- 1 SB246
- 2 215971-2
- 3 By Senators Givhan, Roberts and Chesteen
- 4 RFD: Fiscal Responsibility and Economic Development
- 5 First Read: 22-FEB-22

1	215971-2:n	1:02/08/2022:AHP/cmg LSA2021-2560R1
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8	SYNOPSIS:	Existing law provides the Home Builders
9		Licensure Board with authority to adopt residential
10		building codes and standards of practices for
11		residential home builders within this state and
12		allows county commissions and municipalities to
13		adopt building laws and codes within their
14		respective jurisdictions.
15		This bill would create the Alabama
16		Residential Building Code Advisory Council to
17		recommend an Alabama Residential Building Code to
18		be based upon the International Residential Code
19		and the residential chapters of the International
20		Energy Conservation Code to be adopted by the Home
21		Builders Licensure Board.
22		This bill would require counties and
23		municipalities that enforce residential building
24		laws or codes to comply with the minimum standards
25		set by the Alabama Residential Building Code.
26		This bill would require residential home
27		builders in this state to build, renovate, and

1	repair residences in accordance with the minimum
2	standards set by the Alabama Residential Building
3	Code.
4	This bill would establish the Alabama
5	Residential Building Code Division within the Home
6	Builders Licensure Board and provide for the
7	authority and jurisdiction of the division.
8	This bill would establish the Alabama
9	Residential Building Code Fund for use by the
10	Alabama Residential Building Code Division for
11	purposes of administrative operations and
12	implementation of the Alabama Residential Building
13	Code and assisting local governments in the
14	implementation and enforcement of a local building
15	code.
16	This bill would allow the Alabama
17	Residential Building Code Division to provide funds
18	for grants designed to promote residential building
19	code enforcement operations among local
20	jurisdictions.
21	This bill would also create the Alabama
22	Commercial Energy Code Board and provide for its
23	composition and authority.
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25	A BILL
26	TO BE ENTITLED
27	AN ACT

Relating to home building and home improvement; to amend Sections 27-2-39, 34-14A-1, 34-14A-2, 34-14A-7, 34-14A-12, 34-14A-20, 41-23-80, 41-23-81, 41-23-82, 41-23-84, and 41-23-85, Code of Alabama 1975; to provide for the adoption of the Alabama Residential Building Code for use in construction, renovation, or repair of residences; to establish the Alabama Residential Building Code Division within the Home Builders Licensure Board; to establish the Alabama Residential Building Code Fund for certain uses; to provide for the issuance of grant funds in certain cases; and to create the Alabama Commercial Energy Code Board and provide for its composition and authority.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 27-2-39, 34-14A-1, 34-14A-2, 34-14A-7, 34-14A-12, and 34-14A-20, Code of Alabama 1975, are amended to read as follows:

"\$27-2-39**.**

"(a) There is created a fund in the State Treasury designated the "Insurance Department Fund" to be used for the operation of the Department of Insurance. Receipts deposited into this fund shall be disbursed only by warrants of the state Comptroller drawn upon the State Treasury on itemized vouchers approved by the Commissioner of Insurance. No funds shall be withdrawn or expended except as budgeted and allotted according to Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and only in amounts as

stipulated in the general appropriations act, other appropriation acts, or this section. At the end of each fiscal year, any unencumbered and unexpended balance of up to 25 percent of the amount appropriated for that fiscal year shall not revert to the State General Fund under Section 41-4-93, but shall carry over to the next fiscal year.

"(b) Notwithstanding any other provision of law, the Commissioner of Insurance shall promptly pay all sums, fees, taxes, licenses, renewals, and other miscellaneous charges collected pursuant to Sections 10-4-111, 27-2-16, 27-3-29, 27-4-2, 27-7-7, 27-8-1, 27-8-5, 27-13-5, 27-13-24, 27-13-62, 27-21A-21, 27-34-6, 27-34-36, 27-34-47, and 27-39-6, and 27-39-7, other than those fines, penalties, and deposit requirements collected pursuant to Section 27-3-29, and other than those fees collected pursuant to Chapter 8A of Title 27 for deposit into the Insurance Agents and Brokers Continuing Education Fund, into the State Treasury with 50 45 percent credited to the State General Fund, five percent credited to the Alabama Residential Building Code Fund, and 50 percent credited to the Insurance Department Fund.

"\$34-14A-1.

"In the interest of the public health, safety, welfare, and consumer protection and to regulate the home building and private residence construction industry, the purpose of this chapter, and the intent of the Legislature in passing it, is to provide for the licensure of those persons who engage in home building, private residence construction,

and home improvement industries, including remodeling, and to provide home building standards establish an Alabama Residential Building Code, and to provide guidance, assistance, and support to local jurisdictions in adopting residential building codes and establishing residential permitting and inspection programs, and to support education within the construction trades and construction inspections in the State of Alabama. The Legislature recognizes that the home building and home improvement construction industries are significant industries. Home builders may pose significant Significant harm to the public may result from the provision of when unqualified, incompetent, or dishonest home builders and remodelers provide inadequate, unsafe, or inferior building services by unqualified, incompetent, or dishonest home builders and remodelers. The Legislature finds it necessary to regulate the residential home building and home improvement industries.

"§34-14A-2.

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"As used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

"(1) ADVERTISING. Engaging or offering to engage in any acts or services as a residential home builder by the act or practice of offering for sale professional services by promoting those services through print, radio or television media, on billboards, through social media, through promotional sponsorships, on vehicles, by the placement of

1	signs in front of ongoing or completed worksites, and by
2	displaying credentials, including licensure, to perform
3	residential homebuilding.
4	"(2) ALABAMA RESIDENTIAL BUILDING CODE. The code
5	adopted by the board, as amended by the board, and based on a
6	published edition of the International Residential Code, and
7	the residential chapters of a published edition of the
8	International Energy Conservation Code.
9	"(3) APPLICABLE RESIDENTIAL BUILDING CODE. The
10	Alabama Residential Building Code or a local residential
11	building code adopted by the county or municipality, pursuant
12	to this chapter, where the construction, renovation, or
13	repairs will take place.
14	"(1) ADVISORY COUNCIL. The Alabama Construction
15	Trade Advisory Council.
16	" $\frac{(2)}{(4)}$ BOARD. The Home Builders Licensure Board.
17	"(5) BUILDING INSPECTOR. Anyone who performs
18	inspections upon any structure governed by this chapter on
19	behalf of any local or state governing authority, or as a
20	private inspector as set forth in this chapter.
21	" $\frac{(3)}{(6)}$ COST OF THE UNDERTAKING. The total cost of
22	the materials, labor, supervision, overhead, and profit.
23	"(7) COUNCIL. The Alabama Residential Building Code
24	Advisory Council.
25	"(8) DIVISION. The Alabama Residential Building Code
26	Division.

"(4)(9) HOMEOWNER. A person who owns and resides in 1 or intends to reside in a structure constructed or remodeled 2 by a licensee of the board, or who contracts with a licensee 3 for the purchase, construction, repair, improvement, or 4 5 reimprovement of a structure to be used as a residence. "(5)(10) IMPROVEMENT. Any site-built addition or 6 7 enhancement attached to or detached from a residence or structure for use and enjoyment by the homeowner. 8 "(6)(11) INACTIVE LICENSE. A license issued at the 9 10 request of a licensee, or a building official or a building inspector, that is renewable, but that is not currently valid. 11 "(7)(12) LICENSE. Any license issued by the board 12 13 pursuant to this chapter. 14 "(8)(13) LICENSEE. A holder of any license issued 15 pursuant to this chapter. 16 "(9)(14) PERSON. Any natural person, limited or general partnership, corporation, association, limited 17 18 liability company, or other legal entity, or any combination thereof. 19 2.0 "(10) (15) QUALIFYING REPRESENTATIVE. The individual 21 designated by a general partnership, limited partnership, 22 corporation, limited liability company, or not-for-profit organization applying for a license who either holds a license 23 24 individually or meets the experience and ability requirements 25 for licensure, and who is one of the following: 26 "a. A general partner in the case of any

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partnership.

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L	"b.	An	officer	ın	the	case	ΟĪ	а	corporation.

2 "c. A member in the case of a member-managed limited liability company.

"d. A manager in the case of a manager-managed limited liability company.

"e. A natural person who is affiliated with one of the member entities of the limited liability company and who, as a natural person, has been identified and authorized through the operating agreement to manage day-to-day operations as it relates to operations of the limited liability company for purposes of licensure.

"(11)(16) RESIDENCE. A single unit providing complete independent residential living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

"(12)(17) RESIDENTIAL HOME BUILDER. A person who constructs a residence or structure for sale or who, for a fixed price, commission, fee, or wage, undertakes or offers to undertake the construction or superintending of the construction, or who manages, supervises, assists, or provides consultation to a homeowner regarding the construction or superintending of the construction, of any residence or structure that is not over three floors in height and that does not have more than four residential units, or the repair, improvement, or reimprovement thereof, to be used by another as a residence when the cost of the undertaking exceeds ten thousand dollars (\$10,000). Notwithstanding the foregoing, the

term includes a residential roofer when the cost of the undertaking exceeds two thousand five hundred dollars (\$2,500). Nothing herein shall prevent any person from performing these acts on his or her own residence or on his or her other real estate holdings. Anyone who engages or offers to engage in any acts described in this subdivision, through advertising or otherwise, shall be deemed to have engaged in the business of residential home building.

"(13) (18) RESIDENTIAL ROOFER. A person who installs products or repairs surfaces on the external upper covering of a residence or structure that seals, waterproofs, or weatherproofs the residence or structure.

"(14)(19) STRUCTURE. A residence on a single lot, including a site-built home, a condominium, a duplex, or multi-unit residential building consisting of not more than four residential units, or any improvement thereto.

"(15)(20) TRANSACTION. The act of entering into a contract with a licensee to engage in the business of residential home building.

"\$34-14A-7.

"(a) Any residential home builder who desires to receive a new or renewal license under this chapter shall make and file with the board 30 days prior to the next meeting of the board a written application on a form prescribed by the board. Each applicant shall be a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate

- 1 documentation from the federal government. Such application 2 shall be accompanied by the payment of the annual license fee 3 required by the board. After the board accepts the application, the applicant may be examined by the board at its 4 5 next meeting. The board, in examining the applicant, shall consider the following qualifications of the applicant:
- 7 "(1) Experience.
- "(2) Ability. 8

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- "(3) Character. 9
- 10 "(4) Business-related financial condition.
- "a. The board may require a financial statement on a 11 12 form prescribed by the board and a public records search 13 directly from a credit reporting agency.
- "b. The board may require a positive net worth or 14 15 other evidence of business-related financial condition sufficient to reasonably satisfy the board of the applicant's 16 17 financial responsibility.
 - "c. The board may require that business-related judgments, judgment liens, and other perfected liens must be satisfied and released.
 - "d. Any information obtained by the board pursuant to this subsection relating to the financial condition of an applicant shall not be public information.
 - "(5) Ability and willingness to serve the public and conserve the public health and safety.
- 26 "(6) Any other pertinent information the board may 27 require.

"(b)(1) If the board finds the applicant qualified
to engage in residential home building in Alabama, the
applicant shall be issued a license. An applicant rejected by
the board shall be given an opportunity to be reexamined after
a new application has been filed and an additional application
fee paid.

- "(2) A record shall be made and preserved by the board of each examination and the findings of the board pertaining to the examination. A copy of the record shall be made available to any applicant requesting it upon the payment of a reasonable fee to the board.
- "(c) The board, by rule, may require proof of and maintenance of insurance as a qualification for licensure.
- "(d) The board, by rule, may establish or adopt, or both, education requirements and may approve, administer, or financially support the program or programs providing residential construction education.
- "(e) (1) Each licensee shall notify the board within 10 days after notice of the institution of any criminal prosecution against him or her. The notification shall be in writing, by certified mail, and shall include a copy of the specific charge made together with a copy of the indictment, information, or complaint, affidavit, and warrant making the charges.
- "(2) Each licensee shall notify the board in writing by certified mail within 10 days after he or she receives the notice that any criminal verdict has been rendered against him

or her, or that a criminal action pending against him or her has been dismissed.

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"(f) Each licensee shall utilize a valid written contract when engaging in the business of residential home building.

"(g) Each licensee shall include a valid license number issued by the board on all valid written contracts and in any advertising.

"(g)(h) When any residential home building to be performed will comply with a program designed to enhance the resiliency of the structure beyond the requirements of the applicable building codes, the licensee shall disclose this compliance to the homeowner in writing prior to the commencement of the residential home building.

"(h)(1)(i)(1) Any licensee who desires to receive an inactive license shall make and file with the board a written application for an inactive license on a form prescribed by the board prior to the expiration of his or her current license. The application shall be accompanied by the payment of the annual inactive license fee required by the board. 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).

"(2) A person holding an expired license who seeks
to reactivate his or her license within three years of the
date of expiration shall be deemed to have satisfied the
experience and ability requirements for licensure if
application is made within the three-year time period and all
other licensing requirements pursuant to subsection (a) have
been met.

- "(3) 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 a 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. The board, in examining the applicant, shall consider the following qualifications of the applicant as satisfying the experience and ability requirements for licensure:
 - "a. That the building inspector is an employee of the United States, the State of Alabama, or any municipality, county, or other political subdivision and, by virtue of that employment, is exempted or prohibited by law from holding a license; and
- "b. That the building inspector does any of the following:
 - "1. Maintains current certification from the Southern Building Code Congress International as one of the following:

1	"(i) Chief building official.
2	"(ii) Deputy building official.
3	"(iii) Building inspector.
4	"(iv) Housing inspector.
5	"(v) Design professional.
6	"(vi) Plan reviewer.
7	"2. Maintains current certification from the
8	International Code Council as one of the following:
9	"(i) Certified building official.
10	"(ii) Building inspector.
11	"(iii) Residential building inspector.
12	"(iv) Property maintenance and housing inspector.
13	"(v) Building plans examiner.
14	"(vi) Design professional.
15	"3. Possesses sufficient building qualifications and
16	experience to receive a license, as demonstrated by
17	satisfactory evidence presented to the board.
18	"(4) In the event a building official or building
19	inspector holding a current inactive license applies for a
20	license, he or she may rely upon his or her inactive license
21	as evidence of the experience and ability requirements for
22	licensure under subdivisions (1) and (2) of subsection (a).
23	"§34-14A-12.
24	"(a) The board may establish or adopt residential
25	building codes and standards of practice for residential home
26	builders within the state. A residential building code or
27	standard of practice adopted or established by the board does

1	not supersede or otherwise exempt residential home builders
2	from a local building law or code adopted by the governing
3	body of a county or municipality or from a local or general
4	law.
5	"(a)(1) The board shall adopt the Alabama
6	Residential Building Code based on the International
7	Residential Building Code. The code shall be enforced by local
8	jurisdictions that have permitting and inspection programs for
9	residential construction, renovation, or repairs and adhered
10	to by residential home builders. The Alabama Residential
11	Building Code shall not supersede any local residential
12	building code adopted by any county or municipality in effect
13	at the time the local residential building code is adopted.
14	Provided however, any local building code adopted or amended
15	by any county or municipality after the effective date of this
16	act shall meet the minimum standards of the Alabama
17	Residential Building Code in effect at the time of the local
18	building code adoption or amendment.
19	"(2) This section shall be the sole statewide
20	statutory authority governing residential construction within
21	this state.
22	"(3) The Alabama Residential Building Code shall not
23	apply to any agricultural building except for any residence
24	<pre>contained therein.</pre>
25	"(b)(1) Beginning January 1, 2027, a residential
26	home builder within this state who constructs, renovates, or
27	repairs a residence or structure, shall do so in accordance

with the minimum standards set forth in the applicable
residential building code.

time of completion, the mortgagor shall submit to the lender the permit, all inspection reports, and any required certificate of occupancy as proof that the inspections required by the applicable residential building code have been conducted. Nothing herein shall impose any duty or obligation upon a lender to obtain permits and inspection reports, impose liability of any type upon a lender who does or does not obtain permits or inspection reports, or limit the enforceability of the lender's mortgage.

"(b)(c) The county commissions of the several counties may adopt building laws and codes by ordinance which shall apply in the unincorporated areas of the county. The building laws and codes of the county commission shall not apply within any municipal police jurisdiction, in which that municipality is exercising its building laws or codes, without the express consent of the governing body of that municipality. The building laws and codes of the county commission may apply within the corporate limits of any municipality with the express consent of the governing body of the municipality. The county commission may employ building inspectors to see that its laws or codes are not violated and that the plans and specifications for buildings are not in conflict with the ordinances of the county and may exact fees to be paid by the owners of the property inspected.

"(c) (d) Utilizing the same authority and procedures as municipalities pursuant to Sections 11-53A-20 to 11-53A-26, inclusive, the county commission may condemn buildings, parts of buildings, or structures dangerous to the public and prohibit the use thereof and abate the same as a nuisance.

"(d)(e) The county commissions, municipalities, and other public entities may enter into mutual agreements, compacts, and contracts for the administration and enforcement of their respective building laws and codes.

"(f) Nothing in this section shall be construed to restrict the power of any county or municipality to adopt and enforce local building laws or codes that either comply with or exceed the minimum standards so long as adopted or amended as set forth in this chapter.

"\$34-14A-20.

"(a) The Alabama Construction Trade Academy Fund is established in the State Treasury. The fund shall be comprised of federal, state, and private funding through direct budgetary funding and grants for the expansion of construction trade education. To the extent practicable, monies in the fund shall be used to leverage other forms of funding from private sources. A percentage of matching funds, as established by the advisory council, must come from private, non-governmental sources. The board may not use more than 15 percent of the monies in the fund for administrative and operational costs incurred in the implementation and administration of this section.

"(b) The board, in cooperation with public and 1 2 private sector partners, shall establish a program to provide funding mechanisms for tool grants, program incentives, 3 supplies, mobile facilities, and other programs to support the 4 5 development and continuation of construction trade education 6 programs in the state. "(c) The board shall administer the program and 7 8 shall may apply for funds from federal grant programs and 9 other applicable funding sources authorized by law. 10 "(d)(1) The Alabama Construction Trade Advisory Council is established. The advisory council shall consist of 11 the following members: 12 13 "a. One member appointed by and currently serving on the Home Builders Licensure Board. 14 15 "b. One member appointed by and currently serving on 16 the State of Alabama Plumbers and Gas Fitters Examining Board. "c. One member appointed by and currently serving on 17 18 the Licensing Board for General Contractors. "d. One member appointed by and currently serving on 19 the State Board of Heating, Air Conditioning, and 20 21 Refrigeration Contractors. 22 "e. One member appointed by and currently serving on the Alabama Board of Electrical Contractors. 23 24 "f. One appointee of the State Department of 25 Education who specializes in technical trade education.

System who specializes in technical trade education.

"q. One appointee of the Alabama Community College

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"(2) Members of the advisory council shall be appointed for a period of one year. Membership on the advisory council shall be without compensation, except for reimbursement of necessary travel expenses as is paid to state employees for attending meetings and other necessary events of the advisory council. Any expenses paid to a member of the advisory council shall be paid by the member's appointing authority.

"(e) The advisory council shall make recommendations to the board, and the board shall establish program guidelines, promote the program statewide, evaluate applications for funds, distribute funds, and monitor and report the effect of the funding on the availability of construction trade education. The board may adopt rules to implement and administer this section.

"(f) The advisory council shall recommend and the board shall establish monitoring and accountability mechanisms for projects receiving funding. Not later than the fifth legislative day of each regular legislative session, the board shall file a report to the Legislature on the projects funded, the geographic distribution of projects funded, the private sector participation rates in funded projects, the administrative costs of the program, and the outcomes of the program, including the number of students and adult learners trained by each project funded through the program.

"(g) The advisory council shall recommend and the board shall create eligibility guidelines and provide project

- funding through an application process. Projects eligible for funding include the following:
- "(1) Mobile demonstration units that show the

 various systems of a structure and how they interconnect.

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- "(2) Tool and supply grants for public and private educational providers that provide construction trade education.
- 8 "(3) Incentives for newly established construction 9 trade education courses, with priority given to carpentry 10 courses.
 - "(4) Adult education initiatives that provide continued learning opportunities through mobile training facilities or distance learning opportunities with priority focus on those serving underserved areas and widely offered trainings.
 - "(5) Any other proposal that in the opinion of the board would address the need for construction trade education in the state.
 - "(h) An applicant may be a nonprofit organization, not-for-profit entity, public school system, two-year college, university, or other governmental entity. An applicant for funding shall do all of the following:
- "(1) Demonstrate its capacity to successfully implement the proposal.
- "(2) Demonstrate how the proposal shall positively impact construction trade education in the state.

- "(3) Demonstrate private sector support through
 matching funding.
- "(4) Establish an advisory council consisting of at least three active trade representatives from the construction trade being funded.
 - "(5) For a period of not less than five years, agree to comply with the following conditions:
- 8 "a. Offer the courses funded through this section 9 for a period of not less than five years.

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- "b. Comply with all data collection and reportingrequirements established by the board.
 - "(i) In determining which qualified projects to fund, the board shall consider all of the following factors:
- "(1) The level of private sector support for the project.
- 16 "(2) The level of need in the area in which the 17 funding is directed.
- "(3) The projected number of students that will be
 served.
 - "(4) The degree to which the project will have a positive impact on the availability of construction trade education in the area to be served.
- "(5) The degree to which the project will leverage public and private sector funds.
- "(j) The board shall establish program guidelines
 that require matching funds on all funded projects. A minimum
 of 10 percent of matching funds shall be provided by private,

non-governmental sources. Total matching funds required may not be required to exceed 25 percent of awarded state funds, although additional consideration may be provided to projects that exceed this amount.

- "(k) In the event that a recipient of funding provided by this section fails to provide the proposed project in accordance with the guidelines set forth by the board, any equipment, supplies, or materials acquired with the funding shall be transferred to the Alabama Home Builders Foundation for redistribution to public or private programs that provide construction trade education to high school, postsecondary, or adult learners supported by this section.
- "(1) Any and all proceeds from the sale of equipment, supplies, or materials acquired through academy funding shall go into the fund."

Section 2. (a) The Alabama Residential Building Code Division is established within the Home Builders Licensure Board. The executive director of the board may employ staff as necessary for this division pursuant to Section 34-14A-4. The board and the division's statutory administration and enforcement obligations pursuant to this chapter shall be contingent upon the appropriation of funding.

(b) The division shall be responsible for taking action upon any and all recommendations made by the Alabama Residential Building Code Advisory Council and ratified by the board for the furtherance of its statutory purpose.

- 1 (c) The funds allocated to the Alabama Residential
 2 Building Code Fund may be used by the division for purposes of
 3 the administration and enforcement of the Alabama Residential
 4 Building Code in those areas where a municipality or county
 5 does not permit or license residential construction,
 6 renovation, or repair, including, but not limited to, the
 7 following:
- 8 (1) Hiring staff, including, but not limited to, the following:
 - a. The division administrator.

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- b. Programs support personnel.
- c. Administrative support personnel.
- d. Any other personnel as identified by the board or executive director to carry out the statutory purpose of the division for the administration, implementation, and enforcement of the Alabama Residential Building Code.
- (2) Providing incentives to encourage local residential building code adoption and enforcement, including, but not limited to, assisting with the development of local government cooperatives for the permitting, inspection, and enforcement of a residential building code in the respective jurisdiction.
- (3) Providing standards and certification requirements for private fee-based code inspectors, who would perform the required inspections in those local jurisdictions that have not implemented a residential building permit and inspection program. For those structures located outside of

any local jurisdiction that exercises its authority to adopt and enforce a local building code, if the inspection has not been conducted, construction may resume on the beginning of the following third business day after a home builder has requested an inspection. The board shall establish a process of documentation, which may include a self-reporting form, electronic verification, photographic/video verification, or any other method the board may deem appropriate, that the builder shall perform prior to resumption of construction of those structures.

- (d) The division may apply for funds from federal grant programs and other applicable funding sources authorized by law in order to support local adoption and implementation of the Alabama Residential Building Code. The division may also partner with other state agencies to receive and distribute additional funds that may become available for this purpose.
- (e) The division shall work with the State Energy Office to ensure that all applicable federal regulations regarding the residential energy code are met.

Section 3. The Alabama Residential Building Code

Fund is established within the State Treasury for the use of
the division. Receipts deposited into the fund shall be
disbursed only by warrants of the state Comptroller drawn upon
the State Treasury on itemized vouchers approved by the

Executive Director of the board. No funds shall be withdrawn
or expended except as budgeted and allotted according to

Sections 41-4-80 to 41-4-96, Code of Alabama 1975, inclusive, and 41-19-1 to 41-19-12, Code of Alabama 1975, inclusive, and only in amounts as stipulated in the general appropriations act, other appropriation acts, or this section. At the end of each fiscal year, any unencumbered balance of up to 25 percent of the amount appropriated for that fiscal year shall not revert to the State General Fund under Section 41-4-93, Code of Alabama 1975, but shall carry over to the next fiscal year within the Alabama Residential Building Code Fund, and any unencumbered balance over 25 percent of the amount appropriated for that fiscal year shall be transferred to the Strengthen Alabama Homes Fund.

Section 4. (a) The Alabama Residential Building Code
Advisory Council is established. Upon the request of the Home
Builders Licensure Board, the council shall submit a proposed
minimum statewide residential building code to the board for
consideration. The board may adopt or amend the proposed
minimum statewide residential building code prior to adoption.
The proposed minimum statewide residential building code
submitted for consideration and adoption shall be based upon a
published edition of the Alabama Energy and Residential Code
as adopted and amended from the International Residential Code
(IRC) and the International Energy Conservation Code (IECC).
Subsequent recommendations for adoptions or amendments to the
Alabama Residential Building Code shall be based upon
published editions of the IRC and IECC. Consideration shall
also be given to provisions for sealed roof decks and related

roof construction standards contained in either the Coastal Construction Code Supplement or the Inland Construction Code Supplement as well as standards related to energy efficiency pertaining to residential construction. The council shall make recommendations with respect to all matters pertaining to the implementation of the Alabama Residential Building Code. When adopted by the board, recommendations of the council shall be administered by the division.

- (b) (1) The council shall consist of 13 members appointed as provided plus the Commissioner of Insurance or his or her designee, the State Fire Marshal or his or her designee, the Director of the Emergency Management Agency or his or her designee, and the Executive Director of the Home Builders Licensure Board or his or her designee. Thirteen members shall be appointed as follows:
- a. One member shall be appointed by the Home Builders Licensure Board.
- b. One member shall be appointed by the State Board of Heating, Air Conditioning, and Refrigeration Contractors.
- c. One member shall be appointed by the Governor to represent the private, investor-owned, electric utility industry.
- d. One member shall be appointed by the Lieutenant Governor to represent the natural gas industry.
- e. One member shall be appointed by the American Council of Engineering Companies of Alabama.

- 1 f. One member shall be appointed by the Alabama 2 League of Municipalities. g. One member shall be appointed by the Association 3 of County Commissions of Alabama. 4 5 h. One member shall be appointed by the Alabama Council of the American Institute of Architects. 6 i. One member shall be appointed by the Home Builders Association of Alabama. 8 j. One member shall be appointed by the Code 9 10 Officials Association of Alabama. k. One member shall be appointed by the Commissioner 11 12 of Insurance to represent the property and casualty insurance 13 industry. 1. One member shall be appointed by the State of 14 15 Alabama Plumbers and Gas Fitters Examining Board. m. One member shall be appointed by the Alabama 16 17 Rural Electric Association of Cooperatives to represent the 18 rural electric cooperative industry. (2) The membership of the council shall be inclusive 19 20 and reflect the racial, gender, geographic, cultural, and 21 economic diversity of the state. 22 (3) Each of the appointed members of the council 23 shall be appointed for a five-year term, the term to begin on 24 September 30, 2022, and may be reappointed for a second
 - (c) (1) The first meeting of the council shall be called by the executive director of the board no later than

five-year term pursuant to the appointing authority.

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November 1, 2022. The executive director shall preside until a chair and a vice chair are selected by the council. The council shall elect annually from its own members a chair, a vice chair, and other officers as it may deem desirable.

- (2) The council shall hold meetings as requested by the board for consideration of code updates. Meetings shall be held at a time and place as designated or specified in its rules.
- (3) A majority of the members of the council shall constitute a quorum at all of its meetings, and adoption or resolution of any business shall require the concurrence of a majority of all the members of the council. An agenda for the meetings in sufficient detail to indicate the terms on which final action is contemplated shall be submitted by the administrator to the chair, vice chair, and council members prior to the meeting.
- (4) All meetings of the council shall be held in accordance with the Alabama Open Meetings Act, Chapter 25A of Title 36.
- (d) The administrator of the division shall serve as ex officio secretary of the council, keep a record of the proceedings of all council meetings, and shall perform such other duties as may be directed by the council.
- (e) The council may establish committees among its membership, as it deems necessary, to assist in the conduct of its business.

- 1 (f) At the direction of the board, the council shall do the following:
 - (1) Propose to the board for consideration of adoption of an Alabama Residential Building Code.

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- (2) Evaluate, assess, advise, and counsel the division and the units of local government on the Alabama Residential Building Code and the impact of the code upon the economy and the environment.
- (3) Solicit and enlist the cooperation of all appropriate private-sector and community-based organizations to implement this section.
- (4) Make continuing studies, evaluations, and surveys, upon the request of the board, of the needs and impacts of the Alabama Residential Building Code to the units of local government, industry, and consumers as may result from its studies.
- (5) Submit to the board, on an annual basis, a written report covering the activities of the council to include annual data of residential construction and permitting and inspection activity.
- (6) Adopt rules for the conduct of the council meetings, procedures, and execution of the purpose, functions, powers, and duties delegated to it by this section.
- (7) Conduct a program of public information in order to inform the units of local government, residential home builders, and the residents of the state on the importance of the residential building code.

1 (8) Recommend to the board qualifications and 2 certification for third party fee-based code inspectors.

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Section 5. Neither the council or any municipal, county, or state governing entity or agency may enact or adopt an ordinance, rule, bylaw, order, building code, or other legal device that restricts a consumer's ability to elect to install, by the consumer's choice and for a fee, a residential fire sprinkler system in any residence. The board, any municipal, county, or state governing entity or agency may not enact or adopt an ordinance, rule, bylaw, order, building code, or other legal device that would require the installation of a residential fire sprinkler system in any residence. A municipality that enacted or adopted any ordinance, rule, bylaw, order, building code, or other legal device on or before March 9, 2010, relating to the installation of a residential fire sprinkler system may continue to enforce or amend such ordinance, rule, bylaw, order, building code, or other legal device.

Section 6. Sections 41-23-80, 41-23-81, 41-23-82, 41-23-84, and 41-23-85, Code of Alabama 1975, are amended to read as follows:

"\$41-23-80.

"The Legislature finds that the development, management, efficient consumption, and conservation of residential energy resources are of prime importance throughout this state and this nation. It is also important to ensure the protection of the economic and environmental values

- of Alabama's <u>citizens</u> <u>residents</u>. It is the intent of the Legislature to do each of the following pursuant to this article:
 - "(1) Encourage the conservation and efficient use of residential energy resources within this state's counties and municipalities.
 - "(2) Provide a governmental environment that will promote an initiative for the implementation of the Alabama Energy and Residential Codes Alabama Commercial Energy Code by the units of local government.
 - "(3) Advise and assist the units of local government in adopting the Alabama Energy and Residential Codes Alabama

 Commercial Energy Code and implementing those code provisions within their boundaries.
 - "(4) Promote the identification of energy management technologies available for residential commercial uses, and to disseminate information to the units of local government about such technologies and their uses.
 - "(5) Promote the acceptance and adoption of those energy management technologies for use in all energy-consuming residential commercial facilities throughout this state.
 - "(6) Provide a process for the adoption of modern building and energy codes by the State of Alabama.
 - "(7) Provide a process by which the State of Alabama shall adopt required <u>commercial</u> codes in compliance with federal law.
- 27 "\$41-23-81.

1	"The following terms shall have the meanings
2	respectively prescribed for them, except when the context
3	otherwise requires:
4	"(1) Alabama energy and residential codes <u>Alaba</u>
5	COMMERCIAL ENERGY CORE The codes adopted by the board a

"(1) ALABAMA ENERGY AND RESIDENTIAL CODES ALABAMA

COMMERCIAL ENERGY CODE. The codes adopted by the board, as amended by the board, and based on the 2006 Edition of the International Energy Conservation Code, and ANSI/ASHRAE/IESNA Standard 90.1-2007 for commercial buildings, and the 2006

International Residential Code published by the International Code Council, or any subsequent editions, changes, or recompilations thereof, or any other code which the board officially adopts.

- "(2) BOARD. The Alabama Energy and Residential Codes
 Commercial Energy Code Board created by this article.
- "(3) DEPARTMENT. The Alabama Department of Economic and Community Affairs.
- "(4) DIVISION. The Energy Division of the Alabama Department of Economic and Community Affairs.
- "(5) UNIT OF LOCAL GOVERNMENT. Any county or municipality within the State of Alabama.
- 21 "\$41-23-82.

- "(a) The Alabama Energy and Residential Codes
 Commercial Energy Code Board is established.
 - "(b) The board shall consist of 15 13 members appointed by the Governor and two additional members, numbered 16 14 and 17 15, appointed by the Chair of the Permanent Joint Legislative Committee on Energy Policy. The members appointed

by the Governor shall be legal residents of the state, and 1 2 shall be selected on the basis of their representation of the following organizations, industries, entities, and 3 professions: 4 5 "(1) One member shall represent the Home Builders Association. 6 " $\frac{(2)}{(1)}$ (1) One member shall represent the Board of General Contractors. "(3)(2) One member shall represent the State Board 9 10 of Heating, Air Conditioning, and Refrigeration. "(4)(3) One member shall represent the private, 11 investor-owned, electric utility industry. 12 13 "(5)(4) One member shall represent the rural 14 electric cooperative industry. 15 "(6)(5) One member shall represent the natural gas 16 industry. "(7)(6) One member shall be a licensed professional 17 18 engineer. "(8)(7) One member shall represent municipalities. 19 20 "(9)(8) One member shall represent county 21 governments. 22 " $\frac{(10)}{(9)}$ (9) One member shall represent the Alabama Council, American Institute of Architects. 23 24 "(11)(10) One member shall represent the Alabama 25 Liquefied Petroleum Gas Board.

"(12)(11) One member shall represent the

International Code Council (ICC) Alabama Chapter, Code

Officials Association of Alabama.

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"(13) One member shall represent the Home Builders
Licensure Board.

"(14)(12) One member shall represent the Alabama Joint Fire Council.

" $\frac{(15)}{(13)}$ One member shall represent the Property and Casualty Insurance Industry.

" $\overline{(16)}$ (14) One member shall be a Senate member of the Permanent Joint Legislative Committee on Energy Policy selected by the chair of the committee.

"(17)(15) One member shall be a House of Representatives member of the Permanent Joint Legislative Committee on Energy Policy selected by the chair of the committee.

"(c) Each member appointed by the Governor shall be selected from a list of three candidates provided to the Governor by the division from each entity listed above. Board appointees shall be selected on the basis of their interest in problems concerning residential commercial energy resources, consumption, and conservation, and without regard to political affiliation. Appointments shall be of such a nature as to aid the work of the board and to inspire the highest degree of coordination and cooperation. All members of the board shall be deemed members at-large charged with the responsibility of serving the best interests of the board, the division, the

units of local government, and the state. No member shall act as the representative of any particular region, United States congressional district in Alabama, or state Senate or legislative district in Alabama.

- "(d) The board shall exercise authority with respect to all matters pertaining to the acceptance, adoption, and implementation of the Alabama Energy and Residential Codes

 Commercial Energy Code by the State of Alabama. Decisions of the board shall be administered by the chief of the division with the assistance of such other officers and department employees as are deemed necessary to carry out the purpose, functions, duties, and activities of the board.
- "(e) The membership of the board shall be inclusive and should reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.
- "(f) This article shall not apply to the erection or construction of a farm structure. The term farm structure, for the purposes of this act, means a structure that is constructed on a farm, other than a residence or a structure attached to it, for use on the farm including, but not limited to, barns, sheds, and poultry houses. A farm structure does not include a structure originally qualifying as a farm structure but later converted to another use.

"\$41-23-84.

"(a) The first meeting of the board shall be called by the chief of the division as soon as is practicable after July 31, 1995. The division chief shall preside until a chair and a vice chair are selected by the board. The board shall elect annually from its own members a chair, a vice chair, and such other officers as it may deem desirable, and shall adopt rules for its organization in the conduct of its business.

- "(b) The board shall hold a regular meeting at least once during each calendar year at a time and place as designated or specified in its rules. Special or additional meetings may be held on a call of the chair, upon a call signed by at least seven members, or upon a call by the division chief.
- "(c) A majority of the members of the board shall constitute a quorum at all its meetings, and adoption or resolution of any business shall require the concurrence of a majority of all the members of the board. An agenda for the meetings in sufficient detail to indicate the terms on which final action is contemplated shall be mailed provided by the division chief to the chair, vice chair, and board members at least 30 days prior to the meeting.
- "(d) The division chief shall serve as ex officio secretary of the board, shall keep a record of the proceedings of all board meetings, and perform such other duties as may be delegated by the board. The division chief shall not receive any additional compensation for the performance of those duties on the board or pursuant to this article.
- "(e) The board may establish committees among its membership, as it deems necessary, to assist in the conduct of its business. Subcommittees shall include representation from

- suppliers or others interested in the subject matter assigned to the subcommittees, or both.
 - "(f) All meetings of the board shall be held in accordance with the Alabama Open Meetings Act, Chapter 25A of Title 36.

6 "\$41-23-85.

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- "(a) The board shall exercise authority with respect to all matters pertaining to the acceptance and adoption, and implementation of the Alabama Energy and Residential Codes

 Commercial Energy Code by the State of Alabama. In so doing, the board may perform any of the following functions:
- "(1) Review, amend, and adopt the Alabama Energy and Residential Codes Commercial Energy Code. The board shall consider updates and changes to the codes referenced herein no less than two years after the date of publication of the most recent version of the codes.
- "(2) Evaluate, assess, advise, and counsel the division and the units of local government, on residential energy codes and the impact of those codes upon the economy and the environment.
- "(3) Solicit and enlist the cooperation of all appropriate private-sector and community-based organizations to implement the purpose of this article.
- "(4) Make recommendations to the division for the enactment of additional legislation as it deems necessary which proposes to further enhance the capabilities of the state and the units of local government in accepting,

adopting, and implementing the Alabama Energy and Residential

Codes Commercial Energy Code, and in meeting the need for

increasing residential energy resources and conservation due

to trends in residential population and the change in

technical requirements of the economy.

- "(5) Make continuing studies, on its own initiative or upon the request of the division, of the residential energy resources, conservation, and consumption needs throughout the state, and issue those reports to the division and to the units of local government as may result from its studies.
- "(6) Submit to the chief of the division, on an annual basis, a written report covering the activities of the board.
- "(7) Make rules and regulations for the conduct of its board meetings, procedures, and execution of the purpose, functions, powers, and duties delegated to it by this article.
- "(8) Conduct a program of public information in order to inform the units of local government and the citizens residents of the state on the importance of residential and commercial energy codes, conservation, and consumption.
- "(9) Identify any and all resources needed or required for the board to implement the purpose, functions, powers, and duties of this article.
- "(b) The division shall be responsible for taking action upon any and all recommendations to which the board may from time to time submit.

"(c)(1) Except as provided in this section, any code adopted by any state or county entity or agency after March 9, 2010, shall not conflict with the codes adopted by the board. A county entity or agency may elect to amend the Alabama Energy and Residential Codes Commercial Energy Code as local conditions require, but shall not make any amendment to mandate residential fire sprinklers or to provisions which are mandated or required by any federal law or federal regulation.

"(2) As of March 9, 2010, any municipality which does not have a code in effect adopted pursuant to Section 11-45-8 shall not adopt any energy or residential code other than the Alabama Energy and Residential Codes adopted by the board or any newer versions thereof. Provided, however, a municipality may elect to amend the Alabama Energy and Residential Codes Commercial Energy Code as local conditions require, but shall not make any amendment to mandate residential fire sprinklers or to provisions which are mandated or required by any federal law or federal regulation.

"(3) Except as provided in subsection (d), nothing contained in this article shall apply to any municipality with a code adopted pursuant to Section 11-45-8 in effect as of March 9, 2010, nor shall it prevent any such municipality from making any changes or amendments to existing codes after March 9, 2010. Provided, however, that a municipality shall not make any amendment to provisions which are mandated by any federal law or federal regulation.

	(1)
or agency	y may not enact an ordinance, rule, bylaw, order,
building	code, or other legal device that would restrict a
consumer	's ability to elect to install, by the consumer's
choice a	nd for a fee, a residential fire sprinkler system in
any new o	or existing one-family or two-family dwelling. A
municipa	l, county, or state governing entity or agency may not
enact an	ordinance, rule, bylaw, order, building code, or
other led	gal device that would require the installation of a
resident:	ial fire sprinkler system in any new or existing
one-famil	ly or two-family dwelling. Provided, however, all
municipa:	lities governed by subdivision (3) of subsection (c)
which hav	ve enacted any ordinance, rule, bylaw, order, building
code, or	other legal device as of March 9, 2010, relating to
the insta	allation of a residential fire sprinkler system may
continue	to enforce or amend such ordinance, rule, bylaw,
order, b	uilding code, or other legal device."
	Section 7. This act shall become effective on July
1, 2022,	following its passage and approval by the Governor,

or its otherwise becoming law.