

House Bill 1003 (AS PASSED HOUSE AND SENATE)

By: Representatives Powell of the 23<sup>rd</sup>, Bruce of the 45<sup>th</sup>, Westmoreland of the 86<sup>th</sup>, Stoner of the 34<sup>th</sup>, Post 1, DeLoach of the 127<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

To amend Title 43 of the Official Code of Georgia Annotated, relating to professions and businesses, so as to create the State Licensing Board for Residential and General Contractors; to define certain terms; to provide for the composition, powers, and duties of the board; to provide for the licensing of residential and general contractors; to provide for fees and an examination; to provide for the revocation of licenses; to provide for the renewal of licenses; to provide penalties for engaging in residential or general contracting without a valid license; to provide for exceptions; to provide for matters relative to the foregoing; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 43 of the Official Code of Georgia Annotated, relating to professions and businesses, is amended by adding a new Chapter 41 to read as follows:

"CHAPTER 41

43-41-1.

It is the intent of the General Assembly, in the interest of public health, safety, and welfare, to safeguard homeowners, other property owners, tenants, and the general public against faulty, inadequate, inefficient, and unsafe residential and general contractors. The practice of residential and general contracting is declared to be a business or profession affecting the public interest and this chapter shall be liberally construed so as to accomplish the intent and purposes stated in this Code section.

43-41-2.

As used in this chapter, the term:

(1) 'Board' means the State Licensing Board for Residential and General Contractors.

(2) 'Business organization' means any partnership, corporation, limited liability entity, business trust, joint venture, or other legal entity, other than an individual person, doing business or seeking, offering, or contracting to do business as a contractor or otherwise performing or acting as a contractor as defined in this Code section.

(3) 'Contracting' means performing or causing to be performed any of the activities set forth in paragraphs (4), (5), (9), (10), and (11) of this Code section which define the types of contractors. The offering of contracting services and the negotiation of or bid or proposal for engagement or a contract requiring performance of these services also constitutes contracting.

(4) 'Contractor,' except as specifically exempted by this chapter, means a person who is qualified under this chapter and who, for compensation, contracts to, offers to undertake or undertakes to, submits a bid or a proposal to, or personally or by others performs the construction or the management of the construction of improvements to real property for an owner, including the construction or improvement of, addition to, or the repair, alteration, remodeling, or demolition of any building, bridge, or other structure, including related improvements to the real property, for use by the owner or by others or for resale to others. The term 'contractor' for purposes of this chapter shall include a person who contracts to, undertakes to, or submits a bid or proposal to perform, or otherwise does himself or herself perform, for an owner:

(A) Construction management services relative to the performance by others of such construction activities where the person performing such construction management services is at risk contractually to the owner for the performance and cost of the construction; and

(B) Services of a contractor as part of performance of design-build services, whether as a prime contractor, joint venture partner, or as a subcontractor to a design professional acting as prime contractor as part of a design-build entity or combination. Both residential and general contractors, in addition to contractors licensed under Chapter 14 of this title to perform such work or any component thereof, shall be permitted to construct storm-water management systems comprising any storm-water conveyance or storm-water detention facility that moves storm or surface water from a specific point on a wholly contained construction project site to another specific point on the same project site and which are wholly contained within the project site and are not part of or connected to any public or private water treatment system, waste-water treatment system, or storm-water system.

(5) 'General contractor' means a contractor whose services are unlimited as to the type of work which he or she may do and who may contract for, undertake to perform, submit a bid or a proposal or otherwise offer to perform, and perform any activity or work as a

1 contractor requiring licensure under this chapter including within its scope any work  
2 requiring licensure under Chapter 14 of this title; provided, however, that any work  
3 contractually undertaken by a general contractor in the nature of electrical contracting,  
4 plumbing, conditioned air contracting, low voltage contracting, or utility contracting  
5 which falls within the licensing requirements of Chapter 14 of this title may not be  
6 performed by the general contractor but shall only be performed by a person who is duly  
7 licensed to perform such work under Chapter 14 of this title. The construction of all  
8 private, commercial, institutional, industrial, public, and other buildings and structures  
9 under contract with or engagement directly by an owner shall be undertaken by a general  
10 contractor, except as otherwise expressly set forth in or excluded from operation of this  
11 chapter.

12 (6) An 'owner' of real property means a person or entity that has a majority ownership  
13 interest in the real property to be improved and for whom an improvement is made or  
14 who contracts with or engages, directly or through an agent, the contractor to perform the  
15 construction work or services.

16 (7) 'Qualifying agent' means a person who possesses the requisite skill, knowledge, and  
17 experience and has the responsibility to supervise, direct, manage, and control all of the  
18 contracting activities of a contractor doing business in the form of a business  
19 organization, with which he or she is affiliated by employment or ownership; who has the  
20 responsibility to supervise, direct, manage, and control construction activities on a job for  
21 which he or she has obtained the building permit; and whose technical and personal  
22 qualifications have been determined by investigation and examination as provided in this  
23 chapter, as attested by the division.

24 (8) 'Real property' means the real estate, or an interest therein, that is improved,  
25 including leaseholds, tenements, and easements, and improvements constructed or placed  
26 thereon.

27 (9) 'Residential contractor' means any contractor who may contract for, undertake to  
28 perform, submit a bid or a proposal or otherwise offer to perform, and perform any  
29 activity or work as a contractor requiring licensure under this chapter for a fixed price,  
30 commission, fee, wage, or other compensation or who undertakes any activity or work  
31 on his or her own behalf or for any person or business organization that is not licensed  
32 as a licensed residential contractor pursuant to this chapter where such activity or work  
33 falls into the category of residential-basic contractor or residential-light commercial  
34 contractor as defined in this Code section and where the total value of the work or activity  
35 or of the compensation to be received by the contractor for such activity or work,  
36 whichever is the higher, exceeds \$2,500.00. The term 'residential contractor' shall  
37 include both a residential-basic contractor and a residential-light commercial contractor,

1 except where otherwise expressly stated. The work or activity performed by a residential  
2 contractor may include within its scope any work requiring licensure under Chapter 14  
3 of this title; provided, however, that any work contractually undertaken by a residential  
4 contractor in the nature of electrical contracting, plumbing, conditioned air contracting,  
5 low voltage contracting, or utility contracting which falls within the licensing  
6 requirements of Chapter 14 of this title may not be performed by the residential  
7 contractor but shall only be performed by a person who is duly licensed to perform such  
8 work under Chapter 14 of this title.

9 (10) 'Residential-basic contractor' means and encompasses a person who performs  
10 contractor work or activity relative to detached one-family and two-family residences and  
11 one-family townhouses not over three stories in height and their accessory buildings and  
12 structures;

13 (11) 'Residential-light commercial contractor' means and encompasses a person who  
14 performs any contractor work or activity performed by a residential-basic contractor and,  
15 additionally, shall include such contractor work or activity related to multifamily and  
16 multiuse light commercial buildings and structures, and their related accessory buildings  
17 and structures, which are less than four stories in height; less than 25,000 square feet in  
18 aggregate interior floor space, except as otherwise provided in this chapter; and are  
19 constructed of wood or light gauge metal frame, brick veneer, prefabricated, or  
20 manufactured type of construction; or are preengineered steel buildings not exceeding  
21 50,000 square feet of interior floor space; provided that such buildings or structures are  
22 not of the type of building or structure that would constitute a special hazard to property  
23 or to life and safety of persons as defined in subparagraphs (A), (C), (D), (E), (F), (G),  
24 (G.1), (H), (I), and (J) and subparagraph (B), as it applies to a building of four or more  
25 stories, of paragraph (1) of subsection (b) of Code Section 25-2-13.

26 (12) 'Specialty contractor' means a contractor whose scope of work and responsibility is  
27 of limited scope dealing with only a specific trade and directly related and ancillary work  
28 and whose performance is limited to such specialty construction work requiring special  
29 skill and requiring specialized building trades or crafts, including, but not limited to, such  
30 activities, work, or services requiring licensure under Chapter 14 of this title.

31 43-41-3.

32 (a) There is created the State Licensing Board for Residential and General Contractors  
33 consisting of 14 members, ten of whom shall be appointed by the Governor for five-year  
34 terms, two of whom shall be appointed by the Speaker of the House of Representatives for  
35 five-year terms, and two of whom shall be appointed by the Senate Committee on  
36 Assignments or successor by Senate Rule for five-year terms. The board shall be assigned

1 to the Secretary of State's office for administrative purposes and shall be under the  
2 jurisdiction of the division director and shall operate in accordance with and pursuant to  
3 the provisions of Chapter 1 of this title, as applicable. The board shall be comprised of two  
4 divisions: the residential contractor division, having jurisdiction of and authority over the  
5 two subcategories of residential contracting, residential-basic contractors and  
6 residential-light commercial contractors, and the general contractor division. Seven  
7 members shall be appointed and serve as members of the residential contractor division of  
8 the board and seven members shall be appointed and serve as members of the general  
9 contractor division of the board. Members shall serve until the expiration of their  
10 respective terms and until their successors are appointed and qualified. Vacancies  
11 occurring during a term shall be filled by appointment of the Governor for the remainder  
12 of the unexpired term and such replacement shall meet the requirements and criteria of  
13 selection of the person previously holding the vacant position. To be eligible to serve on  
14 the respective divisions of the board, each contractor member shall be and remain actively  
15 involved in the construction contracting business and shall have been so engaged for a  
16 period of not less than five consecutive years before the date of appointment in the  
17 particular contracting business, as a residential contractor or general contractor,  
18 corresponding to the division for which such person is appointed. Any contractor members  
19 whose term continues after or who are appointed to terms commencing two years from the  
20 date that this chapter becomes effective must also have been licensed and certified by the  
21 respective division of the board to operate as a contractor in the category to which the  
22 member is appointed. The position of any appointive member of the board who, during his  
23 or her term of appointment, shall cease to meet the qualifications for original appointment  
24 shall be immediately vacated. No member of the board shall be appointed to serve more  
25 than two full terms.

26 (b) The residential contractor division shall consist of seven members , one of whom shall  
27 be appointed by the Speaker of the House of Representatives and one of whom shall be  
28 appointed by the Senate Committee on Assignments, and, except as otherwise expressly  
29 stated in this chapter, shall have jurisdiction of and authority over the practice of the two  
30 subcategories of residential contracting, residential-basic contractors and residential-light  
31 commercial contractors. Five members shall be residential contractors eligible for  
32 licensure under this chapter. The members appointed by the Speaker of the House of  
33 Representatives and the Senate Committee on Assignments or successor by Senate Rule  
34 shall be residential contractors. Effective July 1 of the second year after this chapter  
35 becomes effective, all residential contractor members shall be required to be licensed under  
36 this chapter. At least two of the residential contractor members shall be qualified to  
37 perform residential-light commercial type projects; three shall be qualified and shall

1 predominantly perform residential-basic type projects; one shall be a residential contractor  
2 whose business predominately involves remodeling projects; one shall be a residential  
3 contractor who constructs at least an average of 20 residences per year; and all must be  
4 geographically diverse. One member shall be a public building official and one member  
5 shall be a public member. The public member shall have no ties with the residential  
6 construction industry and shall represent the interests of the public at large. The initial  
7 member terms on the residential contractor division shall be staggered so that all terms do  
8 not expire simultaneously. Three members shall serve initial terms of five years, three  
9 members shall serve initial terms of four years, and one member shall serve an initial term  
10 of three years. The residential contractor division shall meet at least six times each year  
11 for the purpose of transacting such business as may properly come before it.

12 (c) The general contractor division shall consist of seven members, one of whom shall be  
13 appointed by the Speaker of the House of Representatives and one of whom shall be  
14 appointed by the Senate Committee on Assignments or successor by Senate Rule, and,  
15 except as otherwise expressly stated in this chapter, shall have jurisdiction of and authority  
16 over the practice of general contracting. Five members shall be general contractors eligible  
17 for licensure under this chapter. The members appointed by the Speaker of the House of  
18 Representatives and the Senate Committee on Assignments or successor by Senate Rule  
19 shall be general contractors. Effective July 1 of the second year after this chapter becomes  
20 effective, all general contractor members shall be required to be licensed under this chapter.  
21 At least two of the general contractor members shall be small volume builders with an  
22 annual contracting volume of less than \$5 million and all of whom must be geographically  
23 diverse. One member shall be a currently licensed or registered architect or engineer and  
24 one member shall be a public building official. The initial member terms on the general  
25 contractor division shall be staggered so that all terms do not expire simultaneously. Three  
26 members, including at least two contractor members, shall serve initial terms of five years;  
27 three members, including at least two contractor members, shall serve initial terms of four  
28 years; and one member shall serve an initial term of three years. The general contractor  
29 division shall meet at least six times each year for the purpose of transacting such business  
30 as may properly come before it.

31 43-41-4.

32 (a) The initial members of the board shall be appointed no later than July 30 of the year  
33 in which this chapter becomes effective. The board shall meet within 30 days after its  
34 appointment at a time and place to be designated by the Governor and organize by electing  
35 a chairperson and a vice chairperson, each to serve for a one year term.

(b) The office of chairperson of the board shall be rotated between the two divisions enumerated in this chapter, with the office of vice chairperson to be held by a member of the division other than that in which the chairperson serves, unless the board, through its rules and regulations, provides otherwise. Any vacancy in the office of chairperson shall be filled by the members for the unexpired term. The person selected to fill the vacancy shall be a member of the same division as the chairperson whose departure has created the vacancy.

(c) The board shall meet at the call of the chairperson or upon the recommendation of a majority of its members. Eight members of the board, including at least three members from each of its divisions, shall constitute a quorum for transaction of business by the board.

(d) Each division within the board shall also elect from its membership a chairperson and a vice chairperson who shall each serve for a term of two years. Any vacancy in the office of either the chairperson or vice chairperson shall be filled by one of the members of the respective division for the unexpired term.

(e) Any member elected chairperson of a division may not serve more than two consecutive full terms of office.

(f) Each division shall carry out its powers and duties as provided for in this chapter with the assistance of the division director and staff of the professional licensing boards division of the Secretary of State's office and the officers and staff of the board. Each division of the board shall operate and transact its business independently of the other division and of the board at large, except as required by this chapter and to the extent of common interests and functions, including staffing and administration. Each division of the board shall have delegated from the board the power and authority to take all appropriate actions in the organization and administration of each respective division and the effectuation and implementation of the licensing and enforcement processes required under this chapter, subject to ultimate oversight and review by the board.

(g) The divisions of the board shall meet at the call of the chairperson of the division.

(h) The board shall not take action on any matter specifically delegated to and under the authority and control of the one of its divisions unless at least four of its members from the affected division are present and participating in such action or decision.

(i) The division director, or his or her designee, shall keep a record of the proceedings of the board and its respective divisions.

43-41-5.

(a) The board shall meet at least twice each year for the purpose of transacting such business as may properly come before it and of overseeing the operation of its divisions.

1 (b) The board and its divisions shall have the power to:

2 (1) Request from the various departments, agencies, and authorities of the state and its  
3 political subdivisions and their agencies and authorities such available information as  
4 they may require in their work; and all such departments, agencies, and authorities shall  
5 furnish such requested available information to the board and its divisions within a  
6 reasonable time;

7 (2) Provide by regulation for reciprocity with other states or territories of the United  
8 States in the licensing of residential and general contractors, provided that such other  
9 states have requirements substantially equal to the requirements in force in this state for  
10 registration, licensure, or certification and that any such contractor holding a current and  
11 valid license, certificate, or registration from another state or territory seeking licensure  
12 by way of reciprocity shall demonstrate that such applicant meets, in the discretion of the  
13 respective division, the qualifications, requirements, and criteria set forth in Code Section  
14 43-41-6, other than the requirement to take and pass an examination as set forth in  
15 subsection (d) of Code Section 43-41-6, and that such applicant is otherwise in  
16 compliance with all requirements of the State of Georgia for transaction of such business  
17 within this state; provided, further, that a similar privilege is offered to residents of this  
18 state by the other state or territory;

19 (3) Establish and adjust fees as necessary within the limits set forth in Chapter 1 of this  
20 title;

21 (4) Adopt official seals for their use and change them at pleasure;

22 (5) Establish the policies and procedures for regulating the businesses of residential  
23 contracting and general contracting;

24 (6) Determine qualifications for licensure or certification, including such experience  
25 requirements as the board deems necessary; and

26 (7) Promulgate and adopt rules and regulations necessary to carry out this chapter.

27 (c) Regarding the powers and authorities conferred by this Code section relative to the  
28 residential-light commercial contractor subcategory of the residential contractor  
29 classification under this chapter, due to the characteristics of such subcategory, such  
30 powers and authorities shall be delegated to and conferred upon, in the first instance, a  
31 combined and overlapping subdivision comprising four members of both of the divisions,  
32 two of whom shall be the residential-light commercial qualified members of the residential  
33 contractor division and two of whom shall be the small volume qualified members of the  
34 general contractor division, with neither division having sole oversight and control of such  
35 powers and authorities. The chairperson of such combined subdivision shall be rotated  
36 annually between the chairperson of the residential contractor division and the chairperson  
37 of the general contractor division, with the residential contractor chairperson initially



1 serving as chairperson. The combined subdivision shall meet at the call of such  
2 chairperson. However, regarding the actual issuance of licenses under this chapter for  
3 residential-light commercial contracting and any powers and authorities relative to  
4 administration, oversight, control, or disciplinary action of persons issued such licenses,  
5 pursuant to Code Sections 43-41-10, 43-41-11, 43-41-13, 43-41-15, and 43-41-16, the  
6 residential contractor division shall have full power and authority. Any determinations  
7 made or actions taken by this subdivision shall be subject to the ultimate review, oversight,  
8 control, power, and authority of the board.

9 (d)(1) The division director is authorized to make, or cause to be made through  
10 employees or contract agents of the board, such investigations as he or she or the board  
11 may deem necessary or proper for the enforcement of the provisions of this chapter. Any  
12 person properly conducting an investigation on behalf of the board shall have access to  
13 and may examine any writing, document, or other material relating to the fitness of any  
14 licensee or applicant. The division director or his or her appointed representative may  
15 issue subpoenas to compel such access upon a determination that reasonable grounds  
16 exist for the belief that a violation of this chapter or any other law relating to the practice  
17 of residential or general contracting may have taken place.

18 (2) The results of all investigations initiated by the board shall be reported solely to the  
19 board, and the records of such investigations shall be kept for the board by the division  
20 director, with the board retaining the right to have access at any time to such records. No  
21 part of any such records shall be released, except to the board, for any purpose other than  
22 a hearing before the board, nor shall such records be subject to subpoena; provided,  
23 however, that the board shall be authorized to release such records to another  
24 enforcement agency or lawful licensing authority.

25 (3) The board shall have the authority to exclude all persons during its deliberations on  
26 disciplinary proceedings and to discuss any disciplinary matter in private with a licensee  
27 or applicant and the legal counsel of that licensee or applicant.

28 (e) A person, firm, corporation, association, authority, or other entity shall be immune  
29 from civil and criminal liability for reporting or investigating the acts or omissions of a  
30 licensee or applicant which violate the provisions of this chapter or any other provision of  
31 law relating to a licensee's or applicant's fitness to practice as a licensed residential or  
32 general contractor or for initiating or conducting proceedings against such licensee or  
33 applicant, if such report is made or action is taken in good faith, without fraud or malice.

34 (f) The denial of a license on grounds other than those enumerated in this chapter, the  
35 issuance of a private reprimand, the denial of a license by reciprocity, the denial of a  
36 request for reinstatement of a revoked license, or the refusal to issue a previously denied  
37 license shall not be considered to be a contested case within the meaning of Chapter 13 of

1 Title 50, the 'Georgia Administrative Procedure Act.' Notice and hearing within the  
2 meaning of Chapter 13 of Title 50 shall not be required, but the applicant or licensee shall  
3 be allowed to appear before the board if he or she so requests.

4 (g) If any licensee or applicant fails to appear at any hearing after reasonable notice, the  
5 board may proceed to hear the evidence against such licensee or applicant and take action  
6 as if such licensee or applicant had been present. A notice of hearing, initial or  
7 recommended decision, or final decision of the board in a disciplinary proceeding shall be  
8 served upon the licensee or applicant by certified mail or statutory overnight delivery,  
9 return receipt requested, to the last known address of record with the board. If such  
10 material is returned marked 'unclaimed' or 'refused' or is otherwise undeliverable and if the  
11 licensee or applicant cannot, after diligent effort, be located, the division director shall be  
12 deemed to be the agent for service for such licensee or applicant for purposes of this Code  
13 section, and service upon the division director shall be deemed to be service upon the  
14 licensee or applicant.

15 (h) The voluntary surrender of a license shall have the same effect as a revocation of the  
16 license, subject to reinstatement in the discretion of the board.

17 (i) This Code section shall apply equally to all licensees or applicants whether individuals,  
18 partners, or members of any other incorporated or unincorporated associations,  
19 corporations, business organizations, or other associations of any kind whatsoever.

20 (j) All subpoenas issued pursuant to the authority granted in this chapter shall be subject  
21 to the general rules of law with respect to distance, tender of fees and expenses, and  
22 protective orders; and any motion made with respect thereto shall be made to and passed  
23 on by a judge of the superior court of the county of residence of the person to whom the  
24 subpoena is directed.

25 43-41-6.

26 (a) Anyone seeking to be licensed as a residential contractor or as a general contractor in  
27 this state shall file an application on a form provided by the residential contractor or  
28 general contractor division, respectively, accompanied by an application fee as provided  
29 by the board. Such an application may be submitted either by:

30 (1) An individual person seeking issuance of a license in his or her own name for  
31 purposes of engaging in the profession of residential or general contracting in his or her  
32 own name or doing business as an individual in a trade name as a sole proprietorship; or

33 (2) An individual person affiliated by ownership or employment with and acting as a  
34 qualifying agent for a business organization seeking to engage in the profession of  
35 residential or general contracting in the name of the business organization in accordance  
36 with and pursuant to Code Section 43-41-9.

1 Additionally, all applicants must submit to and successfully pass an examination prepared  
2 by the appropriate division, except where an applicant is otherwise qualified for licensure  
3 and has satisfied the appropriate division requirements and regulations for licensure  
4 pursuant to Code Section 43-41-8 exempting such applicant from the examination  
5 requirement or where the applicant is an individual acting as a qualifying agent for a  
6 business organization and has previously obtained and maintained continuously a license  
7 issued by the appropriate division.

8 (b) A person shall be eligible for licensure as a residential-basic contractor by the  
9 residential contractor division if the person:

10 (1) Is at least 21 years of age;

11 (2) Is of a good character and is otherwise qualified as to competency, ability, and  
12 integrity;

13 (3) Has at least two years of proven experience working as or in the employment of a  
14 residential contractor, predominantly in the residential-basic category, or other proven  
15 experience deemed substantially similar by the division; and

16 (4) Has had significant responsibility for the successful performance and completion of  
17 at least two projects falling within the residential-basic category in the two years  
18 immediately preceding application.

19 (c) A person shall be eligible for licensure as a residential-light commercial contractor by  
20 the residential-light commercial subdivision if the person:

21 (1) Is at least 21 years of age;

22 (2) Is of a good character and is otherwise qualified as to competency, ability, and  
23 integrity;

24 (3) Meets eligibility requirements according to one of the following criteria:

25 (A) Has received a baccalaureate degree from an accredited four-year college or  
26 university in the field of engineering, architecture, construction management, building  
27 construction, or other field acceptable to the division and has at least one year of proven  
28 experience working as or in the employment of a residential contractor, general  
29 contractor, or other proven experience deemed substantially similar by the division;

30 (B) Has a combination acceptable to the division of academic credits from any  
31 accredited college-level courses and proven practical experience working as or in the  
32 employment of a residential contractor, general contractor, or other proven experience  
33 deemed substantially similar by the division equaling at least four years in the  
34 aggregate. For purposes of this subparagraph, all university, college, junior college, or  
35 community college-level courses shall be considered accredited college-level courses;

36 or

1 (C) Has a total of at least four years of proven active experience working in a  
2 construction industry related field, at least two of which shall have been as or in the  
3 employment of a residential contractor, or other proven experience deemed acceptable  
4 by the division; and

5 (4) Has had significant responsibility for the successful performance and completion of  
6 at least two projects falling within the residence-light commercial category in the four  
7 years immediately preceding application.

8 (d) A person shall be eligible for licensure as a general contractor by the general contractor  
9 division if the person:

10 (1) Is at least 21 years of age;

11 (2) Is of a good character and is otherwise qualified as to competency, ability, integrity,  
12 and financial responsibility; and

13 (3) Meets eligibility requirements according to one of the following criteria:

14 (A) Has received a baccalaureate degree from an accredited four-year college or  
15 university in the field of engineering, architecture, construction management, building  
16 construction, or other field acceptable to the division and has at least one year of proven  
17 experience working as or in the employment of a general contractor or other proven  
18 experience deemed substantially similar by the division;

19 (B) Has a combination acceptable to the division of academic credits from any  
20 accredited college-level courses and proven practical experience working as or in the  
21 employment of a general contractor or other proven experience deemed substantially  
22 similar by the division equaling at least four years in the aggregate. For purposes of  
23 this subparagraph, all university, college, junior college, or community college-level  
24 courses shall be considered accredited college-level courses; or

25 (C) Has a total of at least four years of proven active experience working in a  
26 construction industry related field, at least two of which shall have been as or in the  
27 employment of a general contractor, or other proven experience deemed acceptable by  
28 the division and at least one of which shall have been in or relating to administration,  
29 marketing, accounting, estimating, drafting, engineering, supervision, or project  
30 management, or functions deemed substantially similar by the division.

31 (e) Before being entitled to take an examination or otherwise qualify for issuance of a  
32 license, an applicant must show to the satisfaction of the residential contractor division or  
33 general contractor division from the application and proofs furnished that the applicant is  
34 possessed of a good character and is otherwise qualified as to competency, ability,  
35 integrity, and financial responsibility. The application shall include a list of all persons,  
36 entities, and business organizations that the applicant will be affiliated with as a licensed  
37 residential contractor or general contractor, whether by way of employment, ownership,

1 serving as an owner or director, partnership, or membership or by serving as a qualifying  
2 agent under this chapter. Applicants for a general contractor license shall provide proof  
3 of a minimum net worth in an amount which is specified by the general contractor division.  
4 Additionally, all applicants shall provide proof of general liability insurance and of  
5 workers' compensation insurance as required by the laws of this state in their name.  
6 However, if and to the extent the applicant is submitted as a person seeking to act as a  
7 qualifying agent of a particular business organization, such proofs and information shall  
8 relate and pertain to such business organization rather than the individual applicant, subject  
9 to the limitations set forth in subsection (d) of Code Section 43-41-9. All applicants shall  
10 also provide their social security numbers, if applying as an individual, or the federal  
11 taxpayer identification numbers of any business organization for which the applicant is  
12 seeking licensure as a qualifying agent. Applicants for a general contractor's license shall  
13 also provide suitable verification of tax payments in a form and manner and for the  
14 duration prescribed by the general contractor division; provided, however, that where the  
15 application is seeking license as a qualifying agent of a business organization, such tax  
16 verification and information shall relate and pertain to that business organization. The  
17 decision of the appropriate division as to the qualifications of applicants shall, in the  
18 absence of fraud, be conclusive. A certificate by the insurer or other appropriate evidence  
19 of such coverages shall be maintained with the appropriate division and shall be a condition  
20 of renewal. A licensee, on his or her own behalf or where acting as a qualifying agent on  
21 behalf of the business organization so qualified, must notify the appropriate division in  
22 writing within 30 days of any changes in the information required to be on file with such  
23 division, including, but not limited to, the licensee's and, if the licensee is acting as a  
24 qualifying agent for any business organization, such business organization's current  
25 mailing address, insurance coverages, and affiliated entities.

26 (f)(1) The residential contractor division and the general contractor division shall each  
27 conduct an examination of all qualified applicants, except those exempted from the  
28 examination requirement pursuant to Code Section 43-41-8.

29 (2) The residential contractor division shall conduct separate examinations for applicants  
30 for residential-basic and residential-light commercial licenses for the purpose of  
31 determining a particular applicant's ability to make a practical application of his or her  
32 knowledge of the profession of residential contracting in the particular subcategory for  
33 which a license is sought; the applicant's qualifications in reading plans and  
34 specifications; his or her knowledge of building codes, estimating costs, construction,  
35 ethics, contracting, and other similar matters pertaining to such residential contracting  
36 business; his or her knowledge as to the responsibilities of a residential contractor to the  
37 public and to owners, subcontractors, and suppliers; and his or her knowledge of the

1 requirements of the laws of this state relating to residential-basic and residential  
2 light-commercial contractors, construction, workers' compensation, insurance, and liens.

3 (3) The general contractor division shall conduct an examination to ascertain the  
4 particular applicant's ability to make a practical application of his or her knowledge of  
5 the profession of commercial general contracting; the applicant's qualifications in reading  
6 plans and specifications; his or her knowledge of building codes, estimating costs,  
7 construction, ethics, contracting, and other similar matters pertaining to the general  
8 contracting business; his or her knowledge as to the responsibilities of a general  
9 contractor to the public and to owners, subcontractors, and suppliers; and his or her  
10 knowledge of the requirements of the laws of this state relating to general contractors,  
11 construction, workers' compensation, insurance, surety bonding, and liens.

12 (4) If the results of the applicant's examination are satisfactory to the appropriate  
13 division, or he or she is exempted from the examination requirement under Code Section  
14 43-41-8, and if he or she and any affiliated business organization has met the other  
15 qualifications and requirements set forth in this Code section, then the appropriate  
16 division shall issue to the applicant a license to engage in business as a residential or  
17 general contractor in this state, as provided in such license, in his or her own name as a  
18 sole proprietor or as a qualifying agent for the affiliated business organization and in the  
19 name of such business organization, pursuant to and in accordance with the requirements  
20 set forth in Code Section 43-41-9. A residential contracting license shall indicate for  
21 which of the two subcategories, residential-basic or residential-light commercial, the  
22 licensee is qualified.

23 (g) Any otherwise qualified applicant failing this examination may be reexamined at any  
24 regularly scheduled examination within one year of the date of original application upon  
25 payment of a reexamination fee, in an amount to be set by the board, without need to  
26 resubmit an application, unless any information set forth in the previously submitted  
27 application is no longer accurate or complete. Anyone requesting to take the examination  
28 a third or subsequent time shall wait at least one calendar year after the taking of the last  
29 examination and shall submit an application with the appropriate examination fees.

30 (h) A residential contractor license, indicating whether relating to the residential-basic or  
31 residential-light commercial category, or general contractor license shall be issued to an  
32 applicant who successfully completes the respective requirements therefor upon the  
33 payment of fees prescribed by the board.

34 (i) Such licenses shall be renewable biennially. Licenses may be renewed subsequent to  
35 their expiration within six months of the date of expiration by mailing written application  
36 for renewal and paying a late renewal fee as determined by the board. After six months has

1 elapsed from the date of expiration, such license may be reinstated in accordance with the  
2 rules and regulations of the board.

3 (j) The division director shall give advance notice by mail to each person holding a license  
4 under this chapter of the date of the expiration of the certificate of registration and the  
5 amount of the fee required for renewal at least one month prior to the expiration date, but  
6 the failure to receive such notice shall not avoid the expiration of any license not renewed  
7 in accordance with this Code section.

8 (k) As a condition of renewal, the appropriate division may require licensees to complete  
9 division approved continuing education of not more than three hours annually for a  
10 residential-basic license, six hours annually for a residential-light commercial license, and  
11 eight hours annually for a general contractor license.

12 43-41-7.

13 A licensed residential contractor and any affiliated entities shall offer a written warranty  
14 in connection with each contract to construct, or superintend or manage the construction  
15 of, any single family residence where the total value of the work or activity or the  
16 compensation to be received by the contractor for such activity or work exceeds \$2,500.00.  
17 The residential contractor division shall establish the minimum requirements of such  
18 warranty. The parties to the warranty may agree to submit any or all disputes arising under  
19 the warranty to arbitration. Such agreement to arbitrate shall be enforceable as provided  
20 in Part 1 of Article 1 of Chapter 9 of Title 9, the 'Georgia Arbitration Code.'

21 43-41-8.

22 (a) Notwithstanding any other provision of this chapter to the contrary, the following  
23 persons desiring to qualify for a residential contractor license or a general contractor  
24 license under the provisions of this chapter shall be eligible for issuance of a such a license  
25 by the appropriate division without examination, provided that such person submits a  
26 proper application and proofs, pays or has paid the required fees, otherwise meets the  
27 requirements of Code Section 43-41-6 for licensure, and is not otherwise in violation of this  
28 chapter:

29 (1) Any person who holds a current and valid license to engage in the comparable  
30 category of residential or general contracting issued to him or her by any governing  
31 authority of any political subdivision of this state which requires passing an examination  
32 which is substantially similar to the state examination for residential or general  
33 contractors, provided that such person is a Georgia resident and citizen, if an individual  
34 applying in his or her own behalf, or is seeking licensure as a qualifying agent for a  
35 business organization incorporated in Georgia or otherwise authorized and certified to

1 transact business in Georgia with a regular office and place of business in Georgia  
2 currently and having had such office and place of business continuously for the five years  
3 immediately preceding such application; provided, further, that the examination results  
4 are made available to the appropriate division. Such application and request for  
5 exemption must be submitted within the time limits set forth in subsection (a) of Code  
6 Section 43-41-17;

7 (2) Any person who has successfully and efficiently engaged in the comparable category  
8 of residential or general contracting in this state as provided in this Code section;  
9 provided, however, that such person shall be either a resident and citizen of the state of  
10 Georgia or, if applying as a qualifying agent for a business organization, such business  
11 organization shall be either incorporated in Georgia or is a business organization  
12 otherwise authorized and certified to transact business in Georgia with a regular office  
13 and place of business in Georgia currently and having had such office and place of  
14 business continuously for the five years immediately preceding such application;  
15 provided, further, that such application and request for exemption is submitted within the  
16 time limits set forth in subsection (a) of Code Section 43-41-17. To prove that he or she  
17 has successfully engaged in residential-basic or residential-light commercial projects, the  
18 person shall be required to give evidence of three successful projects located in Georgia  
19 which were successfully completed over the period of five years immediately prior to the  
20 time of application; evidence of ten successfully completed residential-basic or  
21 residential-light commercial projects located in Georgia over the period of ten years  
22 immediately prior to the time of application; or evidence that he or she has participated  
23 in or been engaged in residential-basic or residential-light commercial construction in a  
24 supervisory or management capacity for seven of the ten years immediately prior to the  
25 time of application. To prove that he or she has successfully engaged in commercial  
26 general contracting, the person submitting the application shall be required to give  
27 evidence of five successful general contracting projects located in Georgia which were  
28 successfully completed over the period of five years immediately prior to the time of  
29 application or evidence of ten successful general contracting projects located in Georgia  
30 which were successfully completed over the period of ten years immediately prior to the  
31 time of application, such projects having been performed either by such person acting as  
32 an individual or by a business organization in which such individual person was affiliated  
33 by employment or ownership and over which such person had general oversight and  
34 management responsibilities; and

35 (3) Any person who holds a current and valid license to practice a comparable category  
36 of residential or general contracting issued by another state or territory of the United  
37 States, where either such state or territory has entered into a reciprocal agreement with



1 the board and divisions for the recognition of contractor licenses issued in that state or  
2 territory, or such application is pursuant to and in accordance with the regulations and  
3 requirements for reciprocity promulgated by the divisions in accordance with  
4 subsection (b) of Code Section 43-41-5. Additionally, such application shall meet the  
5 following requirements:

6 (A) The criteria for issuance of such license or certification by such other state or  
7 territory, including the requirement to successfully complete an examination, were  
8 substantially equivalent to Georgia's current license criteria;

9 (B) The application requirements and application form submitted to the other state or  
10 territory upon which such license was issued and the examination form and substance  
11 are available for review by the appropriate division and the examination results are  
12 made available to the division;

13 (C) The applicant shall demonstrate that he or she meets the qualifications,  
14 requirements, and criteria set forth in subsections (a), (b), (c), and (d) of Code Section  
15 43-41-6; and

16 (D) The applicant is otherwise in compliance with all requirements of this state for  
17 transaction of such business within this state; provided, however, that such application  
18 and request for exemption shall be submitted within the time limits set forth in  
19 subsection (a) of Code Section 43-41-17.

20 (b) Any applicant for issuance of a residential contractor or general contractor license  
21 under this title who shall seek exemption from the examination requirement under  
22 subsection (f) of Code Section 43-41-6, on any basis set forth above, shall have the burden  
23 of establishing to the satisfaction and within the discretion of the appropriate division that  
24 the requirements for such exemption have been satisfied. The decision of such division as  
25 to the satisfaction of the requirements for such exemption from taking the examination  
26 shall, in the absence of fraud, be conclusive.

27 43-41-9.

28 (a) If an individual applicant proposes to engage in residential or general contracting in the  
29 individual's own name or a trade name where the individual is doing business as a sole  
30 proprietorship, the license shall be issued only to that individual. Where an applicant under  
31 this chapter is seeking issuance of a residential or general contractor license on behalf and  
32 for the benefit of a business organization seeking to engage in residential or general  
33 contracting as a business organization, or in any name other than the applicant's legal name  
34 or trade name where the applicant is doing business as a sole proprietorship, the application  
35 for a license under this chapter must be submitted by and through an individual qualifying  
36 agent for such business organization or entity and expressly on behalf of such business

1 organization or entity. In such case, the license shall be issued to the individual qualifying  
2 agent and to the affiliated business organization or entity on whose behalf the application  
3 was made. It shall be unlawful for any person, firm, corporation, or association to operate  
4 a business organization or entity engaged in the business of residential or general  
5 contracting without first obtaining a license from the appropriate division. The appropriate  
6 division shall not issue a license to any business organization or entity to engage in  
7 residential or general contracting unless such business organization or entity employs at  
8 least one currently licensed residential or general contractor who is actually engaged in the  
9 practice of residential or general contracting for such business organization or entity on a  
10 full-time basis and provides adequate supervision and is responsible for the projects of such  
11 business organization or entity. A business organization may allow more than one person  
12 to act as a qualifying agent for such organization, subject to each such individual qualifying  
13 agent having successfully satisfied the requirements for issuance of a license under this  
14 chapter and having obtained issuance of such a license by the appropriate division. Each  
15 such business organization shall have at least one qualifying agent in order to be considered  
16 authorized to engage in such contracting business.

17 (b) The application for a license by a qualifying agent must include an affidavit on a form  
18 provided by the board attesting that the individual applicant has final approval authority  
19 for all construction work performed by the business organization or entity and that the  
20 individual applicant has final approval authority on all business matters, including contracts  
21 and contract performance and financial affairs of the business organization or entity.

22 (c) A joint venture is considered a separate and distinct organization for licensing purposes  
23 under this chapter and must be qualified and licensed in accordance with the appropriate  
24 division's rules and regulations either:

25 (1) In its own name as a separate business organization; or

26 (2) By each of the members of the joint venture doing business as a residential contractor  
27 or general contractor holding, as an individual or as a business organization acting  
28 through its qualifying agent, a valid and current residential or general contractor's license  
29 issued by the appropriate division.

30 Each such licensed individual or qualifying agent shall be considered a qualifying agent  
31 of such joint venture.

32 (d) If, during the period encompassed by a license issued to a qualifying agent acting for  
33 and on behalf of an affiliated business organization, there is a change in any information  
34 that is required to be stated on the application, the business organization shall, within 45  
35 days after such change occurs, mail the correct information to the appropriate division.

36 (e)(1) At least one qualifying agent shall be licensed under this chapter in order for the  
37 business organization to obtain a license as a residential or general contractor. If any

1 qualifying agent ceases to be affiliated with such business organization, for any reason,  
2 he or she shall so inform the division having jurisdiction. In addition, if such qualifying  
3 agent is the only qualifying agent licensed hereunder affiliated with the business  
4 organization, the business organization shall promptly notify the appropriate division of  
5 the termination of the relationship with that qualifying agent and shall have 120 days  
6 from the termination of the qualifying agent's affiliation with the business organization  
7 to employ another qualifying agent and submit an application for licensure under the new  
8 qualifying agent. The submission of such application shall serve to maintain the licensed  
9 status of the business organization pending and subject to approval of such application  
10 by the appropriate division; provided that, should such application be denied by that  
11 division, then, after passage of the 120 day period, the business organization shall cease  
12 to be considered licensed as a residential or a general contractor unless and until a new  
13 application is submitted and approved by the appropriate division. In such circumstance,  
14 the affected business organization may not thereafter engage in residential or general  
15 contracting until a new qualifying agent is employed, unless the appropriate division has  
16 granted a temporary nonrenewable license to the financially responsible officer, the  
17 president or chief executive officer, a partner, or, in the case of a limited partnership, the  
18 general partner, who thereafter shall assume all responsibilities of a qualifying agent for  
19 the business organization or entity. This temporary license shall only allow the entity to  
20 proceed with incomplete contracts already in progress. For the purposes of this  
21 paragraph, an incomplete contract is one which has been awarded to, or entered into by,  
22 the business organization prior to the cessation of affiliation of the qualifying agent with  
23 the business organization or one on which the business organization was the low bidder  
24 and the contract is subsequently awarded, regardless of whether any actual work has  
25 commenced under the contract prior to the qualifying agent ceasing to be affiliated with  
26 the business organization.

27 (2) The qualifying agent shall inform the division having jurisdiction in writing when he  
28 or she proposes to engage in contracting in his or her own name or in affiliation with  
29 another business organization, and he or she or such new business organization shall  
30 supply the same information to the division as required of applicants under this chapter.  
31 Such person shall be deemed to be a licensed residential or general contractor for the  
32 original term of his or her license, provided that he or she qualified for such license based  
33 on his or her own personal qualifications as to financial responsibility and insurance.  
34 Otherwise, such individual shall be required to submit a new application demonstrating  
35 satisfaction of such financial and insurance requirements himself or herself or by the  
36 business organization he or she desires to qualify, but such person shall be entitled to  
37 continue engaging in the business of residential or general contracting in accordance with

1 and under his or her previously issued license unless and until the appropriate division  
2 determines that the person seeking issuance of the license no longer meets these  
3 requirements.

4 (3) Upon a favorable determination by the division having jurisdiction, after  
5 investigation of the financial responsibility, if applicable, and insurance of the qualifying  
6 agent and the new business organization, the division shall issue, without an examination,  
7 a new license in the name of the qualifying agent and in the name of the new affiliated  
8 business organization.

9 (f) Disciplinary action and other sanctions provided in this chapter may be administered  
10 against a business organization operating under a license issued through its licensed  
11 qualifying agent or agents in the same manner and on the same grounds as disciplinary  
12 actions or sanctions against an individual or license holder acting as its qualifying agent  
13 under this chapter. The divisions or the board may deny the license to a qualifying agent  
14 for any business organization if the qualifying agent or business organization has been  
15 involved in past disciplinary actions or on any grounds for which individual licenses can  
16 be denied.

17 (g) Each qualifying agent shall pay the appropriate division an amount equal to the original  
18 fee for a license applied for on behalf of a new business organization. If the qualifying  
19 agent for a business organization desires to qualify additional business organizations, the  
20 division shall require him or her to present evidence of the financial responsibility, if  
21 applicable, and insurance of each such organization.

22 (h) All qualifying agents for a business organization are jointly and equally responsible for  
23 supervision of all operations of the business organization, for all field work at all sites, and  
24 for financial matters, both for the organization in general and for each specific job for  
25 which his or her license was used to obtain the building permit.

26 (i) Any change in the status of a qualifying agent is prospective only. A qualifying agent  
27 shall for purposes of application of this chapter and the enforcement and disciplinary  
28 mechanisms thereunder be and remain responsible for his or her actions or omissions as  
29 well as those of the business organization for which such person had acted as a qualifying  
30 agent occurring during his or her period of service as such qualifying agent as and to the  
31 extent set forth in this chapter. A qualifying agent is not responsible for his or her  
32 predecessor's actions, but is responsible, even after a change in status, for matters for  
33 which he or she was responsible while in a particular status. Further, nothing in this  
34 chapter shall be interpreted as a basis for imposition of civil liability against an individual  
35 qualifying agent by any owner or other third party claimant beyond the liability that would  
36 otherwise exist legally or contractually apart from and independent of the individual's  
37 status as a qualifying agent.

1 43-14-10.

2 (a) In addition to the powers and authorities conferred upon the board and its divisions  
3 pursuant to Chapter 1 of this title, the residential contractor division and the general  
4 contractor division shall have the power, respectively, to reprimand any person or licensee,  
5 or to suspend, revoke, or refuse to grant, renew, or restore a license to any person or  
6 licensee if such person or licensee is found by the appropriate division to have engaged in  
7 any fraud or deceit in obtaining a license or otherwise to have engaged in gross negligence,  
8 repeated or persistent incompetence, intentional misconduct in the practice of his or her  
9 profession, or willful violation of any provisions of this chapter.

10 (b) For purposes of this Code section, a person or business organization operating on an  
11 expired, revoked, lapsed, or suspended license shall be considered unlicensed.

12 (c) The separate divisions may issue a stop-work order for all unlicensed work falling  
13 within their respective jurisdictions upon finding probable cause to believe that  
14 construction work which requires a license under this chapter is being performed by a  
15 person without such a current, valid license. Such an order may be enforced by injunctive  
16 relief, cease and desist orders, or other related actions within the power and authority of the  
17 board and its respective divisions.

18 (d) The division having jurisdiction shall investigate and sanction any license holder found  
19 to have engaged in fraud, deceit, gross negligence, repeated or persistent incompetence, or  
20 intentional misconduct in the practice of residential or general contracting; and sanctions  
21 shall be assessed against any such residential or general contractor licensed under this  
22 chapter either individually or as a business organization acting through a qualifying agent.  
23 Such charges, unless dismissed without hearing by the division as unfounded, shall be  
24 heard and determined by that division in accordance with the provisions of Chapter 13 of  
25 Title 50, the 'Georgia Administrative Procedure Act.'

26 (e) The divisions shall each adopt and publish rules and regulations, consistent with the  
27 provisions of this chapter, governing the suspension and revocation of licenses.

28 (f) Each division may reissue a license to any person whose license has been revoked or  
29 lift a suspension of a license to such person provided that four or more members of the  
30 division vote in favor of such reissuance or lifting for reasons that division deems  
31 sufficient.

32 43-41-11.

33 The issuance of a license by the residential contractor or the general contractor division  
34 shall be evidence that the person named therein, including both the individual licensee and  
35 any business organization for whom such licensee is a qualifying agent, is entitled to all the

rights and privileges of a licensed residential or general contractor while such license remains unrevoked or unexpired.

43-41-12.

(a) Any person, whether an individual or a business organization, who:

(1) Contracts for or bids upon or engages in the construction of any of the projects or works enumerated in the definitions of residential contractor or general contractor in Code Section 43-41-2 without having first complied with the appropriate provisions of this chapter or who shall attempt to practice residential contracting or general contracting in this state except as provided for in this chapter;

(2) Falsely represents, advertises, or holds himself or herself or an affiliated business organization out as a residential contractor or general contractor licensee;

(3) Represents or attempts to use or presents as his or her own the license of another person or, in the case of a business organization, a person other than its qualifying agent;

(4) Gives false or forged evidence of any kind to the board or its divisions or to any member of the board in maintaining a license;

(5) Uses an expired, suspended, or revoked license to continue engaging in residential contracting or general contracting; or

(6) Operates a business organization engaged in contracting after 120 days following the termination of its only qualifying agent without designating another primary qualifying agent, except as provided in Code Section 43-41-9,

shall be guilty of a misdemeanor and shall, upon conviction, be punished for each such offense by a fine of not less than \$500.00 or imprisonment of three months, or both fine and imprisonment in the discretion of the court.

(b) Any architect or engineer who recommends to any project owner the award of a contract to anyone known by such architect or engineer not to be properly licensed under this chapter shall be subject to such penalties as provided in subsection (a) of this Code section and also to any appropriate disciplinary action by the appropriate division.

(c) Except as otherwise provided in this Code section, any person who violates any provision of this chapter shall be guilty of a misdemeanor.

43-41-13.

Whenever it appears to the board or either division of the board that any person, whether an individual or a business organization, or both, is violating any of the provisions of this chapter or of the rules and regulations of the board or either division promulgated under this chapter, the board or division may apply to the superior court of the county in which such individual resides or business is located for a restraining order and injunction to

1 restrain the violation, and the superior court shall have jurisdiction to grant the requested  
2 relief, irrespective of whether criminal prosecution has been instituted or administrative  
3 sanctions have been imposed by reason of the violation.

4 43-41-14.

5 Any person, whether an individual or a business organization acting through a qualifying  
6 agent, intending to perform work as a residential or general contractor, upon making  
7 application to the building inspector or such other authority of any incorporated  
8 municipality or county in this state charged with the duty of issuing building or other  
9 permits for contemplated construction work requiring performance by either a licensed  
10 residential contractor or a licensed general contractor shall, before being entitled to the  
11 issuance of such permit, furnish to such inspector or authority, personally or through his  
12 or her authorized agent specifically designated to act on his or her behalf in a sworn written  
13 document submitted contemporaneously or previously submitted and maintained by such  
14 inspector or authority, his or her residential contractor or general contractor license number  
15 and the identity of any business organization for which such applicant is serving as  
16 qualifying agent that is undertaking or contracting as a residential contractor or a general  
17 contractor to construct or manage the construction. It shall be unlawful for any such  
18 building inspector or other authority to issue or allow the issuance of such building permit  
19 unless the applicant has furnished his or her residential contractor or general contractor  
20 license number and the identity of any such business organization relative to performance  
21 of the work for which a permit has been applied. A building inspector or other authority  
22 shall issue such building permit under the terms of this Code section to any person,  
23 including an individual licensee acting on his or her own behalf or a licensee acting as a  
24 qualifying agent for a business organization and such business organization, upon evidence  
25 reasonably establishing that such person is duly licensed as a residential or general  
26 contractor under this chapter, either individually or as a business organization acting under  
27 a duly licensed qualifying agent. Any building inspector or other such authority that issues  
28 a building permit to a person known by such building inspector or authority not to be  
29 properly licensed under this chapter shall be guilty of a misdemeanor and, upon conviction,  
30 shall be subject to a fine of not more than \$500.00.

31 43-41-15.

32 If an incomplete contract exists at the time of death of a residential or general contractor,  
33 where the licensed contractor performing the work under such contract is an individual  
34 person and not a business organization acting through a qualifying agent for such  
35 organization, the contract may be completed by any person affiliated with the contractor

1 as a co-owner, partner, employee, relative, heir, successor, or assign, even though not  
2 licensed under this chapter, subject to the terms of this Code section. Such person shall  
3 notify the appropriate division of the board within 30 days after the death of such  
4 contractor of such death and of his or her name and address, knowledge of the contract, and  
5 ability technically and financially to complete it. Such person may continue with  
6 performance of the contract pending approval by the division. If the division approves, he  
7 or she may proceed with the contract to completion. If the division does not approve  
8 completion by such person, due to a determination that he or she does not have sufficient  
9 knowledge, expertise, or financial or other required resources, the division shall give  
10 prompt written notice to the person, including the reasons for such rejection, and such  
11 person shall promptly upon receipt of such notice cease further performance of the  
12 contract. If the owner engages another person under a new contract to complete the  
13 remaining work under the original contract, such other party must be a contractor duly  
14 licensed under this chapter to perform such work. For purposes of this Code section, an  
15 incomplete contract is one which has been awarded to or entered into by the contractor  
16 before his or her death or on which he or she was the low bidder and the contract is  
17 subsequently awarded to him or her, regardless of whether any actual work has commenced  
18 under the contract before the contractor's death. If an incomplete contract exists at the time  
19 of death of a sole qualifying agent of a residential contractor or a general contractor, where  
20 the contractor is a business organization licensed only under such individual as its  
21 qualifying agent, then the contractor shall proceed as provided under paragraph (1) of  
22 subsection (e) of Code Section 43-41-9.

23 43-41-16.

24 (a) The board shall have the authority to refuse to grant a license to an applicant or to  
25 revoke the license of a person licensed by the board or to discipline a person licensed by  
26 the board upon a finding by a majority of the board that the applicant or licensee has  
27 committed any of the following acts:

28 (1) Obtaining a license by fraud or misrepresentation or otherwise knowingly giving  
29 false or forged evidence to the board or its divisions;

30 (2) Being convicted or found guilty of or entering a plea of guilty or nolo contendere to  
31 a criminal act constituting a felony in any jurisdiction which directly relates to the  
32 practice of residential or general contracting or the ability to practice contracting;

33 (3) Performing any act which assists a person or entity in the prohibited unlicensed  
34 practice of contracting if the licensee knows or has reasonable grounds to know that the  
35 person or entity is unlicensed;



1 (4) Knowingly combining or conspiring with an unlicensed person by allowing his or her  
2 license to be used with the intent to evade the provisions of this chapter. When an  
3 individual license holder allows his or her license to be used to qualify one or more  
4 business organizations, including where such qualifying agent for a person engaged in  
5 general contracting does not actually possess and exercise the power and authority  
6 required of a qualifying agent under paragraph (7) of Code Section 43-41-2 and Code  
7 Section 43-41-9, such act constitutes prima-facie evidence of an intent to evade the  
8 provisions of this chapter;

9 (5) Failing in any material respect to comply with the provisions of this chapter or  
10 violating a rule, regulation, or lawful order of the board or its divisions;

11 (6) Abandoning a construction project in which the contractor who is the individual  
12 license holder or a business organization for whom the license holder is a qualifying  
13 agent is engaged or under contract as a residential or general contractor. A project may  
14 be presumed abandoned after 90 days if the contractor has ceased work on or terminated  
15 performance on the project without just cause and without proper notification to the  
16 owner, including the reason for the termination, cessation, or abandonment;

17 (7) Signing a statement with respect to a project or contract falsely indicating that the  
18 work is bonded; knowingly and falsely indicating by written statement issued to the  
19 owner that payment has been made for all subcontracted work, labor, and materials and  
20 for all materials furnished and installed which statement is reasonably relied upon and  
21 actually results in a financial loss to the owner; or falsely indicating that workers'  
22 compensation and general liability insurance are provided;

23 (8) Committing fraud or deceit in the practice of contracting, including falsely  
24 advertising, representing, or holding himself or herself or an affiliated business  
25 organization out as having a valid and current license under this chapter;

26 (9) Committing gross negligence, repeated or persistent negligence, or negligence  
27 resulting in a significant danger to life or property;

28 (10) Proceeding on any job without obtaining applicable local building permits and  
29 inspections;

30 (11) Using or attempting to use a license that has expired or has been suspended or  
31 revoked;

32 (12) Knowingly or intentionally engaging any subcontractor to perform work within the  
33 scope of the general or residential construction contract which requires a license under  
34 Chapter 14 of this title who does not possess a current and valid license for such work;  
35 or

(13) Failing to satisfy within a reasonable time the terms of a final civil judgment obtained against the licensee or the business organization qualified by the licensee relating to the practice of the licensee's profession.

(b) The appropriate division may take any one or more of the following actions against any license holder found by the division to have committed any one or more of the acts listed in subsection (a) of this Code section:

(1) Place the license holder on probation or reprimand the license holder;

(2) Revoke a license, including the license of a person as an individual as well as that of a qualifying agent of a business organization together with the interest of the business organization qualified thereby in such license; suspend such a license for a stated period of time not exceeding one year; or deny the issuance or renewal of the license;

(3) Require financial restitution to a consumer for financial harm directly related to a violation of a provision of this chapter;

(4) Impose an administrative fine not to exceed \$5,000.00 for each violation;

(5) Require continuing education; or

(6) Assess costs associated with the investigation and prosecution.

(c) In determining penalties in any final order of the board or a division, the board or division shall follow the penalty guidelines established by the board's or division's rules and regulations.

(d) The board or a division may assess interest or penalties on all fines imposed under this chapter against any person or business organization which has not paid the imposed fine by the due date established by rule, regulation, or final order.

(e) If the board or a division finds any contractor has violated the provisions of this chapter, the board or division may as a part of its disciplinary action require such contractor to obtain continuing education in the areas of contracting affected by such violation.

43-41-17.

(a) The licensing requirements imposed by this chapter and the sanctions and consequences relating thereto shall not become effective and enforceable until two years after the effective date of this chapter. On and after such date, no person, whether an individual or a business organization, shall have the right to engage in the business of residential contracting or general contracting without a current, valid residential contractor license or general contractor license, respectively, issued by the division under this chapter or, in the case of a business organization, unless such business organization shall have a qualifying agent as provided in this chapter holding such a current, valid residential contractor or general contractor license on behalf of such organization issued to such qualifying agent as provided in this chapter. Notwithstanding the foregoing, persons

1 seeking licensure under this chapter and exemption from examination under paragraphs (1)  
2 and (2) of subsection (a) of Code Section 43-41-8 shall submit their applications, including  
3 all necessary proof of the basis of exemption from examination for such license, starting  
4 one year after the effective date of this chapter. The period for submission of such  
5 applications and requests for exemption from the examination requirements shall extend  
6 thereafter for a period of six months. Furthermore, notwithstanding the foregoing, any  
7 person seeking licensure under this chapter and exemption from examination under  
8 paragraph (3) of subsection (a) of Code Section 43-41-8 may submit his or her application,  
9 including all necessary proof of the basis of such exemption starting 18 months after the  
10 effective date of this chapter and continuing thereafter.

11 (b) As a matter of public policy, any contract entered into two or more years after the  
12 effective date of this chapter for the performance of work for which a residential contractor  
13 or general contractor license is required by this chapter and which is between an owner and  
14 a contractor who does not have a valid and current license required for such work in  
15 accordance with this chapter shall be unenforceable in law or in equity by the unlicensed  
16 contractor. For purposes of this subsection, a contractor shall be considered unlicensed  
17 only if the contractor was unlicensed on the effective date of the original contract for the  
18 work, if stated therein, or, if not stated, the date the last party to the contract executed such  
19 contract, if stated therein. If the contract does not establish such a date, the contractor shall  
20 be considered unlicensed only if the contractor was unlicensed on the first date upon which  
21 the contractor provided labor, services, or materials under the contract. Notwithstanding  
22 any other provision of law to the contrary, if a contract is rendered unenforceable under this  
23 subsection, no lien or bond claim shall exist in favor of the unlicensed contractor for any  
24 labor, services, or materials provided under the contract or any amendment thereto. This  
25 subsection shall not affect the rights of parties other than the unlicensed contractor to  
26 enforce contract, lien, or bond remedies. This subsection shall not affect the obligations  
27 of a surety that has provided a bond on behalf of an unlicensed contractor. It shall not be  
28 a defense to any claim on a bond or indemnity agreement that the principal or indemnitor  
29 is unlicensed for purposes of this subsection.

30 (c) Any person who holds a license issued under this chapter may engage in the business  
31 of residential or general contracting, but only as prescribed by the license, throughout the  
32 state and no municipality or county may require any such person licensed under this  
33 chapter to comply with any additional licensing requirements imposed by such  
34 municipality or county relative to the performance of construction work subject to the  
35 licensing requirements under this chapter. However, nothing in this chapter shall preclude  
36 the implementation and enforcement by any municipality or county of a local rule,  
37 regulation, ordinance, order, or other requirement in effect and operation as of the effective

1 date of this chapter or July 1, 2004, whichever is earlier, that requires a person to obtain a  
2 locally issued license, registration, or certification in order to:

3 (1) Engage in the construction of improvements to real property to the extent such  
4 activities are not encompassed by this chapter or by Chapter 14 of this title; or

5 (2) Engage in residential or general contracting within such jurisdiction; provided,  
6 however, that:

7 (A) The requirements and criteria for issuance of such local license, registration, or  
8 certification shall have been at least as strict and stringent, in the sole judgment of the  
9 board, as those for the issuance of a corresponding state-wide license issued under this  
10 chapter;

11 (B) Such local license, registration, or certification shall only apply to activities  
12 performed within the geographical limits of such municipality or county; and

13 (C) Such requirement shall not prevent or foreclose any contractor not holding such  
14 local license, registration, or certification but holding a valid and current state-wide  
15 license issued under this chapter or Chapter 14 of this title from the transaction of  
16 contracting business in such local jurisdiction within the scope of his or her state-wide  
17 license.

18 (d) Any person qualified by the Department of Transportation to perform construction  
19 work on roads, streets, bridges, highways, sidewalks, or other grading, paving, or repaving  
20 projects; airport runways or taxiways; or railroads, and services incidental thereto, for the  
21 department shall not be required to be licensed under this chapter in order to perform any  
22 such work for the department or for any other owner requiring similar work to be  
23 performed. The general contractor division of the board, in agreement with the Department  
24 of Transportation, shall, by rule, define 'services incidental thereto' for the purposes of this  
25 subsection only and shall likewise define any other necessary terms as to the scope of the  
26 exemption provided by this subsection.

27 (e) Nothing in this chapter shall prevent any person holding a valid license issued by the  
28 State Construction Industry Licensing Board, or any division thereof, pursuant to Chapter  
29 14 of this title from performing any work defined in the Code sections under which the  
30 license held by said person was issued. Furthermore, nothing in this chapter shall preclude  
31 a person licensed under Chapter 14 of this title to perform plumbing, conditioned air  
32 contracting, utility contracting, electrical contracting, or low-voltage contracting from  
33 offering to perform, performing, engaging in, or contracting to engage in the performance  
34 of construction work or services directly with an owner, which work or services would  
35 otherwise require a general contractor license under this chapter, where the total scope of  
36 the work to be performed is predominantly of the type for which such contractor is duly  
37 licensed to perform under Chapter 14 of this title such that any other work involved is

1 incidental to and an integral part of the work performed within the scope of such license  
2 under said chapter and does not exceed the greater of \$10,000.00 or 25 percent of the total  
3 value at the time of contracting of the work to be performed; provided, however, that such  
4 contractor may not delegate or assign the responsibility to directly supervise and manage  
5 the performance of such other work to a person unless such person is licensed under this  
6 chapter and the work being performed by such person is within the scope of that person's  
7 license.

8 (f) Nothing in this chapter shall preclude a specialty contractor from offering or  
9 contracting to perform or undertaking or performing for an owner limited, specialty, or  
10 specific trade contractor work, which does not entail the delegation or assignment to or  
11 engagement of any other person or entity, other than direct employees, to supervise,  
12 manage, or oversee the performance of any portion of the work undertaken. However,  
13 nothing in this chapter shall permit a specialty contractor to perform work falling within  
14 the licensing requirements of Chapter 14 of this title where such specialty contractor is not  
15 duly licensed under such chapter to perform such work.

16 (g) Nothing in this chapter shall preclude a person from offering or contracting to perform  
17 or undertaking or performing for an owner repair work, provided that the person  
18 performing the repair work discloses to the owner that such person does not hold a license  
19 under this chapter and provided, further, that such work does not affect the structural  
20 integrity of the real property. The board shall by rule or regulation further define the term  
21 "repair" as used in this subsection and any other necessary terms as to the scope of this  
22 exemption.

23 (h) Nothing in this chapter shall preclude any person from constructing a building or  
24 structure on real property owned by such person which is intended upon completion for use  
25 or occupancy solely by that person and his or her family, firm, or corporation and its  
26 employees, and not for use by the general public and not offered for sale or lease. In so  
27 doing, such person may act as his or her own contractor personally providing direct  
28 supervision and management of all work not performed by licensed contractors. However,  
29 if, under this subsection, the person or his or her family, firm, or corporation has previously  
30 sold or transferred a building or structure which had been constructed by such person  
31 acting without a licensed residential or general contractor within the prior 24 month period,  
32 starting from the date on which a certificate of occupancy was issued for such building or  
33 structure, then such person may not, under this subsection, construct another separate  
34 building or structure without having first obtained on his or her own behalf an appropriate  
35 residential or general contractor license or having engaged such a duly licensed contractor  
36 to perform such work to the extent required under this chapter, or it shall be presumed that  
37 the person, firm, or corporation did not intend such building solely for occupancy by that

1 person and his or her family, firm, or corporation. Further, such person may not delegate  
2 the responsibility to directly supervise and manage all or any part of the work relating  
3 thereto to any other person unless that person is licensed under this chapter and the work  
4 being performed is within the scope of that person's license. In any event, however, all  
5 such work must be done in conformity with all other applicable provisions of this title, the  
6 rules and regulations of the board and division involved, and any applicable county or  
7 municipal resolutions, ordinances, codes, permitting, or inspection requirements.

8 (i) Nothing in this chapter shall preclude an architect licensed pursuant to Chapter 4 of this  
9 title or an engineer registered pursuant to Chapter 15 of this title from performing work or  
10 providing services within the scope of his or her registration for the practice of architecture  
11 or license for practicing engineering.

12 (j) Nothing in this chapter shall preclude an architect licensed pursuant to Chapter 4 of this  
13 title or an engineer licensed pursuant to Chapter 15 of this title from offering to perform  
14 or offering or rendering design-build services to an owner; provided, however, that such  
15 offer or contract shall clearly indicate at the time of such offer or contract that all services  
16 of a general contractor incident to the design-build performance shall be performed by a  
17 duly licensed general contractor in compliance with other provisions of this chapter and  
18 that all services so offered or provided falling within the scope of the licensing  
19 requirements of this chapter are offered and rendered by a licensed general contractor in  
20 accordance with this chapter.

21 (k) Nothing in this chapter shall apply to the construction, alteration, or repair of buildings  
22 classified as an agricultural occupancy or that are used for agricultural storage or  
23 agricultural purposes.

24 (l) A contractor licensed under this chapter shall not be required to list on the face of a bid  
25 or proposal envelope the license number of any contractor licensed under Chapter 14 of  
26 this title that may or will be engaged to perform any work within the licensing requirements  
27 of Chapter 14 of this title which comprises part of the work for which such bid or proposal  
28 is submitted.

29 (m) Dams, including both earth dams and concrete dams, designed for electrical  
30 generation, water storage, or any other purpose may be constructed by either a general  
31 contractor licensed under this chapter or by a utility contractor licensed pursuant to Chapter  
32 14 of this title."

## 33 SECTION 2.

34 This Act shall become effective only upon the effective date of an appropriation of funds for  
35 the purposes of this Act as expressed in a line item making specific reference to the full  
36 funding of this Act in an appropriations Act enacted by the General Assembly.

- 1
- SECTION 3.
- 2
- All laws and parts of laws in conflict with this Act are repealed.