



Proposed Rulemaking

MARKUP

Title

Promulgated by:
Contractors Licensing Board

Title 17. Professions, Occupations, and Businesses

Chapter XLIV. Contractors Licensing Board, Department of Labor and Licensing

Subchapter A. Generally

Part 255. Rules for the Contractors Licensing Board

Subpart 1. General Provisions

17 CAR § 255-101. Definitions.

As used in this part:

(1)(A) "Construction management" means a process of professional management applied to a construction program, generally from start to finish, for the purpose of controlling:

- (i) Time;
- (ii) Cost; and
- (iii) Quality.

(B)(i) Usually the construction management organization links itself to the owner as an agent and thereby places itself in a fiduciary relationship with the owner.

(ii) Construction management offers a broad range of services encompassing the planning, procurement, construction, and warranty phases of a project.

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(iii) In this relationship, the construction manager can properly represent the owner both to the design professional and to the contractors;

(2)(A) "Full-time employee" means a person who is an actual employee of the business, not an independent contractor.

(B) The person must work, on average, thirty (30) or more hours a week for the business (one thousand five hundred (1,500) hours per year), must not be paid as an independent contractor (not receive a "1099" for his or her earnings but receive a "W-2" for his or her earnings).

(C) A full-time employee is not someone who is hired "job to job" as needed.

(D) Other factors to be considered in making this determination include, but are not limited to:

(i) Whether the business pays for workers' compensation insurance on the individual;

(ii) Whether the business pays payroll taxes on the individual;

(iii) The amount of control the business has over the activities of the individual;

(iv) The ownership of the tools used by the individual; and

(v) Whether the individual maintains his or her own business separate from the business in question;

(3) "Ownership" means, when the terms his or her own or its own property is used in the contractors licensing law, the sole and exclusive right to sell or convey the property;

(4)(A) "Qualifying party" means a person who has passed the appropriate business and law or trade examination.

(B) To act as a "qualifying party" a person must be:

(i) A sole owner;

(ii) A partner of the partnership;

(iii) An officer of the corporation who is actively engaged in the day-to-day activities of the company;

(iv) A member of the limited liability company who is actively engaged in the day-to-day activities of the company;

(v) A partner of the limited liability partnership who is actively engaged in the day-to-day activities of the company; or

(vi) A full-time employee;

(5)(A) "Remodel" means the significant structural alteration or repair of an existing structure, including additions to existing structures.

(B) Additions that add more than fifty percent (50%) to the existing structure are considered new construction, not an addition; and

(6)(A) "Single-family residences" means, as referred to in Arkansas Code § 17-25-101, as amended, any project consisting of one (1) but not more than four (4) units constructed for residential occupancy.

(B) Any project consisting of five (5) or more units is considered multifamily housing.

17 CAR § 255-102. Deadlines.

For any deadline that occurs on a Saturday, Sunday, or holiday proclaimed by the State of Arkansas, the time to complete that event shall be extended until the next business day.

17 CAR § 255-103. Bonds.

(a) All bonds required to be filed with the Contractors Licensing Board pursuant to Arkansas Code § 17-25-401 et seq. shall be made by surety companies which have qualified and are authorized to do business in the State of Arkansas.

(b) The bonds shall be executed by a resident or nonresident agent, broker, or producer licensed by the Insurance Commissioner to represent the surety company executing the bond and shall file with the bond the agent's, broker's, or producer's power of attorney to demonstrate his or her authority.

Subpart 2. Licensure and Registration

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17 CAR § 255-201. Issuance of license or registration.

(a)(1) All contractors licenses or registrations will be issued under the name and address listed on the front of the application form.

(2) The use of any other name may constitute a violation.

(3) It is the responsibility of the contractor to inform the Contractors Licensing Board in writing of any name, address, ownership, or any other change relating to said license or registration within fifteen (15) days of such change.

(b)(1) All applications for a contractors license or registration in the State of Arkansas must be filed as:

(A) An individual;

(B) A partnership;

(C) A corporation;

(D) A limited liability company; or

(E) Any other business organization recognized by the Secretary of State.

(2)(A) Each application for a license must be supported by a qualifying party who has satisfactorily completed such examination as may be required by the board, prior to being issued a license to engage in contracting in the State of Arkansas.

(B) Anyone failing to pass such examination may be reexamined at any regular examination period, upon payment of the proper fee.

(3)(A) Should the qualifying party (business and law or trade) leave a licensed entity, written notice shall be given within fifteen (15) days to the board.

(B) The notice shall state the name and position of the individual leaving and the name and position of the individual who will replace the departing qualifier.

(C) The replacement qualifier must be fully qualified within thirty (30) days of the departure of the previous qualifier.

(4) Any license not renewed within two (2) years of expiration shall be required to requalify by examination process, as may be required at the time.

(c)(1) If a license has been expired for two (2) years or more, the applicant must submit a new application.

(2) Applicants who have previously held a contractors license in good standing shall not be required to submit proof of appropriate experience if seeking the same classification previously held.

(d)(1)(A) A ninety-day temporary license shall be issued to an applicant who has submitted a completed application and a completed temporary license application and the fee, if the applicant holds in good standing a substantially equivalent license from another jurisdiction.

(B) The temporary license may be extended as necessary upon the showing of good cause by the applicant.

(2) A ninety-day temporary license shall be issued to an applicant who has submitted a completed application and a completed temporary license application and the fee, if the applicant is from a jurisdiction which does not issue a substantially equivalent license, if the applicant demonstrates appropriate competence by the demonstration of experience or appropriate testing, for the license classification requested.

17 CAR § 255-202. Registration.

(a)(1) Pursuant to Arkansas Code § 17-25-102, a contractor may register with the Contractors Licensing Board.

(2) The contractor shall complete the form required by the board and submit the appropriate fee.

(3) A contractor may register for any of the specialty classifications listed in 17 CAR § ~~255-208(i)~~255-308.

(4) The contractor must certify its competence and financial ability to perform the functions for which it is registering.

(b) The registration fee, for both original and renewal, shall be one hundred dollars (\$100).

17 CAR § 255-203. License or registration expiration and renewal.

(a) **Expiration.** All licenses and registrations to engage in the business of contracting in the State of Arkansas shall expire at midnight of the date of its expiration.

(b) **Renewal.**

(1)(A) Renewal notices will be mailed approximately sixty (60) days prior to the expiration of a license or registration.

(B) However, it shall be the responsibility of the holder of the contractors license or registration to renew said license or registration.

(C) Failure to receive a renewal notice shall not excuse the failure to timely renew.

(D) A renewal application will be considered timely filed if a completed application is received by the Contractors Licensing Board by the expiration date.

(2) License renewal applications received by the board prior to the expiration date of the license shall be accompanied by a renewal fee of fifty dollars (\$50.00), and the licensee may continue to use the license until the next meeting of the board following the expiration date of the license.

(3)(A) License renewal applications received within thirty (30) days of the expiration of the license shall be accompanied by a one hundred-dollar renewal fee.

(B) Upon the receipt of the application, the license shall be deemed to be reinstated until the board has met and acted upon the renewal.

(C) The reinstatement of a license does not reinstate the license for the time period between the expiration of the license and the receipt of the application by the board.

(4)(A) Any license renewal application received more than thirty (30) days after the expiration of the license shall be accompanied by a one hundred-dollar fee and may be reviewed by the board at its next available meeting.

(B) The applicant shall not have a valid license until said application is approved by the board.

(C) A license may be renewed up until two (2) years after its expiration date.

(D) Any license expired two (2) years or more may apply for reinstatement.

(5) Any license renewal application not meeting the requirements of the board at its initial review, but being placed in an “improve status”, will constitute an extension of the existing license until the next available board meeting, at which time the license will expire if a new license is not issued unless it is again placed in “improve” status.

17 CAR § 255-204. License and registration applications.

(a)(1) Any application that is not complete within ninety (90) days after original receipt in the Contractor’s Licensing Board office will become invalid.

(2) Any application not passing the board’s review will be considered invalid after ninety (90) days from the date of its original review.

(3) During the ninety-day period, the applicant may have the opportunity to make corrections or improvements needed in the application in order to warrant the issuance of a license or registration.

(4) After an application becomes invalid, a new application and fee must be submitted for consideration to obtain a ~~contractors~~contractor’s license.

(b)(1) A potential applicant for a license with a criminal record may petition the board at any time for a determination of whether the individual’s criminal record will disqualify the person or entity from licensure and whether he or she will be granted a waiver under Arkansas Code § 17-3-102(b).

(2) A person or entity wishing to submit a prelicensure criminal background waiver request shall do so on a form provided by the board.

(3) The board will respond with a decision in writing after the next scheduled board meeting following the submission of the completed form.

(4) The board’s response will state the reason or reasons for the decision.

(5) All decisions of the board in response to the petition will be determined by the information provided by the applicant.

(6) Any decision made by the board in response to a prelicensure criminal background check petition is not subject to appeal.

(7) The board will retain a copy of the petition and response, and it will be reviewed during the formal application process.

(c)(1) At the time of application, an applicant shall complete the criminal background history form contained within the application.

(2) If the applicant shall have been found guilty or pleaded guilty or nolo contendere to any offense that would disqualify the applicant for licensure under Arkansas Code § 17-2-102 or § 17-25-305(c) the applicant may request a waiver under Arkansas Code § 17-3-102.

(3) The applicant may also submit a written statement addressing the request for a waiver under Arkansas Code § 17-3-102.

(4) The board may grant a waiver upon consideration of the following, without limitation:

- (A) The age at which the offense was committed;
- (B) The circumstances surrounding the offense;
- (C) The length of time since the offense was committed;
- (D) Subsequent work history since the offense was committed;
- (E) Employment references since the offense was committed;
- (F) Character references since the offense was committed;
- (G) Relevance of the offense to the occupational license; and
- (H) Other evidence demonstrating that licensure of the applicant does not

pose a threat to the health or safety of the public.

(5) A request for a waiver, if made by an applicant, must be in writing and accompany the completed application and fees.

(6) The board will respond with a decision in writing after the next scheduled board meeting following the submission of the completed form.

(7) An appeal of a determination under this ~~section-subsection (c)~~ will be pursuant to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

(8) The board may request the applicant to appear before the board prior to making a determination.

17 CAR § 255-205. Inactive status.

(a) A contractor who is licensed may choose to become inactive in the State of Arkansas at the time of any renewal.

(b) A contractor who is inactive may not bid on any contract nor perform any work for which a licensed contractor is required.

(c) A contractor who elects inactive status must pay all renewal fees, but is not required to submit financial information to the Contractors Licensing Board.

(d) A contractor who is on inactive status may reactivate his or her license by making a request to the board and providing the financial information required to renew as an active contractor.

17 CAR § 255-206. Uniformed service members, uniformed service veterans, and their spouses.

(a) All applications submitted by uniformed service members, uniformed service veterans, and their spouses shall be expedited.

(b)(1) A ninety-day temporary license shall be issued upon the receipt of an application and application fee submitted by a uniformed service member, a uniformed service veteran, or their spouse if the applicant holds in good standing a license from another jurisdiction with a similar scope of practice.

(2) The temporary license may be extended as necessary upon the showing of good cause by the applicant.

(c) Any applicant who is a uniformed service member, a uniformed service veteran, or their spouse and the applicant holds in good standing a license from another jurisdiction with a similar scope of practice shall not be required to demonstrate experience or be required to take the examination required by Arkansas Code § 17-25-306.

(d) A license held by a uniformed service member or their spouse who is on deployment outside the State of Arkansas shall not expire until one hundred eighty (180) days following their return to the state.

(e) A license held in inactive status by a uniformed service member or their spouse who is on deployment outside the State of Arkansas shall not expire until one hundred eighty (180) days following their return to the state.

17 CAR § 255-207. Initial fee waiver for certain applicants.

(a)(1) An applicant may receive a waiver of the initial licensure fee, if eligible.

(2) Eligible applicants are applicants who are applying as a sole proprietor and:

(A) Are receiving assistance through the:

(i) Arkansas, or current state of residence equivalent, Medicaid

Program;

(ii) Supplemental Nutrition Assistance Program;

(iii) Special Supplemental Nutrition Program for Women, Infants, and

Children;

(iv) Temporary Assistance for Needy Families Program; or

(v) Lifeline Assistance Program;

(B) Were approved for unemployment within the last twelve (12) months;

or

(C) Have an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines.

(b) Upon agency request applicants shall provide documentation showing their receipt of benefits from the appropriate state agency:

(1) For Medicaid, the Supplemental Nutrition Assistance Program, the Special Supplemental Nutrition Program for Women, Infants, and Children, the Temporary Assistance for Needy Families Program, or the Lifeline Assistance Program, documentation from the Department of Human Services or current state of residence equivalent agency;

(2) For unemployment benefits approval in the last twelve (12) months, the Division of Workforce Services or current state of residence equivalent agency; or

(3) For proof of income, copies of all Internal Revenue Service forms indicating applicant's total personal income for the most recent tax year, e.g., W2, 1099, etc.

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(c)(1) Applicants shall attest that:

(A) They are entitled to the fee waiver; and

(B) The documentation provided under subsection (b) of this section is a true and correct copy.

(2) Fraudulent or fraudulently obtained documentation shall be grounds for denial or revocation of license.

17 CAR § 255-208. Classification and experience.

(a)(1) A contractor may be licensed in any or all classifications.

(2) A contractor licensed as heavy construction (HC), highway, railroad, and airport construction (HRA), municipal and utility construction (MU), building (B), light building (LB), mechanical (M), or electrical (E) is authorized to perform any of the “specialties” associated with the classification in question.

(3) A contractor licensed as a specialty (S) is authorized to only perform the functions of the specific specialty for which a license is held.

(4) It is the responsibility of the applicant for a classification or a specific specialty to show appropriate experience and qualifications in each classification requested and demonstrate the ability to perform said classification.

(b)(1)(A) All applications for a temporary, new, or renewal of license with a classification of heavy construction (HC), highway, railroad, and airport (HRA), municipal and utility construction (MU), building (B), light building (LB), mechanical (M), or electrical (E) must show a minimum of five (5) years’ appropriate experience or have passed the appropriate examination.

(B) All applications for a temporary, new, or renewal license with a specialty classification must show a minimum of one (1) year appropriate experience or have passed the appropriate examination.

(2) Any applicant who holds in good standing a substantially equivalent license from another jurisdiction shall not be required to demonstrate experience.

(c)(1) A licensed contractor may perform construction management within the scope of the license held.

(2) A contractor shall maintain proper personnel, financial ability, and facility to perform the coordination, development, and management required for the entire project being performed or managed by the contractor.

(d) A contractor holding an electrical classification must maintain:

- (1) Expertise;
- (2) Proper facility;
- (3) Financial ability; and

(4) At least one (1) full-time employee holding a master electrician license (issued by the Board of Electrical Examiners of the State of Arkansas) to ensure proper skills in performing and maintaining electrical projects.

(e) A contractor holding a mechanical classification must maintain:

- (1) Expertise;
- (2) Proper facility;
- (3) Financial ability;

(4) At least one (1) full-time employee holding a master plumber license (issued by the Plumbing and Food Service Plan Review section of the Department of Health); and

(5) At least one (1) full-time employee holding a Class A or Class B HVACR license issued by the HVACR Licensing Board to ensure proper skills in performing and maintaining mechanical projects.

(f) A contractor holding a specialty plumbing classification must maintain:

- (1) Expertise;
- (2) Proper facility;
- (3) Financial ability; and

(4) At least one (1) full-time employee holding a master plumbers license (issued by the Plumbing and Food Service Plan Review section of the Arkansas Department of Health) to ensure proper skills in performing and maintaining plumbing projects.

(g) A contractor holding a HVACR classification must maintain:

- (1) Expertise;

- (2) Proper facility;
- (3) Financial ability; and

(4) At least one (1) full-time employee holding a Class A or Class B HVACR license issued by the HVACR Licensing Board to ensure proper skills in performing and maintaining HVACR projects.

(h) Any contractor holding a specialty classification for which a license or permit is required by another licensing or permitting authority must hold the necessary license or permit in order to receive a license or registration from the Contractors Licensing Board.

(i) Classifications and specialties.

(1) A contractor holding a classification may perform any of the functions listed under that classification.

(2) Performing work not listed under that classification may constitute a violation.

Subpart 3. Outline of Classifications

17 CAR § 255-301. Heavy construction.

This classification includes all of the specialty classes below:

- (1) Boring;
- (2) Cofferdams, dikes, levees, and canals;
- (3) Dams;
- (4) Marine, includes:
 - (A) Wharves;
 - (B) Docks;
 - (C) Harbor improvements; and
 - (D) Terminals;
- (5) Mining, includes surface and underground mining;
- (6) Oil and gas field construction;
- (7) Oil refinery, power and energy plant construction, including:
 - (A) Steel, alloy, ornamental, metal fabrication, and welding;

- (B) Tower and stack construction;
- (C) Foundation construction or drilling, pile driving, and stabilization;
- (D) Concrete;
- (E) Conveyors, material handling systems, cranes, and hoists;
- (F) Base and paving, including:
 - (i) Base construction;
 - (ii) Hot and cold mixes;
 - (iii) Surface treatment;
 - (iv) Asphalt; and
 - (v) Concrete paving;
- (G) Grading and drainage (includes grading, drainage, pipe and structures, clearing, grubbing, and rip rap), excavation; and
- (H) Piping, process piping, valve repair, underground piping, cable, and trenching;
- (8) Tunnels, shafts; and
- (9) Underground piping, cable, and trenching.

17 CAR § 255-302. Highway, railroad, airport construction.

This classification includes all of the specialty classes below:

- (1) Base and paving:
 - (A) Base construction;
 - (B) Hot and cold mixes;
 - (C) Surface treatment;
 - (D) Asphalt; and
 - (E) Concrete paving;
- (2) Bridges and culverts:
 - (A) Painting;
 - (B) Repair; and
 - (C) Bridge deck overlay (sealant);
- (3) Cofferdams, dikes, levees, and canals;

- (4) Concrete;
- (5) Erosion control;
- (6) Foundation construction or drilling, pile driving, and stabilization;
- (7) Grading and drainage (includes grading, drainage, pipe and structures, clearing, grubbing, and rip rap), excavation;
- (8) Gunite;
- (9) HRA miscellaneous and specialty items:
 - (A) Traffic safety:
 - (i) Pavement markers;
 - (ii) Signaling;
 - (iii) Guardrail and fending; and
 - (iv) Attenuators, signalization, and roadway lighting;
 - (B) Landscaping:
 - (i) Seeding;
 - (ii) Sodding; and
 - (iii) Chemical weed and brush control;
 - (C) Miscellaneous concrete:
 - (i) Sidewalks;
 - (ii) Driveways;
 - (iii) Curb and gutter; and
 - (iv) Box culverts;
 - (D) Pavement rehabilitation:
 - (i) Pressure grouting;
 - (ii) Grinding and grooving;
 - (iii) Concrete joints; and
 - (iv) Underdrains;
- (10) Railroad construction and related items;
- (11) Steel, alloy, ornamental, metal fabrication, and welding; and
- (12) Tower and stack construction.

17 CAR § 255-303. Municipal and utility construction.

This classification includes all of the specialty classes below:

- (1) Base and paving:
 - (A) Base construction;
 - (B) Hot and cold mixes;
 - (C) Surface treatment;
 - (D) Asphalt; and
 - (E) Concrete paving;
- (2) Grading and drainage (includes grading, drainage, pipe and structures, clearing, grubbing, and rip rap), excavation;
- (3) HRA miscellaneous and specialty items:
 - (A) Traffic safety:
 - (i) Pavement markers;
 - (ii) Signaling;
 - (iii) Guardrail and fencing; and
 - (iv) Attenuators, signalization, and roadway lighting;
 - (B) Landscaping:
 - (i) Seeding;
 - (ii) Sodding; and
 - (iii) Chemical weed and brush control;
 - (C) Pavement rehabilitation:
 - (i) Pressure grouting;
 - (ii) Grinding and grooving;
 - (iii) Concrete joints; and
 - (iv) Underdrains;
 - (D) Miscellaneous concrete:
 - (i) Sidewalks;
 - (ii) Driveways;
 - (iii) Curb and gutter; and
 - (iv) Box culverts;

- (4) Underground piping, cable, trenching, and boring;
- (5) Water lines associated with fire protection;
- (6) Water and sewer lines;
- (7) Water and sewer plants and sewer disposal:
 - (A) Steel, alloy, ornamental, metal fabrication, and welding;
 - (B) Tower and stack construction;
 - (C) Foundation construction or drilling, pile driving, and stabilization;
 - (D) Concrete;
 - (E) Conveyors, material handling systems, cranes, and hoists;
 - (F) Erosion control;
 - (G) Painting;
 - (H) Carpentry, framing, millwork, and cabinets;
 - (I) Lift stations and pumps;
 - (J) Above ground tanks;
 - (K) Roofing and roof decks;
 - (L) Pipes, process piping, and valve repair;
 - (M) Insulation;
 - (N) Dredging; and
 - (O) Masonry; and
- (8) Water wells.

17 CAR § 255-304. Building.

This classification includes all of the specialty classes below:

- (1) Awnings, canopies;
- (2) Base and paving:
 - (A) Base construction;
 - (B) Hot and cold mixes;
 - (C) Surface treatment;
 - (D) Asphalt; and
 - (E) Concrete paving;

- (3) Blinds, curtains, draperies, theatrical;
- (4) Bulk storage facilities;
- (5) Carpentry, framing, millwork, and cabinets;
- (6) Car washes;
- (7) Ceilings, wall systems, and acoustical treatments;
- (8) Chimneys, fireplaces;
- (9) Concrete;
- (10) Control towers;
- (11) Conveyors, material handling systems, cranes, and hoists;
- (12) Demolition, blasting;
- (13) Drywall;
- (14) Erosion control;
- (15) Fencing, gates;
- (16) Floors, floor coverings;
- (17) Foundation construction or drilling, pile driving, and stabilization;
- (18) Furniture, recreational and/or playground equipment, bleachers, seating,
and partitions;
- (19) Glass, glazing, doors, windows, hardware, and storefronts;
- (20) Golf cart and foot bridges and paths;
- (21) Golf courses;
- (22) Grading and drainage (includes grading, drainage, pipe and structures,
clearing, grubbing, and rip rap), excavation;
- (23) Greenhouses;
- (24) HRA miscellaneous and specialty items:
 - (A) Traffic safety:
 - (i) Pavement markers;
 - (ii) Signaling;
 - (iii) Guardrail and fencing; and
 - (iv) Attenuators, signalization, and roadway lighting;
 - (B) Landscaping:

- (i) Seeding;
- (ii) Sodding; and
- (iii) Chemical weed and brush control;
- (C) Pavement rehabilitation:
 - (i) Pressure grouting;
 - (ii) Grinding and grooving;
 - (iii) Concrete joints; and
 - (iv) Underdrains;
- (D) Miscellaneous concrete:
 - (i) Sidewalks;
 - (ii) Driveways;
 - (iii) Curb and gutter; and
 - (iv) Box culverts;
- (25) Indoor/outdoor advertising;
- (26) Institutional and kitchen equipment;
- (27) Insulation;
- (28) Interior work;
- (29) Landscaping, irrigation, lawn sprinkler systems, and streams;
- (30) Lathe, plaster, stucco, Dryvit, and EIFS;
- (31) Lightning protection;
- (32) Masonry;
- (33) Mausoleums;
- (34) Medical shielded enclosures;
- (35) Metal buildings, detached structures, and storage buildings;
- (36) Metal studs, walls;
- (37) Microwave systems, towers, and satellite dishes;
- (38) Overhead doors and dock equipment;
- (39) Paint booths;
- (40) Painting, wall coverings;
- (41) Passenger boarding bridges;

- (42) Poultry and swine houses;
- (43) Remodeling, renovations, restoration, and alterations;
- (44) Retaining walls;
- (45) Roofs, roof decks, and roofing sheet metal;
- (46) Sandblasting, hydroblasting, and dry ice blasting;
- (47) Siding, soffit, fascia, and gutters;
- (48) Skylights;
- (49) Solar systems;
- (50) Special coatings or applications, caulking, and waterproofing;
- (51) Sport and recreational surfaces;
- (52) Stack construction;
- (53) Steel, alloy, ornamental, metal fabrication, and welding;
- (54) Storm shelters;
- (55) Substations;
- (56) Swimming pools and spas; and
- (57) Tile, terrazzo, marble, countertops.

17 CAR § 255-305. Light building.

(a) This classification includes all of the specialty classes that are listed under the building classification.

(b)(1) However, contractors holding a light building classification are limited as follows.

(2) Light building construction is new construction of commercial projects for which the cost of materials and labor is less than ~~seven hundred fifty thousand dollars (\$750,000)~~ one million five hundred thousand dollars (\$1,500,000) in any project and the structure does not exceed two (2) stories in height.

17 CAR § 255-306. Mechanical contracting.

(a) This classification includes all of the specialty classes below.

(b) **Note.** Trade licenses required to obtain this classification are:

- (1) Arkansas master plumber;
 - (2) Arkansas Class A or Class B HVACR.
- (c) Specialty classes:
- (1) Boiler construction and repair;
 - (2) Control systems and instrumentation;
 - (3) Heating, ventilation, air conditioning, and refrigeration;
 - (4) Plumbing;
 - (5) Pneumatic tube systems;
 - (6) Pollution, air or dust control, blower or exhaust systems;
 - (7) Piping, process piping, and valve repair;
 - (8) Sheet metal, duct;
 - (9) Sprinklers, fire protection (trade certificate needed); and
 - (10) Temperature controls (pneumatic).

17 CAR § 255-307. Electrical contracting.

- (a) This classification includes all of the specialty classes below.
- (b) **Note.** Trade license required to obtain this classification is the Arkansas master electrician license.
- (c) Specialty classes:
- (1) Cable television lines (above and below ground);
 - (2) Communication, computer or sound systems, and cabling;
 - (3) Communication lines and ducts;
 - (4) Control systems and instrumentation;
 - (5) Electrical signs;
 - (6) Electrical temperature controls systems;
 - (7) Electrical transmission lines;
 - (8) Electrical work for buildings and structures;
 - (9) Underground conduit installation;
 - (10)(A) Signal or burglar alarms, fire detection and monitoring systems.

(B)(i) Separate burglar and fire alarm license from the Division of Arkansas State Police may be required.

(ii) Please contact the division for additional licensing requirements;
and

(11) Substations.

17 CAR § 255-308. Specialties — Specific.

(a) A contractor may obtain any subclassification as a specialty by request and proper qualifications shown.

Example:

Base and paving, plumbing, drywall, insulation, etc.

(b) The list of specialty subclassifications is:

- (1) Above ground tanks;
- (2) Asbestos (trade certificate needed);
- (3) Awnings, canopies, and gutters;
- (4) Base and paving:
 - (A) Base construction;
 - (B) Hot and cold mixes;
 - (C) Surface treatment;
 - (D) Asphalt; and
 - (E) Concrete paving;
- (5) Blinds, curtains, draperies, theatrical;
- (6) Boat docks;
- (7) Boiler construction and repair (trade license needed);
- (8) Bulk storage facilities;
- (9) Cable television lines (above and below ground);
- (10) Car washes;
- (11) Carpentry, framing, millwork, and cabinets;

- (12) Ceilings, wall systems, and acoustical treatments;
- (13) Chemical resistant tile and brick;
- (14) Chimneys, fireplaces;
- (15) Cofferdams, dikes, levees, and canals;
- (16) Communication, computer or sound systems, and cabling;
- (17) Concrete;
- (18) Control systems and instrumentations;
- (19) Conveyors, material handling systems, cranes, and hoists;
- (20) Cooling towers;
- (21) Demolition, blasting;
- (22) Dredging;
- (23) Drywall;
- (24) Electrical transmission lines;
- (25) Elevators, escalators, dumbwaiters, and chairlifts (trade certificate needed);
- (26) Energy and chemical pipelines;
- (27) Energy management, retrofit systems;
- (28) Environmental general;
- (29) Erosion control;
- (30) Factory trained medical equipment technician (exemption from the Board of Electrical Examiners of the State of Arkansas required);
- (31) Fencing, gates;
- (32) Fiberglass;
- (33) Fireproofing;
- (34) Floors, floor covering;
- (35) Foundation construction or drilling, pile driving, and stabilization;
- (36) Furnaces, fuel burning or heat transfer equipment, stokers, and refractories;
- (37) Furniture, recreational and/or playground equipment, bleachers, seating, and partitions;

- (38) Gas fitter (trade license needed);
- (39) Generators, turbines;
- (40) Glass, glazing, doors, windows, hardware, and storefront;
- (41) Golf cart and foot bridges and paths;
- (42) Golf courses;
- (43) Grading and drainage (includes grading, drainage, pipe and structures, culverts, clearing, grubbing, and rip rap), excavation;
- (44) Grain bins;
- (45) Greenhouses;
- (46) Heating, ventilation, air conditioning, and refrigeration (Arkansas HVACR Class A or Class B trade license required);
- (47) HRA miscellaneous and specialty items:
 - (A) Traffic safety:
 - (i) Pavement markers;
 - (ii) Signaling;
 - (iii) Guardrails and fencing; and
 - (iv) Attenuators, signalization, and roadway lighting;
 - (B) Landscaping:
 - (i) Seeding;
 - (ii) Sodding; and
 - (iii) Chemical weed and brush control;
 - (C) Pavement rehabilitation:
 - (i) Pressure grouting;
 - (ii) Grinding and grooving;
 - (iii) Concrete joints; and
 - (iv) Underdrains;
 - (D) Miscellaneous concrete:
 - (i) Sidewalks;
 - (ii) Driveways;
 - (iii) Curb and gutter; and

- (iv) Box culverts;
- (48) Hydraulics;
- (49) Incinerator and stack construction;
- (50) Indoor/outdoor advertising;
- (51) Institutional and kitchen equipment;
- (52) Insulation;
- (53) Interior work;
- (54) Kilns, drying systems;
- (55) Landfills;
- (56) Landscaping, irrigation, lawn sprinkler systems, and streams;
- (57) Landscaping with planting (trade license needed);
- (58) Lathe, plaster, stucco, Dryvit, and EIFS;
- (59) Lead abatement (trade certificate needed);
- (60) Lift stations, pumps;
- (61) Lightning protection;
- (62) Liners;
- (63) Marine docks;
- (64) Masonry;
- (65) Mausoleums;
- (66) Medical shielded enclosures;
- (67) Metal buildings, detached structures, and storage buildings;
- (68) Metal studs, walls;
- (69) Meter installation and service;
- (70) Microwave systems, towers, and satellite dishes;
- (71) Millwright;
- (72) Oil and gas field construction, rigged;
- (73) Overhead doors and dock equipment;
- (74) Paint booths;
- (75) Painting, wall coverings;
- (76) Passenger boarding bridges;

- (77) Piping, process piping, valve repair;
- (78) Plant maintenance;
- (79) Plating and waste treatment systems;
- (80) Plumbing (trade license needed);
- (81) Pneumatic tube systems;
- (82) Pollution, air and dust control, blower and exhaust systems;
- (83) Poultry and swine electrical;
- (84) Poultry and swine houses;
- (85) Poultry HVACR;
- (86) Precipitators;
- (87) Railroad construction and related items;
- (88) Rebar;
- (89) Refrigeration, cold storage (trade certificate needed);
- (90) Remediation;
- (91) Remodeling, renovations, restoration, and alterations;
- (92) Retaining walls;
- (93) Right of way clearing;
- (94) Roofing, roof decks, and roofing sheet metal;
- (95) Sandblasting, hydroblasting, and dry ice blasting;
- (96) Scaffolding;
- (97) Scales;
- (98) Security, banking, and detention equipment (bars and safety no certificate needed);
- (99) Septic tank installation and repair (trade certificate needed);
- (100) Service station equipment;
- (101) Sheet metal, ducts, and ventilation (trade license required);
- (102) Siding, soffit, fascia, and gutters;
- (103) Signal or burglar alarms, fire detection and monitoring systems (trade certificate needed);
- (104) Skylights;

- (105) Solar systems;
- (106) Special coatings or applications, caulking, and waterproofing;
- (107) Sport and recreational surfaces;
- (108) Sprinklers, fire protection (trade certificates needed);
- (109) Steel, alloy, ornamental, metal fabrication, and welding;
- (110) Storm shelters;
- (111) Substations;
- (112) Swimming pools, spas;
- (113) Temperature controls (electric);
- (114) Temperature controls (pneumatic);
- (115) Testing and balancing;
- (116) Tile, terrazzo, marble, countertops;
- (117) Tuckpointing;
- (118) Tunnels, shafts;
- (119) Underground piping, cable, trenching, and boring;
- (120) Underground storage tanks (certificate needed);
- (121) Water and sewer lines;
- (122) Water lines associated with fire protection;
- (123) Water wells (water well license required); and
- (124) Wind turbines.

(c)(1) The classification in subdivision (b)(59) of this section is for those contractors performing work under circumstances that they must be certified pursuant to 40 C.F.R. pt. 745.

(2) This classification is not for other types of lead abatement.

Subpart 4. Financial Requirements — Bidding

17 CAR § 255-401. License requirements — Minimum net worth.

(a)(1) Except as provided in subdivision (a)(2) or subsection (e) of this section, all applications for an unrestricted license must contain an audited or reviewed financial

statement of the applicant's year end or more current, and prepared on the GAAP or accrual income tax basis, of the company, an audited opinion letter or review report from an independent CPA or RPA.

(2)(A) ~~All applications~~The application for a restricted license ~~must shall~~ contain a compiled annual year-end or more current annual financial statement of the ~~applicant's year-end or more current applicant~~, prepared on the GAAP or accrual income tax basis.

(B) The compiled statement ~~must shall~~ contain a report from ~~the a~~ licensed independent certified public accountant or public accountant but is not required to include footnote disclosures unless specifically requested by the Contractors Licensing Board.

(C) As used in subdivision (a)(2)(A) of this section, "restricted license" means a commercial contractor's license that authorizes a total cost of work to be completed, including without limitation labor and materials, of less than one million five hundred thousand dollars (\$1,500,000) for a single commercial project.

(b) Minimum business-related net worth — New and renewal applications.

(1) Minimum business-related net worth for classification or classifications requested (property not used for business purposes is not acceptable):

HEAVY	\$50,000
HIGHWAY, RAILROAD, AIRPORT	50,000
MUNICIPAL & UTILITY	50,000
BUILDING	50,000
LIGHT BUILDING	20,000
MECHANICAL	20,000
ELECTRICAL	20,000
SPECIALTY	5,000

(2) New applicants must have one half (1/2) of the minimum net worth requirement in cash.

(c)(1) Working capital will also be reviewed and considered in determining whether to issue a new or renewal license.

(2) New applicants are required to show a positive working capital.

(d)(1) If the board determines that the financial information provided by an applicant for a renewal license does not satisfy the financial requirements, the board may, at its option, deny the application or place the application in improve status.

(2) An applicant who is placed in improve status will have his or her license extended thirty (30) days, pending further information being provided, ~~and/or~~ changes being made by the applicant to resolve any difficulties, or both, as required by the board in its sole discretion.

(3) The license is effective only until the next regular meeting of the board and will expire at the next regular meeting unless further action is taken by the board.

(e)(1)(A) A bond in lieu of a financial statement, as authorized by Arkansas Code § 17-25-304(c), may be filed by a contractor seeking a license.

(B) The bond shall be made by surety companies that have qualified and are authorized to do business in the State of Arkansas.

(C) The ~~bonds-bond~~ shall be executed by a resident or nonresident agent, broker, or producer licensed by the Insurance Commissioner to represent the surety company executing the bond and shall file-be filed with the ~~bond-the~~ agent's, broker's, or producer's power of attorney to demonstrate his or her authority.

(2) The bond shall be on the form provided by the board.

17 CAR § 255-402. Bidding and classification.

(a) It shall be permissible for any city, municipality, sewer or water district, or other political corporation to accept bids from unlicensed contractors for projects involving federal funds specifically designated for the project in question, provided, however:

(1) No contractor shall submit a bid prior to submitting application for licensure; and

(2) No construction contract shall be executed until the successful bidder has furnished an appropriate license issued by the Contractors Licensing Board.

(b)(1) Any project being advertised for bid in the State of Arkansas for construction, erection, alteration, or repair of any building or any other structure, must be bid by a licensed prime contractor.

(2) However, if the electrical and mechanical classification, considered together, or any other licensed classification, considered by itself, should constitute eighty percent (80%) or more of the total project, the holder of that classification may bid as a prime contractor on the project.

(3) A prime contractor accepts full responsibility for any project except as may be written in the contract with owner.

(c) A contractor holding a building classification cannot list itself as electrical and mechanical subcontractors unless these classifications:

(1) Have been properly issued by the board; and

(2) Appear on the current license held by the contractor.

(d)(1) The listing of any classification or subclassification on a license certificate authorizes the performance of work falling within that field or of any field so closely related that the skill required for the specified field would also apply.

(2) It is not intended for these classifications to be restrictive beyond the point of safeguarding the public interest in requiring contractors to supply the skills necessary to perform the work under contract.

(e)(1) A contractor holding the building classification may enter into general contracts for building construction, including all specialty items required in the contract to make the building usable for the purpose intended, and may perform these items with his or her own forces, if qualified, or may sublet such work to qualified specialty contractors skilled in the particular fields involved.

(2) It is the specific responsibility of the prime contractor to furnish the skills required for the proper performance of all the work included in the contract.

(f)(1) The board may delegate the authority to the administrator for necessary changes, such as suggested bid limit, name changes, added classification or classifications, etc., provided, however, proper information to support such change be submitted to the office for placement in file.

(2) Any such change will be presented for board review at its next regular meeting.

Subpart 5. Complaints — Investigations — Hearings and Appeals

17 CAR § 255-501. Complaints and investigations.

(a)(1)(A) The purpose of the complaints procedure is to effectively deal with issues affecting the licensure or registration of contractors.

(B) The complaints procedure is not intended to function as a dispute resolution process or a code enforcement process.

(2)(A) Any complaint registered with the Contractors Licensing Board of alleged violations must be submitted in writing with proper information to identify:

- (i) Job site;
- (ii) Owner, if possible;
- (iii) Any name and phone numbers of individuals; and
- (iv) Any other information that may tend to be useful in the

investigation.

(B) The complainant must furnish his or her or their name, address, and phone number in order to obtain any other information that may be necessary for proper investigation.

(3) A written response will be made to a complainant when investigation is closed if so requested in writing.

(b)(1) A contractor who is licensed or registered shall cooperate with any investigation and provide the board with all relevant information requested by the board.

(2) The failure to cooperate or to timely provide the board with relevant information as requested may constitute misconduct in the conduct of the contractor's business and may subject the contractor to the revocation of the contractor's license or registration.

(c)(1) The board may delegate to the administrator/investigator the authority to obtain contractor compliance as may be necessary.

(2) The administrator/investigator will conduct all investigations in such a manner that would be complimentary to the licensing and registration law for contractors.

(3) The administrator/investigator may defer investigation into a complaint during the pendency of any civil litigation involving the complainant and contractor, and upon resolution of the litigation may act in accordance with the findings, order, or judgment of the civil court.

(d) Any application being denied because of a violation of Arkansas Code § 17-25-101 et seq., shall become invalid and a new application must be submitted, and the thirty-day waiting period shall begin anew upon being received in the office of the board.

17 CAR § 255-502. Hearings and appeals.

(a) All hearings and appeals of decisions of the Contractors Licensing Board will be held in accordance with the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et. seq.

(b) Appeals from decisions of the Residential Contractors Committee.

(1) Appeals from decisions of the committee to the board shall be in writing and filed with the board within ten (10) calendar days of the date the decision was served upon the respondent.

(2)(A)(i) A transcript of the original hearing or hearings will be ordered and filed with the board.

(ii) A copy of the transcript will be provided to the respondent upon request.

(B)(i) In the event the board affirms or modifies, but does not reverse the decision of the committee, the respondent will be responsible for the costs of the appeal.

(ii) Said costs include, but are not limited to, the cost of the transcript.

(iii) Said costs are in addition to any civil penalties or other sanction imposed.

(3)(A) The board will review the decision of the committee and hear arguments from the respondent or respondent's counsel and from the counsel for the committee.

(B) No new or additional evidence will be taken.

(4) The board may affirm, reverse, or modify the decision of the committee.

(c) Payment of civil penalties.

(1) All civil penalties assessed by the board are required to be paid within twenty (20) days of the date of the hearing.

(2) Any civil penalty suspended in whole or in part by the board shall be suspended upon any condition specifically stated by the board and upon the condition the civil penalty is paid within twenty (20) days of the date of the hearing.

(3) In the event the civil penalty is not paid within twenty (20) days of the date of the hearing, any amount suspended shall be reinstated and shall become due and payable without any further action of the board being required.

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

As Engrossed: S2/13/25

A Bill

SENATE BILL 186

5 By: Senator J. Bryant
6 By: Representative Womack
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING FINANCIAL
10 STATEMENTS REQUIRED TO BE SUBMITTED BY A LICENSEE OF
11 THE CONTRACTORS LICENSING BOARD; AND FOR OTHER
12 PURPOSES.
13

Subtitle

16 TO AMEND THE LAW CONCERNING FINANCIAL
17 STATEMENTS REQUIRED TO BE SUBMITTED BY A
18 LICENSEE OF THE CONTRACTORS LICENSING
19 BOARD.
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 17-25-304(a), concerning financial
24 statements filed with the Contractors Licensing Board, is amended to read as
25 follows:

26 (a)(1) All persons and entities required by this chapter to be
27 licensed by the Contractors Licensing Board shall transmit to the board with
28 their original and renewal applications a financial statement of the
29 applicant reviewed by a licensed certified public accountant or licensed
30 public accountant in accordance with the American Institute of Certified
31 Public Accountants Statements on Standards for Accounting and Review
32 Services.

33 (2) However, if the total cost of the work to be completed by
34 the applicant, including without limitation labor and materials, is less than
35 ~~seven hundred fifty thousand dollars (\$750,000)~~ one million five hundred
36 thousand dollars (\$1,500,000) for a single commercial project, the applicant



1 shall transmit to the board with his or her original and renewal applications
2 a compiled financial statement of the applicant prepared by a licensed
3 certified public accountant or licensed public accountant in accordance with
4 the American Institute of Certified Public Accountants Statements on
5 Standards for Accounting and Review Services.

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/s/J. Bryant

APPROVED: 3/4/25