansas Subcontractors Association of Central Arkansas, and many others. A wide range of topics will be covered, including, illegal immigration and its effect on contractors, Bankruptcy, Building Codes, "pay when paid" provisions of contracts and construction liens. A complete agenda and a registration form are attached to this Newsletter. In addition to an outstanding slate of topics, attendees will be treated to lunch at Café 42, the restaurant in the Clinton Library, a reception in the Library after the conference, a guided tour of the Library and time to tour the Library on your own if you choose. The cost of the conference, for contractors, is \$65. I hope to see many of you at the conference.

The staff and administration wish to extend our sincere thanks and appreciation to you, the construction industry. We assure you that we will continue to work hard for you and the public. We take our responsibilities seriously and strive to be "different" from other governmental agencies. We look forward to the years to come.

THE APPLICATION PROCESS

From the desk of Elizabeth Wisdom

The vast majority of contractors renew their licenses in the months of April, May, June and July. Here are a few reminders to make the process go smoothly:

COMMERCIAL CONTRACTORS

It is a stressful time for CPA's so remember that as long as the application and fee are on time, the financial statement can come later, and you can continue to use your license until the next meeting of the Board. For example, if your license expires on March 31st and you file the application and fee by March 31st, as long as the financial statement is here no later than the 19th of May, your license will remain current. So don't panic! If an application is received without a financial statement, we will contact you and advise you of what is needed and the appropriate deadlines.

Please remember that the deadline for any application is the Monday prior to a Friday meeting. Applications, or information necessary to complete an application, received after that date will not be on the agenda until the next meeting. We must have time to work each application and prepare for the Board meeting.

Please check the preprinted renewal form carefully. If there are any changes that need to be made please make them. We assume everything is correct unless you tell us otherwise. Phone numbers and mailing addresses must be kept current. If you have a change please contact us in writing as soon as the change takes place.

Please make sure your qualifiers are correct. Classification and even licenses can be lost without proper qualifiers.

All of our forms, except renewal applications, are on line, please take advantage of our web site at www.arkansas.gov/clb. Our law and rules and regulations are also on the web. It is a good idea to refresh your memory once in a while.

RESIDENTIAL CONTRACTORS

Several of the residential contractors are having a problem with the balance sheet required to be submitted with renewal applications. A positive net worth of the company must be maintained in order to renew a license. We have a preprinted balance sheet that has been approved by the Residential Committee. If you would like us to fax or mail a copy to you please contact us. Here are some of the common problems we see:

The license is issued in the name you applied. This is the only name you can use to operate your business. Make sure you understand the differences between a sole proprietorship, a partnership, a corporation, etc. A license held by an individual does not authorize a corporation, even a corporation owned by that individual, to work as a contractor.

Financial Statements. While, unlike commercial contractors, you can prepare your own balance sheet, the information provided does have to be correct. By signing the renewal form you are stating, under oath, that the information provided is in fact true and correct. We constantly receive balance sheets that list no bank accounts, or that list assets such as tools or vehicles that should have already been depreciated. Equipment that is listed on the balance sheet can only be after depreciation. Do not forget to list the houses you have in progress. The cost to date is an asset. The total draw from the bank is a liability. We receive many balance sheets that list no liabilities. While that is possible, for most people that is not the case. Most people and businesses have some liabilities, to banks, suppliers, etc. If you do not understand how to properly prepare and understand a balance sheet, get some help from a CPA. The only way you can properly gage the financial health of your business is to have a correct balance sheet. Your balance sheet is just as important to you as your tools or subcontractors.

The Legal Process From the Desk of Vicki Pickering

In order to enforce the provisions of the Contractors Licensing Law and the Residential Licensing Law, both the Arkansas Contractors Licensing Board ("the Board") and the Residential Building Contractors Committee ("the Committee") hold hearings for those contractors charged with violations of the licensing law. The Board and the Committee have the authority to levy civil penalties in the amount of \$400 per day or 3% of the total project, whichever is less against those who act as contractors without first obtaining a license to do so.

The Board and the Committee also have the authority to suspend or revoke the license of a contractor who is found guilty of fraud or deceit in obtaining a license, for aiding or abetting any contractor or person to violate the contractors licensing law or for gross negligence, incompetence, or misconduct in the conduct of the contractors business.

In 2007, there were 536 hearings held. A total of \$896,524.20 in penalties were levied and 18 licenses have were revoked or suspended.

Before proceeding to a hearing, there is a great amount of investigative work that must be completed by the Board's staff. The Board has seven investigators that are responsible for obtaining information on violations of the law occurring throughout the state. Five of these investigators primarily investigate unlicensed activity. They work in assigned territories and are "in the field" weekly. They are generally in the office on Mondays and Fridays. If you wish to talk to an investigator, you can leave a message at anytime and they will get back to you.

The Board also has an investigator who is responsible for investigating complaints against licensed contractors that come into the office. When a complaint is received in our office the contractor is given opportunity to respond to the complaint. After a response is received, it is determined whether there is enough evidence presented to proceed to an investigation. If complaint raises sufficient issues and it is not resolved between the parties, the Board's investigator will do a thorough investigation. If, after the investigation in complete, it appears that there has been some type of misconduct on the part of the contractor, a hearing will be held. Last year, the Board received 244 complaints on licensed contractors.