

House Bill 1542

By: Representative Ralston of the 7th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to
2 residential and general contractors, so as to extend the date by which the licensing
3 requirements imposed by the chapter become effective; to extend the date by which persons
4 must meet and apply to be licensed without examination; to change provisions relating to
5 licensure involving a reciprocal agreement; to provide for related matters; to provide for an
6 effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to residential and
10 general contractors, is amended by striking subparagraph (a)(3)(D) of Code Section 43-41-8,
11 relating to eligibility for licensure without examination and reciprocity, and inserting in lieu
12 thereof the following:

13 "(D) The applicant is otherwise in compliance with all requirements of this state for
14 transaction of such business within this state; provided, however, that such application
15 and request for exemption shall be submitted ~~within the time limits set forth in~~
16 ~~subsection (a) of Code Section 43-41-17~~ starting January 1, 2006, and continuing
17 thereafter."

18 **SECTION 2.**

19 Said chapter is further amended by striking subsections (a) and (b) of Code Section 43-41-17,
20 relating to the effective date of licensing and sanctioning provisions, and inserting in lieu
21 thereof the following:

22 "(a) The licensing requirements imposed by this chapter and the sanctions and
23 consequences relating thereto shall not become effective and enforceable until July 1, ~~2007~~
24 2008. On and after such date, no person, whether an individual or a business organization,
25 shall have the right to engage in the business of residential contracting or general

1 contracting without a current, valid residential contractor license or general contractor
2 license, respectively, issued by the division under this chapter or, in the case of a business
3 organization, unless such business organization shall have a qualifying agent as provided
4 in this chapter holding such a current, valid residential contractor or general contractor
5 license on behalf of such organization issued to such qualifying agent as provided in this
6 chapter. Notwithstanding the foregoing, persons seeking licensure under this chapter and
7 exemption from examination under paragraphs (1) and (2) of subsection (a) of Code
8 Section 43-41-8 shall submit their applications, including all necessary proof of the basis
9 of exemption from examination for such license, starting January 1, 2006. The period for
10 submission of such applications and requests for exemption from the examination
11 requirements shall extend thereafter for a period of ~~six~~ 18 months. Furthermore,
12 notwithstanding the foregoing, any person seeking licensure under this chapter and
13 exemption from examination under paragraph (3) of subsection (a) of Code Section
14 43-41-8 may submit his or her application, including all necessary proof of the basis of
15 such exemption starting July 1, 2006, and continuing thereafter.

16 (b) As a matter of public policy, any contract entered into on or after July 1, ~~2007~~ 2008,
17 for the performance of work for which a residential contractor or general contractor license
18 is required by this chapter and which is between an owner and a contractor who does not
19 have a valid and current license required for such work in accordance with this chapter
20 shall be unenforceable in law or in equity by the unlicensed contractor. For purposes of this
21 subsection, a contractor shall be considered unlicensed only if the contractor was
22 unlicensed on the effective date of the original contract for the work, if stated therein, or,
23 if not stated, the date the last party to the contract executed such contract, if stated therein.
24 If the contract does not establish such a date, the contractor shall be considered unlicensed
25 only if the contractor was unlicensed on the first date upon which the contractor provided
26 labor, services, or materials under the contract. Notwithstanding any other provision of law
27 to the contrary, if a contract is rendered unenforceable under this subsection, no lien or
28 bond claim shall exist in favor of the unlicensed contractor for any labor, services, or
29 materials provided under the contract or any amendment thereto. This subsection shall not
30 affect the rights of parties other than the unlicensed contractor to enforce contract, lien, or
31 bond remedies. This subsection shall not affect the obligations of a surety that has provided
32 a bond on behalf of an unlicensed contractor. It shall not be a defense to any claim on a
33 bond or indemnity agreement that the principal or indemnitor is unlicensed for purposes
34 of this subsection."

1 **SECTION 3.**

2 This Act shall become effective upon its approval by the Governor or upon its becoming law
3 without such approval.

4 **SECTION 4.**

5 All laws and parts of laws in conflict with this Act are repealed.