

# BOARD of MANUFACTURED HOUSING

Five-year-review Report: A.A.C. Title 4, Chapter 34

May 2017

## **Five-year-review Report**

### **A.A.C. Title 4. Professions and Occupations**

#### **Chapter 34. Board of Manufactured Housing**

##### INTRODUCTION

Under A.R.S. § 41-4002, the Office of Manufactured Housing (“Office”), which is located within the Arizona Department of Housing, is required to maintain and enforce certain standards of quality and safety for mobile/manufactured homes and factory-built buildings. Additionally, the Office is required to conduct its business consistently with the minimum standards of the U.S. Department of Housing and Urban Development (“HUD”) so the Office can be designated the “state inspector” for manufactured homes and related industries. The Board of Manufactured Housing (Board) is responsible for making rules regarding quality and safety standards for mobile/manufactured homes and factory-built buildings.

The Office was previously located within the Department of Fire, Building and Life Safety (DFBLS). However, seeking to enhance efficiencies of state agencies, on June 30, 2016, the DFBLS ceased to exist and its two operational divisions were moved into other state agencies. The Office was moved into the Arizona Department of Housing. The statutory changes resulting in this move caused statutes for the Office and Board to be relabeled. As a result, all statutory cross references in the rules are incorrect at this time.

Statute that generally authorizes the agency to make rules: A.R.S. § 41-4010(A)

1. Specific statute authorizing the rule:

R4-34-101. Definitions: A.R.S. § 41-4010(A)(1), (2), (3), (10), (13), and (15)

R4-34-102. Materials Incorporated by Reference: A.R.S. § 41-4010(A)(1), (2), (3), (10), (13), and (15)

R4-34-103. Exceptions: A.R.S. § 41-4010(A)(1), (2), (3), (10), (13), and (15)

R4-34-104. Workmanship Standards: A.R.S. § 41-4010(A)(1), (2), (3), (10), (13), and (15)

R4-34-201. General: A.R.S. §§ 41-4010(A)(6) through (9) and 41-1073

R4-34-202. Manufacturers: A.R.S. § 41-4010(A)(6)

R4-34-203. Retailers: A.R.S. § 41-4010(A)(7)

R4-34-204. Installers: A.R.S. § 41-4010(A)(8)

R4-34-301. Transaction Copies: A.R.S. § 41-4030

R4-34-302. Advertising: A.R.S. § 41-4039(10) and (14)

R4-34-303. Brokered Transactions: A.R.S. § 41-4039(14)

R4-34-401. Surety Bond Forms: A.R.S. §§ 41-4010(A)(6), (7), and (8)

R4-34-402. Cash Deposits: A.R.S. §§ 41-4010(A)(6), (7), and (8)

R4-34-501. General: A.R.S. §§ 41-4004 and 41-4010(A)(4), (6) through (9), (13), (16)

R4-34-502. License Bond Amounts: A.R.S. §§ 41-4010(A)(6) through (9), (13), and (16)

R4-34-503. HUD Monitoring Inspection: A.R.S. §§ 41-4010(A)(4), (13), and (16)

R4-34-504. HUD Label Administration: A.R.S. §§ 41-4010(A)(4), (13), and (16)

R4-34-505. Plans and Supplements: A.R.S. §§ 41-4010(A)(4), (13), and (16)

R4-34-506. Intergovernmental Agreement Permits: A.R.S. §§ 41-4004(B)(5) and 41-4010(A)(4), (13), and (16)

R4-34-601. Manufactured Homes: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(2), (3), and (13)

R4-34-603. Factory-built Buildings and FBB Subassemblies: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(1), (3), and (13)

R4-34-604. Alterations: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(1) through (3), and (13)

R4-34-605. Reconstruction: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(1) through (3), and (13)

R4-34-606. Rehabilitation of Mobile Homes: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(5)

R4-34-607. Manufacturing Inspection and Certification: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(1) through (3), and (13)

R4-34-701. General: A.R.S. §§ 41-4004(B)(1) and 41-4010(A)(1) through (4), (10), and (18)

R4-34-702. Quality Assurance Manuals: A.R.S. §§ 41-4010(A)(1) through (3) and (10)

R4-34-703. Drawings and Specifications: A.R.S. §§ 41-4005(A) through (C) and 41-4010(A)(1) through (4), (10), and (18)

R4-34-704. Alterations or Reconstruction: A.R.S. §§ 41-4005(B) and 41-4010(A)(1) through (4), (10), and (18)

R4-34-705. Accessory Structures and Ground Anchoring: A.R.S. §§ 41-4005(B) and 41-4010(A)(1) through (4), (10), and (18)

R4-34-706. Factory-built Building Installation: A.R.S. §§ 41-4005(B) and 41-4010(A)(1) , (3), (4), (10), and (18)

R4-34-801. Permits: Factory-built Building Installation: A.R.S. §§ 41-4004(B)(1) and (7) and (F) and 41-4010(A)(5), (8), (13), (14), and (17)

R4-34-802. General Installation: A.R.S. §§ 41-4004(B)(1) and (7) and (F) and 41-4010(A)(5), (8), (13), (14), and (17)

R4-34-803. Soils and Materials: A.R.S. §§ 41-4010(A)(5), (8), (13), (14), (17), and 41-4004(B)(1), (7), and (F)

R4-34-804. Utilities: A.R.S. §§ 41-4010(A)(5), (8), (13), (14), (17), and 41-4004(B)(1), (7), and (F)

R4-34-805. Accessory Structures: A.R.S. §§ 41-4004(B)(1) and (7) and (F) and 41-4010(A)(5), (8), (13), (14), and (17)

R4-34-1001. Rehearing or Review: A.R.S. §§ 41-4010(A)(13) and 41-4038

2. Objective of the rule including the purpose for the existence of the rule:

R4-34-101. Definitions: The objective of the rule is to define terms used in the rules in a manner that is not explained adequately by a dictionary definition. The definitions are designed to facilitate understanding by those who use the rules.

R4-34-102. Materials Incorporated by Reference: The objective of this rule is to list materials the Board has incorporated by reference into the rules. Incorporating materials by reference enables the Board to benefit from the expertise of the federal government or professional organizations responsible for the materials.

R4-34-103. Exceptions: The objective of this rule is to list exceptions to the materials incorporated under R4-34-102 and provide a procedure for a local jurisdiction to petition for an exception to the materials. This provides local jurisdictions with flexibility to adjust incorporated standards to local circumstances.

R4-34-104. Workmanship Standards: The objective of this rule is to establish that work will be done in a professional manner in accordance with professional industry standards and appropriate building codes. These standards protect public health and safety.

R4-34-201. General: The objective of this rule is to establish general application requirements, including an administrative review of an application upon receipt by the Department. This enables an applicant to submit required materials and anticipate issuance of a license.

R4-34-202. Manufacturers: The objective of this rule is to provide descriptions of manufacturers' license classifications and the activities that define the scope of each license class. This enables a manufacturer licensee and the public to know the applicable scope of activities.

R4-34-203. Retailers: The objective of this rule is to provide descriptions of retailers' license classifications and the activities that define the scope of each license class. This enables a retail licensee and the public to know the applicable scope of activities.

R4-34-204. Installers: The objective of this rule is to provide descriptions of installers' license classifications and the activities that define the scope of each license class. The rule also specifies license requirements specific to an installer. This enables an installer licensee and the public to know the applicable scope of activities.

R4-34-301. Transaction Copies: The objective of this rule is to establish requirements for records of sales transactions pertaining to the purchase of manufactured homes, mobile homes, and factory-built buildings. Maintaining records and providing copies protects consumers and licensees.

R4-34-302. Advertising: The objective of this rule is to establish advertising requirements for the sale of manufactured homes, mobile homes, and factory-built buildings. The requirements protect consumers.

R4-34-303. Brokered Transactions: The objective of this rule is to establish requirements for brokered transactions pertaining to the purchase of manufactured homes, mobile homes, and factory-built buildings. The requirements are designed to protect consumers.

R4-34-401. Surety Bond Forms: The objective of this rule is to specify an applicant for a manufacturer, installer, or dealer license is required to submit a surety bond with a surety bond form. This provides notice to applicants. The bond requirement protects consumers.

R4-34-402. Cash Deposits: The objective of this rule is to provide applicants for a license or renewal of a license with an option to post cash or other payment methods in place of a commercial surety bond. This provides flexibility and reduces regulatory burdens.

R4-34-501. General: The objective of this rule is to provide information regarding a schedule of fees in accordance with A.R.S. §§ 41-4010(A)(4), and ensure services provided to the industry by the Office generate fees to cover the Office's expenses within the margin defined by statute. This provides transparency to the industry regarding the Office.

R4-34-502. License Bond Amounts: The objective of this rule is to establish bond amounts for each applicable license class. This provides an applicant or licensee with information necessary to obtain or maintain a license in good standing.

R4-34-503. HUD Monitoring Inspection: The objective of this rule is to inform manufactured home manufacturers about the HUD fee for purchase of HUD labels, which is required for each unit manufactured in Arizona. This assists manufacturers to comply with federal law.

R4-34-504. HUD Label Administration: The objective of this rule is to inform manufacturers about the administration fee charged by the Office for each HUD label issued in Arizona. This provides transparency to manufacturers regarding the Office.

R4-34-505. Plans and Supplements: The objective of this rule is to establish a timeline for submitting corrections to plans or supplements. This provides notice to a licensee of the need to respond timely when informed a plan or supplement is incomplete or incorrect.

R4-34-506. Intergovernmental Agreement Permits: The objective of this rule is to establish a limit on the permit fee charged by local enforcement agencies participating in the Installation Inspection Program. This protects permit applicants by ensuring they are charged the same fee regardless of the jurisdiction enforcing requirements.

R4-34-601. Manufactured Homes: The objective of this rule is to require manufactured homes be built according to standards and regulations specified in R4-34-102. This protects consumers by establishing minimum standards for manufactured homes.

R4-34-603. Factory-built Buildings and FBB Subassemblies: The objective of this rule is to specify requirements for manufacturers of factory-built buildings and subassemblies and require that factory-built buildings and subassemblies be built according standards in R4-34-102. This protects consumers by establishing minimum standards for manufactured homes.

R4-34-604. Alterations: The objective of this rule is to specify a dealer or broker is responsible for ensuring alterations are consistent with applicable standards and codes. This protects consumers by requiring alterations comply with minimum standards.

R4-34-605. Reconstruction: The objective of this rule is to specify a manufacturer is required to perform reconstruction in a manner consistent with applicable standards and codes. This protects consumers by requiring reconstruction comply with minimum standards.

R4-34-606. Rehabilitation of Mobile Homes: The objective of this rule is to establish requirements for rehabilitation of a mobile home, the issuance of a rehabilitation permit, and through inspection, ensure the appropriate certificate of compliance is issued. The requirements are designed to protect health and safety of consumers.

R4-34-607. Manufacturing Inspection and Certification: The objective of this rule is to ensure manufactured-home plant certification is conducted according to R4-34-102(1), and regular inspections of retailer lots are conducted to ensure compliance with approved plans, standards, and A.R.S. § 41-4048. Required inspections and certifications are designed to protect consumers.

R4-34-701. General: The objective of this rule is to establish requirements with which a manufacturer, retailer, or installer must comply regarding plans, drawings, and specifications that must be submitted for approval by the Office. Obtaining approval ensures compliance with minimum standards and protects consumers.

R4-34-702. Quality Assurance Manuals: The objective of this rule is to specify a manufacturer of manufactured homes is required to prepare a quality assurance manual that includes appropriate charts detailing quality control personnel, in-plant inspection requirements, descriptions of tests performed and test equipment, and other quality assurance materials. The rule also contains similar requirements for manufacturers of factory-built buildings and subassemblies. Quality assurance standards protect consumers.

R4-34-703. Drawings and Specifications: The objective of this rule is to specify a manufacturer of manufactured homes is required to submit drawings and specifications, and a manufacturer of factory-built buildings and FBB subassemblies is required to submit plans that comply with applicable requirements and standards in accordance with R4-34-102(1) and (2). Compliance with minimum standards protects consumers.

R4-34-704. Alterations or Reconstruction: The objective of this rule is to establish procedures for sending notification of an alteration of a unit, ensure manufactured home plans comply with construction and safety standards specified in R4-34-102(1), and reconstruction plans comply with standards in R4-34-102(2). These requirements are designed to protect consumers.



R4-34-705. Accessory Structures and Ground Anchoring: The objective of this rule is to require installers to comply with applicable building codes when preparing accessory structure plans and have ground anchoring plans certified by an appropriate Arizona registered professional. These requirements are designed to protect consumers.

R4-34-706. Factory-built Building Installation: The objective of this rule is to require installers to complete and submit an application form obtained from the Department and include in installation plans, site and foundation plans and electrical and plumbing drawings. These requirements are designed to protect consumers.

R4-34-801. Permits: The objective of this rule is to require a licensee or consumer to obtain a permit for the installation of a manufactured home, mobile home, factory-built building, accessory structure, or rehabilitation of a mobile home before beginning work and to display the permit in a conspicuous place onsite. These requirements are designed to protect consumers.

R4-34-802. General Installation: The objective of this rule is to establish procedures for affixing the appropriate approval insignia to each unit in the approved location and to require installers and contractors to check with local jurisdictions regarding frost line requirements and to join the sections of a multi-sectional manufactured home according to manufacturer's instructions. These requirements are designed to protect consumers.

R4-34-803. Soil and Materials: The objective of this rule is to require an installer or contractor to ensure the preparation necessary to make the site compatible with the appropriate unit is performed properly by a qualified and licensed professional and establish minimum standards for securing the unit. These requirements are designed to protect consumers.

R4-34-804. Utilities: The objective of this rule is to require an installer or contractor not to enter into an agreement to connect utility service facilities that are not compatible with the

units, and to connect and install all utility services in compliance with the appropriate building codes and standards. These requirements are designed to protect consumers.

R4-34-805. Accessory Structures: The objective of this rule is to require an installer or contractor to comply with applicable standards incorporated by reference in R4-34-102(3) when installing, assembling, or constructing accessory structures.

R4-34-1001. Rehearing or Review: The objective of this rule is to specify the procedures for requesting a rehearing or review of a decision by the Director. This enables a licensee to know how to exhaust the licensee's administrative remedies.

3. Effectiveness of the rule in achieving the objective including a summary of any available data supporting the conclusion:

The Board believes the rules are effective in achieving their objectives. The Board bases this conclusion on the fact it is able to fulfill its statutory responsibilities.

4. Consistency of the rule with state and federal statutes and other rules made by the agency, and a listing of the statutes or rules used in determining the consistency:

Except for the incorrect internal cross references caused by recodification of the Board's statutes, the rules are consistent with statute and the federal laws referenced in item 12.

In July 2012, the state's trust and escrow laws changed in a manner inconsistent with the business practices of some licensees. The law requires all monies related to the sale of all new and used homes with a sale price of \$50,000 or more be deposited with a title or escrow company to protect the consumer. The law applies to new and used manufactured homes. The law, which is mirrored in A.R.S. § 41-4030, is clear but many licensees appear not to understand its application to manufactured homes. As a result, they are cited for violation of statute when they continue the practice of depositing monies in a bank account held by the licensee.

5. Agency enforcement policy including whether the rule is currently being enforced and, if so, whether there are any problems with enforcement:

The Board is able to enforce the rules as written.

6. Clarity, conciseness, and understandability of the rule:

The Board believes the rules are generally clear, concise, and understandable. However, as previously indicated all internal cross references are incorrect and may be a source of confusion. Also, in response to direction from the Governor's office, the Board prepared a review of its rules. That review, which informed this report, identified numerous changes the Board believes will improve the clarity, conciseness, and understandability of the rules. A copy of that review is attached to and incorporated into this report.

7. Summary of written criticisms of the rule received by the agency with the past five years, including letters, memoranda, reports, written analyses submitted to the agency questioning whether the rule is based on valid scientific or reliable principles or methods, and, written allegations made in litigation or administrative proceedings in which the agency was a party that the rule is discriminatory, unfair, unclear, inconsistent with statute or beyond the authority of the agency to enact, and the result of the litigation of administrative proceedings:  
No criticism was received by the Board.
8. A comparison of the estimated economic, small business, and consumer impact of the rule with the economic, small business, and consumer impact statement prepared on the last making of the rule or, if no economic, small business, and consumer impact statement was prepared on the last making of the rule, an assessment of the actual economic, small business, and consumer impact of the rule:

The Board believes that the economic, small business, and consumer impact statements prepared for the four rulemakings completed since 1999 were generally accurate.

#### 1999 Rulemaking

The rules that have not been amended since 1999 are: R4-34-104, R4-34-301, R4-34-302, R4-34-303, R4-34-503, R4-34-504, R4-34-505, R4-34-506, R4-34-605, R4-34-802, and R4-34-1001.

This rulemaking was done primarily to "clean-up" the rules, clarifying and making the rules more user-friendly. Only two substantive additions to the rules were made during this rulemaking. The first, in R4-34-301 and R4-34-303, required licensees to provide copies of transaction documents and closing statements to buyers and sellers of manufactured or mobile homes in brokered transactions. There is a cost involved in providing copies of documents but it is a cost of doing business designed to protect buyers and sellers. The

second addition addressed the responsibility for site preparation when contracting for an installation of a manufactured or mobile home, specifying that under R4-34-803, the entity contracting for installation is the responsible party when it comes to site compatibility.

#### 2005 Rulemaking

The rules that have not been amended since 2005 are: R4-34-202, R4-34-502, R4-34-604, and R4-34-606.

This rulemaking primarily implemented a statutory change made in 2003. The change removed recreational vehicles from the regulatory authority of the Department of Fire, Building, and Life Safety. R4-34-202, R4-34-604, and R4-34-606 were amended to remove reference to recreational vehicles. In R4-34-502, bonds were deleted for license classes M-9D and D-9, increased for classes D-10 and D-12, and created for the new class D-8.

Maintaining a bond is a cost of doing business intended to protect consumers.

#### 2008 Rulemaking

In the 2008 rulemaking, R4-34-201, R4-34-203, R4-34-204, R4-34-401, R4-34-402, and R4-34-501 were amended to reflect changes resulting from the 2006 Legislative session when the title of “Assistant Director” was changed to “Deputy Director.” Minor grammar and punctuation changes were also made. R4-34-701 and R4-34-705 were amended to clarify cross references in certain subsections resulting from the removal of authority to regulate recreational vehicles. Some grammar and minor punctuation changes were also made.

#### 2012 Rulemaking

The rules that have not been amended since 2012 are: R4-34-101, R4-34-102, R4-34-103, R4-34-601, R4-34-602, R4-34-603, R4-34-607, R4-34-702, R4-34-703, R4-34-704, R4-34-706, R4-34-801, R4-34-803, R4-34-804, and R4-34-805.

Definitions in R4-34-101 were amended to provide clarity and to correct language. R4-34-102 was amended to clarify and correct language and update and add materials incorporated by reference to the most current standards. R4-34-103 was amended to clarify and update language for exceptions made to R4-34-102. Additionally, Sections R4-34-601, R4-34-603, R4-34-607, R4-34-702, R4-34-703, R4-34-704, and R4-34-706 were amended to clarify and correct language based on amendments made to R4-34-102. Sections R4-34-801, R4-34-

803, R4-34-804, and R4-34-805 were amended to clarify and correct language, and correct errors to statutory references based on amendments made to R4-34-102.

In FY2016, the volume of HUD homes produced in Arizona increased after a period of decrease. There was a 16.2 percent increase from the previous year. There has been a steady increase since 2011. This is evidence manufactured homes play a vital role in the Arizona's and the nation's housing market providing affordable housing for many. The tightening credit market is a challenge to increasing sales of manufactured homes.

Under A.R.S. § 41-4010(C), the Board's fees for licenses, permits, inspections, plan reviews and administrative functions are exempt from the rulemaking provisions of the Administrative Procedure Act. The Board is required to establish fees at a rate that generates at least 95 percent and no more than 105 percent of anticipated expenditures for the Office. The Board adopts a fee schedule annually. Its FY2016 fee schedule generated 103 percent of anticipated expenditures.

The Department currently licenses 63 manufacturers (including out-of-state manufacturers who ship homes and buildings into Arizona and are registered with the Arizona Corporation Commission as a foreign corporation doing business in Arizona), 232 dealers, 653 salespersons, and 86 installers. The manufacturers in Arizona employ 987 individuals. During FY 2016, the Department issued 247 new licenses, complying with its licensing time-frames by issuing licenses in an average of two days.

Under A.R.S. § 41-4005, plans for the construction of any factory-built building or home must be submitted to the Office for review for compliance with the applicable codes. If the plan is determined to be in compliance, a permit is issued and construction is authorized. In FY 2016, 582 plans were submitted to the Office for review and 1,216 permits were issued. Additionally, the Office conducted 2,706 inspections.

With regard to complaints and citations, the Office received 48 complaints regarding licensees in FY 2016. Most of the 30 consumer complaints alleged manufacturers, dealers, or

installers failed to provide all goods and services or failed to manufacture or install in a workmanlike manner. Eighteen complaints against manufacturers arose during an inspection of the plant or resulted from a national recall. Only one complaint went to hearing. The others were settled without hearing. The Office issued 18 cease and desist orders regarding unlicensed activity. The Board took disciplinary action against 17 licensees.

In FY2016, the Office collected \$1,145,920 in fees. Its budget, which is a combination of fees deposited into the general fund and non-appropriated funds, was \$1,292,989. The general fund appropriation was \$868,534. There are currently 15 FTEs.

9. Any analysis submitted to the agency by another person regarding the rule's impact on this state's business competitiveness as compared to the competitiveness of businesses in other states:

No analysis was submitted.

10. How the agency completed the course of action indicated in the agency's previous 5YRR:

In a five-year-review report approved by the Council on October 2, 2012, the Board indicated it would amend R4-34-303(B) to correct an error. The subsection incorrectly says "seller's broker" rather than "purchaser's broker." The Board did not complete the planned rulemaking because the Board determined the possible confusion caused by the error was not sufficient to justify the expense of doing a rulemaking. Additionally, the Board understood a major revision of the rules would be done soon and the error could be corrected at that time.

11. A determination after analysis that the probable benefits of the rule outweigh within this state the probable costs of the rule and the rule imposes the least burden and costs to persons regulated by the rule, including paperwork and other compliance costs necessary to achieve the underlying regulatory objective:

The Board determined the probable benefits of the rules outweigh their probable costs and the rules impose the least burden and costs to regulated persons necessary to achieve the underlying regulatory objective

The rules support the Department's purpose and commitment to maintain standards of safety for manufactured homes, mobile homes, and factory-built-buildings by reducing hazards to life and property, and to protect consumers of these products and services. The rules establish

the minimum standards that are compliant with federally adopted regulations and codes that are nationally recognized in the industry as best practices. The Board has determined any burden or cost of compliance is necessary to achieve the Department's mission of consumer safety. Any additional costs are not burdens imposed to regulated persons as those costs are passed on to the consumers of the products and services.

The fee schedule is established annually by the Board and is applicable to licensees engaged in the business of constructing the homes and buildings, selling the homes and buildings, and installing the homes and buildings. These licensees and Registrar of Contractors' licensees are required by statute to submit plans to the Office for approval when applicable, obtain a permit to install the home or building, and have their work inspected. The fee schedule is intended to recover the costs incurred by the Office in providing the required plan review, permit, and inspection. The fees are a cost of doing business and that probably is passed to consumers of these products and services.

12. A determination after analysis that the rule is not more stringent than a corresponding federal law unless there is statutory authority to exceed the requirements of that federal law:

The Board determined the rules are not more stringent than federal law. The Board ensured this by incorporating by reference 24 CFR 3280 through 3288 (2008), which establish standards for manufactured homes. Under contract with the US Department of Housing and Urban Development, the Department enforces the federal regulations regarding plant monitoring (24 CFR 3280 and 3282), installation inspection (24 CFR 3285 and 3286), and dispute resolution for consumers of manufactured homes (24 CFR 3288).

13. For a rule made after July 29, 2010, that requires issuance of a regulatory permit, license, or agency authorization, whether the rule complies with A.R.S. § 41-1037:

The following rules were made after July 29, 2010: R4-34-101, R4-34-102, R4-34-103, R4-34-601, R4-34-602, R4-34-603, R4-34-607, R4-34-702, R4-34-703, R4-34-704, R4-34-706, R4-34-801, R4-34-803, R4-34-804, and R4-34-805. The rules in Article 7 require obtaining plan approval. Those in Article 8 require permits for installation. These rules comply with A.R.S. § 41-1037 because they are issued to qualified individuals to conduct activities that are substantially similar in nature.

14. Course of action the agency proposes to take regarding each rule, including the month and year in which the agency anticipates submitting the rules to the Council if the agency

determines it is necessary to amend or repeal an existing rule or to make a new rule. If no issues are identified for a rule in the report, the agency may indicate that no action is necessary for the rule:

The Board intends amend some rules and repeal many of its rules. The need for this action was the Board's conclusion when it completed the previously mentioned rule review required by the Governor's office. In an e-mail dated May 1, 2017, Mara Mellstrom, Policy Advisor in the Governor's Office, granted the Board an exemption from EO2017-02. The Board anticipates completing the rulemaking by June 30, 2018.