

Chapter 1

Licensing or Registering Your Contracting Business

Your state legislature or local government has probably passed laws that determine how construction contractors are regulated. You either get licensed or have to register your business with some agency of the state, county or city. Sometimes you have to get a state license and also register with the city. It is up to you to know what is required. Penalties abound for failure to comply with these laws.



Note

Each year requirements may change. Your state can change requirements during the time you are preparing to become a contractor. Check with your state by contacting the agency involved with licensing or registration of contractors.

Never angrily confront or defy any government official at any level at any time for any reason.

As a part of the licensing or registration process it is common to require liability insurance and/or bonding. Insurance and bonds represent a minimum of financial responsibility. That is, if you cause damage to an owner, do not finish a project, or do not correct a defect, the owner has some means of compensation from a source other than you. Insurance and bonds are covered in Chapter 5.

Licensing and registration requirements are listed for each state at the end of this chapter. If you are to do business in more than one state, you may have to comply quite differently in each case.

Licensing

To be licensed means that you demonstrated some knowledge or expertise in a given area. In most states the trades of plumbing, electrician, boiler maker, fire sprinkler installer and certain

mechanical installation trades are licensed. It usually means that you passed a test and learned the trade through a certified apprenticeship program.

Just do it anyway.

Some states require contractors to take tests to show they have basic trades and business knowledge in construction. In these cases there are programs to learn how to take the test. Practical knowledge and proven experience in the trades-work noted above may not be necessary.

Registration

A state will often require a contractor to register with them even though there are no other requirements. This is a simple effort to know who is doing business so, if there are disputes, the owner knows where to find you.

In states that do not require tests or experience there may be some other requirement, such as an education program. While education may not involve a test, there may still be an effort to pass on information to the new contractor.

Most laws affecting licensing and registration of contractors were passed for the purpose of consumer protection. Contracting continues to be a problem area for the public. The government will always pass laws to try to solve problems that affect the public.

Local Laws

If you are going to do business in a city, registration is often required with some agency. While they may call it a "license," there is normally no test. If you are licensed or registered with the state as a contractor, the city may require you to register with them also.

Statutes, Laws and Rules

All states have some sort of statutes or laws governing its citizens. These are set out in sections or chapters according to what they regulate or govern. In addition to the actual laws that are passed by the state legislature or assembly, there are rules or regulations that set out how the statutes or laws will be carried out. State agencies draft these rules and regulations to describe how the statutes and laws are administered.

The first thing to get rid of is the idea that you can get something for nothing in the contracting business.

Your state has probably passed laws which are located in chapters for easy reference. The agency administering the law publishes a set of rules that describe exactly how each law is carried out and enforced. As a contractor you are bound to operate according to the laws as interpreted by the rules.

**Note**

The law for each state is cited in the state by state list at the end of this chapter.

Functions of the Regulating Agency

If your state regulates construction contractors it will normally do one or more of these duties:

"There are a million things in the universe you can have, and there are a million things you can't have. It's no fun facing that, but that's the way things are."
Captain Kirk
Star Trek

- License or register contractors. There is usually an application with space for information such as:
 - ◆ Name
 - ◆ Address
 - ◆ Phone
- Organization of business
 - ◆ Sole proprietorship
 - ◆ Partnership
 - ◆ Limited liability company
 - ◆ Corporation
- Type of contractor
 - ◆ General
 - ◆ Specialty by trade
 - ◆ Other such as:
 - Home inspector
 - Project manager
- Enforce the laws and rules regarding contractors
- Respond to complaints
- Conduct hearings or arbitrate disputes

- Make recommendations to the state lawmakers for more effective laws or rules

In a few states there is no state agency to license or register contractors. In those cases the local agency will do the same type of activities as described above.



Warning

In most states that have licensing or registration requirements you will lose valuable legal remedies if you have a dispute and you are not in compliance with these laws. This means that some of the strength of your legal position in the dispute will be taken away, leaving you less able to defend your position. This is one of the severest penalties for failing to maintain compliance within the law.

*"Facts do not
cease to exist
because they are
ignored."
Aldous Huxley*

Separate Business Identity

State and other agencies that license or register your business want you to declare your status as an independent business. This is important because you, as a person, cannot do business legally without a business identity. When someone has a dispute with you, they do not want to find out that their dispute is with a person when they thought they had contracted with a business. Different laws apply to contract issues between individuals than with businesses.

The object of licensing and registration laws is to establish that you and your business are separate entities. While in many ways you are your business, both you and the licensing or registration agency have different reasons for keeping you and your business separate. Personal insurance coverages and personal assets should remain separate from business insurance coverages and business assets.

In licensing or registering your contracting business, you automatically gain the legal recognition of a business structure.

Taxing Agencies

Businesses are always taxed separately. Business income and expenses are separate from personal income and deductions. While you might keep poor records and be unable to separate them, you will have to do something at tax time to show a business operation

The vast majority of construction and remodeling companies today are owned by an individual.

or you will lose all the tax advantages. Of course, many contractors do this to their detriment.

Each form of business structure files a separate tax form. In the case of a sole proprietor, where the business is closest to a personal situation, you must file a "Schedule C" with the IRS showing business income and expenses for the year. You file this form with your personal income tax return. Profit (or loss) from a business is a part of your personal income.

The other business forms (corporation, partnership, limited liability company) have more complex tax returns. The business itself pays you income, and in some cases, a dividend or some other type of income distribution.

Other Licensing or Registration Requirements

In addition to demonstrating experience, knowledge or proficiency, there are other common requirements to become a construction contractor. These include:

- Obtain a surety bond
- Obtain liability insurance
- Complete an application form
- Provide proof of filing of fictitious name or a corporation
- Provide employer account numbers
- Provide evidence of workers' compensation coverage

Surety Bond

A surety bond protects an owner of a project against default and noncompletion of the project. If you fail to complete a project as called for or promised in your contract, the owner may be able to file a claim against your bond.

Bonds are different from insurance in this important respect; the bonding company will come to you to reimburse the loss, this is called subrogation. In an insurance contract the insurance company promises to pay for damages in your place if you cause a loss. You pay the premium and the insurance company takes the risk alone.

With a bond, the bonding company promises to pay up to the bond

amount to an owner with a valid claim. However, under the bond contract the bonding company can come to you to collect up to the full amount the bonding company paid out. In most cases, a failure to repay the bonding company will become a judgement against you until it is paid or discharged in bankruptcy.

Contractor bonds fall into three main categories:

- License or registration bonds
- Bid performance bonds
- Contract performance bonds

License or Registration Bond

Obtaining any of the above bonds normally requires that you demonstrate minimum financial responsibility, usually in the form of a good credit rating and ownership of assets. The license or registration bond will generally be for the smallest amount so will be the easiest to obtain. Typically these bond amounts range from \$2,000 to \$10,000. Premiums are in the \$50.00 to \$250.00 range.

*The world is old
fashioned, it still
judges us by what
we do.*

If an owner has a valid claim against you, either through a court decision or an award by an arbitrator, the bond company will pay it if you do not. In this case the agency that licensed or registered you will normally be involved in the process.

Bid Performance Bond

In many cases where you submit a bid to an owner of commercial or public property, you have to guaranty that you will stand by your bid amount as submitted. If you fail to follow through, the bonding company may be required to pay the difference between your bid and the next highest bid submitted. The amount of difference can be great, so the larger the project that you bid the higher the premium for the bond guaranteeing your bid amount. The same rules apply in that you will have to repay the bond company for their loss.

With this type of bond you normally have to demonstrate more financial responsibility with more assets, some of which usually have to be real estate. The total amount of your assets will have to be greater than the anticipated risk of loss.

Contract Performance Bond

After you successfully get a contract for your bid amount, these same owners usually want you to provide a contract performance bond to guarantee that you will complete the project under the terms of the contract. Again, the larger the project, the larger the

premium. In these cases the bond company will always review the contract before taking the bond so they can agree to the terms of the contract. In many instances the bond company will also work with you to make sure that your company can handle the project.

This bond may require a greater demonstration of financial responsibility, sometimes with another person co-signing for the bond. These bonds can easily reach amounts of millions of dollars with very high premiums. Only the largest and most stable contracting companies can get these bonds.

*Continuing effort,
not strength of
intelligence, will
produce success.*

Independent Contractor Status

Whatever requirements your state or local area might have for construction contractors, each one will establish that you are an independent contractor as part of the licensing, registration, or qualifying process.

Without exception you will do your construction work as an independent contractor, or as an employee, according to the laws of all states. By law you are either an independent contractor or an employee as you perform your work for hire. There are no other options. This means that, whatever your trade, a person watching you doing your trade work would not be able to tell whether you are an employee or an independent contractor. The difference is whether you have qualified for independent contractor status under the law. Each state has independent contractor laws.



Note

Your state department of revenue and the Internal Revenue Service have laws and rules which determine and establish your status as an independent contractor for tax purposes. You can find out more about federal and state independent contractor laws and rules in the *Advantage Contractor Business Success Series* course, *Independent Contractor and Employee Issues Affecting Construction Contractors*.

It may sound as if there is an overriding burden of laws, rules, and regulations involved with contracting. You are correct if you feel that a lot of your time doing contracting will be spent dealing with laws, rules and regulations. No matter the type of business you may do there are laws, rules and regulations.

Categories of Contractors

Most agencies regulating construction contractors set up various categories in order to make the requirements fair according to the amount of work done and the trade work involved. They generally fall into two main groups:

- Trade work involved
- Scope of the work allowed

*Integrity will
always serve you.
It's not who's right,
it's what is right
to do.*

Trade Work Category

Many states require contractors who work in trades dealing with areas of fire, health or safety to have licensing beyond the financial and experience areas of contracting. In most cases there has to be evidence of directed experience, such as an apprenticeship program, plus a test of knowledge. Usually the trades involved are:

- Plumbing-Health
- Electrical-Safety
- Boiler Maker-Safety
- Fire Sprinkler Installer-Fire
- Gas Piping-Fire
- Septic System Installation-Health
- Water Treatment-Health

In all of these cases you, or the employees, may have to be certified or licensed to do these trades prior to you gaining contractor status. In addition, you may have to do continuing education to maintain your certification or license.

Scope of Work Category

In an effort to be fair to contractors and to protect the public, many agencies try to set up contractor categories according to the scope and amount of work they are authorized to do. There can be combinations made up to allow for common working categories as follows:

- Residential or commercial and public works
- General or trade specific
- Size of project by dollar value

Residential or Commercial and Public Works

There is a lot of difference between residential, commercial, and

public works construction. Residential structures are normally only up to two stories high and the amount of value and liability is limited. Commercial and public works includes all other structures, and generally involves more value and complexity.

When you are licensed or registered, you are commonly asked what type of work you will do. The requirements for different types of work often mean different levels of bonding and insurance as well as more or less experience doing trade work. In a residence the consequences of your work are mostly limited to the house and its residents. In commercial and public works, your work can affect many more people in many more ways. Both owners and general contractors have to know that you know what you are doing in your trade, as well as how to keep your business going.

In many cases you will build a reputation as an employee and as a small operations contractor before moving into larger more complex projects. Your business skills have to grow with your trade skills in order to attract the owners and general contractors who will hire you to do this more complex work.

New or Trade Specific

Most licensing and registering agencies have set up categories for general contractors and those contractors that limit their activity to one or two trades. The idea here is to differentiate between those contractors that are authorized to do complete projects and those who are limited to a part of a project.

General Contractors

A general contractor can perform a number of trades or is authorized to hire the trade work necessary for the completion of a project. These contractors take on much greater liability and responsibility than a one-trade contractor. Therefore bonding and insurance requirements are very different. Contractors that have to prove their knowledge of all the trade aspects of a construction project are generally more capable than those who prove knowledge in just one or two trades.

This is true for business skills and knowledge as well. There is much greater complexity in operating a general contracting company than a specialty trade company. Some states want you to demonstrate that you have these business skills. In other cases they want to know that your company has the financial backing to take on a large and expensive project without financial hardship. In all cases owners and public entities will insist that you have business stability sufficient to take on a given project.

Ask for help if you need it. Say, "I'm wondering if you can help me? I need help with....."

Trade Contractors

Usually it is relatively easy to get licensed or registered to be a contractor in only one trade. Proof of trade skill is limited to the trade of choice; business skills are not looked at in most cases. The only time you will have to prove business skill or financial backing is when you have owners and public entities who have special requirements for certain projects. In some cases you may not qualify without further development of your business. Starting out as a specialty trade contractor is a good way to build up business skills and develop a strong business reputation. It is not hard. You just have to do the duties of a good business person in a regular way.

*"If women don't
find you handsome,
they should at
least find you
handy."
Red Green*

Size of Project by Dollar Value

You may find that some licensing and registration processes require different procedures for those contractors doing higher dollar volume work. You may have to provide larger bond and insurance amounts or qualify in some other ways for these bigger projects. Here is another example of a system that allows you to start smaller and grow into a more complex operation.

You will likely need help doing the work. You may not hire other independent contractors to help you do this work and have them retain their status as independent contractors. In nearly every case of this type, the one who secured the project will have direction and control over the others.

Business Organization

When you license or register your business you will be asked about the organization of your business. In most cases you will fit into one of these categories:

- Sole proprietorship
- Partnership
- Limited liability company
- Corporation

Designating the category of your business organization and listing the owners is necessary for all applications that you fill out. Licensing and registering agencies want to know who owns the business. If there are financial or legal problems with business owners, they can be barred from being licensed or registered. Many professions have standards that limit those who are accepted.

**Note**

Chapter 2 deals with choosing and setting up your business structure in more detail.

Display License or Registration

In the process of receiving your license or registration, you usually are given an identification number. This number is to be used in all of your advertising and the promotion of your business. This means that these items should have your contractor business license or registration number:

- Business cards
- Bid, estimate and contract forms
- Advertising brochures and flyers
- Lawn and vehicle signs
- Yellow pages advertisements
- Letterhead and other stationery

This is another one of those areas that are usually enforced. Use your contractor number on your advertising and promotions or risk some sort of penalty or loss of legal rights.

Claims Against You

Even the best contracting business can have customer claims. Some people are not easily satisfied or perhaps you suffered a personal or business reversal that left you temporarily unable to perform as required under the contract. In many states there is a claims process that you and the customer must follow. Sometimes the state licensing or registration agency will handle the claim. In other cases you may find a court has jurisdiction over the claim. Claims usually arise from these areas:

- The owner is unhappy with the quality of the work.
- An employee of the contractor has not been paid.
- A supplier of materials to the project has not been paid.
- A general contractor is dissatisfied with the work of a subcontractor.
- A subcontractor has not been paid by the general contractor.
- The general contractor has stopped working because the owner will not make a payment that is due.

*A good plan today
is better than a
perfect plan to-
morrow.*

In all of these cases the licensing or registration agency may play a role in getting the claim resolved. In some cases other agencies may be involved or the claim may have to go to court. In many cases there may be required mediation and arbitration depending on the nature of the dispute. The licensing or registration agency gets involved first because the idea is to get the dispute solved quickly.

Claims Process

Depending on the laws of your state, your claim will follow one of two paths to resolution:

- Mediation and arbitration
- Litigation through a court of law

Mediation and Arbitration

If you follow this path there are normally two ways it might go, depending how your state has set it up. One way is for the agency to do the claim process itself. The other way is through a standard dispute settlement process which includes your type of claim.

Agency Process

In this case there is someone who administers the claim process for the licensing or registration agency. After the claim is filed an investigation is started to determine the facts of the situation.

Few blame themselves until they have exhausted all other possibilities.

Standard Dispute Settlement

This process is one that is open for all claimants that fit into the guidelines no matter the type of dispute. In this case you may have to hire some help such as an attorney or an advisor to the type of dispute settlement process in use.

Enforcement

Most states have some sort of licensing or registration regulations. These are designed generally to protect purchasers of contracting services with a means to find contractors in cases of disputes, as well as a way to collect damages if the contractor is insolvent. Regulations such as these always arise from cases where people have neglected their customers in solving disputes, many times not intentionally.

"A man's worst difficulties begin when he is able to do as he likes."
Thomas Henry Huxley

As a result of these laws being in place most states have people violating the laws because they do not get licensed or registered. As noted above, contractors can also work outside their licensed or registered areas. Because of this, there is enforcement of the law with penalties. The idea is to let customers know that there is some sort of protection about knowing a contractor is in compliance with the law.

Most enforcement actions are of a civil nature. This means they have to follow a procedure set down in the civil law of the state. If someone is accused of violating the law there are a series of actions the agency has to follow that are similar to someone being sued for breach of contract or failure to perform as promised. The enforcement agency proposes that there is a violation with a stated penalty. The contractor has a hearing to present their side of the situation. A hearings officer or administrative law judge makes a decision regarding the facts and sets the penalty, if appropriate. The contractor has a chance to appeal the decision.

Final Order

The result of the hearing becomes a final order or judgement with the power of law. This means that the licensing or registering agency can remove the fine from your assets, such as a bank account, and keep you from getting licensed or registered until the judgement is paid. As you can tell, it is in your best interests to stay licensed or registered.

License or Registration Checklist

As a part of your licensing or registering process you will want to know all the ways you have to comply with the law. This will make life as a contractor easier in the long run. You will find contractors who are always carping about all the rules that make their life miserable. Usually it is because they simply do not want to take care of the business side of contracting. Do not waste energy being mad at regulators. Find out who is successful at contracting and do what they do, not what those who are always complaining do.

1. Find out the most recent information regarding regulations that affect the business of construction contracting. Your library or building department will help you find details.

2. Collect all the application forms and information pieces that pertain to your type of contracting. Fill them out. Get help if necessary.

3. Contact an insurance agent about the bond and insurance that may be required to be licensed or registered. Find an agent who can explain these coverages to you in detail. Learn how insurance affects the operation of your business.

*"Just do it."
Famous Shoe
Co.*

4. If your trade falls into one of the fire, health or safety categories, make sure you know what other requirements are necessary for licensing or registration.

5. Choose the type of business organization best for your business. Make sure you do not add complexity to your business until you are ready. Start out with the simplest organization you can.

6. Determine how much money it will take to get your license or registration. What are the costs for:

- Bonds
- Insurance
- Application fees
- Local licenses
- Assumed business name or corporate fees

In addition to these fees, how much money will you have for these items:

- Checking accounts
- Signs, business cards, and other such items
- Office equipment and furniture
- Company vehicle
- Company uniform
- Start up funds until your first work payments come in

Licensing and Registration Requirements - State by State

ALABAMA

Address for Application

Home Builders Licensure Board
400 South Union Street, Suite 195
Montgomery, AL 36130-3605
334/242-2230

Applicable Law

Act 92-608, Home Builders Licensure Act.

Who Must Obtain a License?

All residential construction contractors, including remodelers. A "residential home builder" is one who constructs a residential building, which does not have over three floors or have more than four units, or repairs or improves such a residence when the cost exceeds \$10,000.

Fund

Contractors are required to contribute annually to the recovery fund, which is available to homeowners for amounts up to \$50,000 after obtaining a court judgement.

Examination

Each applicant must pass a written examination before a license is issued. It is an open book exam and will test both business law, and trade knowledge.

ALASKA

Address for Application

Division of Occupational Licensing
Department of Commerce & Economic Development
PO Box 110806
Juneau, AK 99811-0806
907/465-2534

"Most people spend more time and energy going around problems than trying to solve them."
Henry Ford

Applicable Law

Chapter 18

Who Must Obtain a License?

The state licenses three types of contractors: general, mechanical and specialty, including electrical. Residential and remodeling contractors must be licensed general contractors, plus they must have completed the Alaska Craftsman Home Program or a post-secondary course in Arctic engineering or an equivalent.

"General Contractor" may not undertake the construction or alteration of a residential structure of one to four units without a residential contractor endorsement. An endorsement is an added specialization to the regular general contractors license.

"Mechanical Contractor" is a contractor whose business operations involve plumbing, pipe fitting, sheet metal, and HVAC.

"Specialty Contractor" is limited to three distinct non-mechanical trades. Other trades may be licensed if a clear definition is presented with the application.

Bond

Each applicant for a general contractor license must file a surety bond of \$10,000 with the Commissioner of the Department of Commerce and Economic Development. Specialty, electrical and mechanical contractors must file a surety bond of \$5,000.

A cash deposit may be made in lieu of a surety bond.

Insurance

Each applicant must provide proof of workers' compensation, if applicable, and general liability insurance.

Enforcement

Either the Department of Commerce and Economic Development or the Department of Labor may investigate alleged or apparent violations by entering a construction site during regular work hours and requesting proper credentials. Either department may then issue a civil fine not to exceed \$5,000 if there is probable cause to believe a person has violated any regulations.

A contractor's registration may be suspended for the following reasons: insurance cancellation, surety bond cancellation, or depletion.

There seems to be an alarming increase in the number of things I know nothing about.

ARIZONA

Address for Application

Registrar of Contractors
800 West Washington, 6th Floor
Phoenix, AZ 85007
602/542-1525 ext. 7105

Applicable Law

Chapter 10, Title 32.

Who Must Obtain a License?

"Contractor" is synonymous with the term "builder," meaning a person or organization that, for compensation, undertakes to construct, alter, or improve any structure.

"General Building Contractor" engages in the contracting business, other than residential contracting, in connection with any structure built, being built, or to be built for the support, shelter, and enclosure of persons, animals, or chattels or movable property of any kind.

"General Engineering Contractor" engages in the contracting business, other than residential contracting, in connection with and requiring specialized engineering.

"Residential Contractor" is any general contractor or subcontractor who undertakes to construct, alter, or repair any residential structure with appenditures, including swimming pools on or within residential property lines.

"Specialty Residential Contractor" engages in the residential contracting business by the performance of work requiring special skill and the use of specialized construction trades or crafts within residential property lines.

Requirements for Licensure

Each applicant must have four years of practical or management experience for most license classifications, at least two years of which must be in the past ten years (technical training at an accredited college or university may be substituted for up to two years of experience); show by computer assisted examination, qualification in business management and, if required, in the kind of work for which the applicant proposes to contract; and further,

Good judgement comes from experience and experience comes from bad judgement.

no license will be issued to a minor or to a company who has a minor as a partner or as a corporate officer.

Bond

The amount of the bond, which is to be filed with the Registrar of Contractors, is based upon the gross volume of work contemplated by the licensee for the ensuing fiscal year.

Fund

An owner/occupant of residential real property injured due to an act by a residential contractor, which violates the regulations, may be awarded by the Registrar an amount of no more than \$20,000 from the Recovery Fund.

Examination

Examinations are given daily; each applicant must pass with at least a score of 70 percent. All applicants are required to take a business management examination and most license classifications require a trade test.

Enforcement

The Registrar may suspend or revoke a license for violation of any statute or rule regulating the activities of a licensed contractor. A civil penalty, not to exceed \$500, may be imposed on a contractor for each violation. Unlicensed contractors may receive Cease and Desist Orders for advertising as well as contracting. Civil Citations can be issued carrying a fine of \$200 to \$2,500 for multiple violations committed the same day. Criminal Citations may be issued carrying a fine from \$500 to \$2,500 and/or 6 months in jail upon conviction.

*"My opinion may have changed, but not the fact that I am right."
Ashleigh Brilliant*

ARKANSAS**Address for Application**

Contractors Licensing Board
621 East Capitol Avenue
Little Rock, AR 72202
501/372-4661

Applicable Law

Act 150 of 1965 and Act 162 of 1987.

Only the dead have
no problems.

Who Must Obtain a License?

All construction contractors. "Contractor" is a person or partnership who, for a fixed price, contracts to construct or alter any building or structure when the cost is greater than or equal to \$20,000, excluding single family residences.

License Classifications:

- Heavy Construction
- Highway, Railroad, Airport
- Building
- Mechanical
- Electrical
- Specialty

Renewal

Each license expires midnight the day before the anniversary date of the license, unless otherwise designated by the Board.

Bond

Any contractor licensed to do work in excess of \$20,000, excluding single family residences, must post a \$10,000 surety bond prior to the license being issued.

Insurance

All residential construction contractors must prove that they have liability insurance in the amount of \$100,000.

Examination

Commercial and industrial contractors will be tested on their knowledge of business and law in the state.

Enforcement

Any contractor is liable for a fine of between \$100-\$400 for any licensing violation per day, per offense. This fine cannot exceed three percent of the contract amount.

CALIFORNIA

Address for Application

Contractors State License Board
Department of Consumer Affairs
9835 Goeth Rd.
PO Box 26000
Sacramento, CA 95826
916/255-4089
800/321-2752

Warning!
Dates on the calendar are closer than they appear.

Applicable Law

California Contractors License Law and Reference Book, 1996 edition.

Who Must Obtain a License?

All businesses that, or individuals who, construct or alter any building, highway, road, parking facility, railroad, excavation, or other structure must be licensed by the Contractors State Licensing Board (CSLB) if the total cost of one or more contracts on the project is \$300 or more. Contractors, including subcontractors, specialty contractors, and persons engaged in the business of home improvement (with the exception of joint ventures and projects involving federal funding) must be licensed before submitting bids.

License Classifications

Class A: General Engineering Contractor - The principal business is in connection with fixed works requiring specialized engineering knowledge and skill.

Class B: General Building Contractor - The principal business involves carpentry, structural framing, or at least three unrelated building trades or crafts.

Class C: Specialty Contractor - The principal business involves the use of specialized building trades or crafts. There are 42 separate classifications under this category.

There are also standards set for contractors who remove asbestos and hazardous substances. Consult with the CSLB for more information.

Requirements for Licensure

Each applicant must have had, within the ten years immediately

before filing the application, at least four full years of experience as a journeyman, foreman, supervisor, or contractor in the classification for which he or she is applying.

Renewal

A contractor license is valid for two years. A license will expire on the last day of the month it was issued.

Bond

A contractor's bond or cash deposit in the amount of \$7,500 must be filed with the Registrar at the time of licensing. An additional Bond of Qualifying Individual (BQI) in the amount of \$7,500 is required if the qualifier is a Responsible Managing Officer (RMO) who owns less than 10 percent of the voting stock of the corporation, or if the qualifier is a Responsible Managing Employee (RME). If the RMO owns 10 percent or more of the voting stock of the corporation, the BQI is waived.

Financial Requirements

All license applicants for a new contractor's license, other than those applying for a joint venture license, must have more than \$2,500 worth of operating capital.

There is a big difference between good sound reasons and reasons that sound good.

Insurance

As of January 1, 1992, all contractors must present proof of workers' compensation coverage if they hire employees. If no employees are hired, an exemption statement must be filed.

Examination

The qualifying individual for a contractor's license is required to pass written law and all relevant trade examinations before a license is issued. However, there are waivers for this examination if the applicant has already been a qualifying individual. The exam will consist of business, law, and trade knowledge.

COLORADO

Address for Application

Colorado Electrical & Plumbing Board
1580 Logan Street, Suite 550
Denver, CO 80203-1941
303/894-2300

Applicable Law

Chapter 12.

Who Must Obtain a License?

The state of Colorado licenses plumbers and electricians and registers electrical contractors. Each local jurisdiction decides whether other contractors should be licensed or registered. Currently, 23 jurisdictions license, three register, two register through permits, and seven jurisdictions do neither.

There is no such uncertainty as a "sure thing."

"Electrical Contractor" means any person, firm, copartnership, corporation, association, or combination thereof who undertakes or offers to undertake for another the planning, laying out, supervising, and installing or the making of additions, alterations, and repairs in the installation of wiring apparatus and equipment for electric light, heat, and power. A registered professional engineer who plans or designs electrical installation shall not be classed as an electrical contractor.

"Electrical Work" means wiring for, installing and repairing electrical apparatus and equipment for light, heat and power.

"Journeyman Electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to wire for, install and repair electrical apparatus and equipment for light, heat, power and other purposes, in accordance with standard rules and regulations governing such work.

"Master Electrician" means a person having the necessary qualifications, training experience, and technical knowledge to properly plan, lay out and supervise the installation and repair of wiring apparatus and equipment for electric light, heat power, and other purposes in accordance with standard rules and regulations governing such work, such as the National Electrical Code.

CONNECTICUT

Address for Application

Department of Consumer Protection
Central Licensing Division
165 Capitol Avenue, Room #147
Hartford, CT 06106
860/566-3290

Applicable Law

Chapter 400, Connecticut General Statutes.

Who Must Obtain a License?

Commercial general contractors involved in projects over 150,000 square feet or more than four stories must obtain a license.

Who Must Be Registered?

All home improvement contractors must be registered. "Home Improvement Contractor" is a person who performs work on residential property (single or multifamily dwellings of 6 units or less) and charges \$200 or more for a single contract, and makes \$1,000 or more in one calendar year performing such work.

New home builders must simply complete an identification statement.

Renewal

All renewals expire annually on November 30.

Fund

Home improvement contractors are required to contribute to the Home Improvement Guaranty Fund, which homeowner's may access up to \$10,000 after obtaining a court judgment.

Insurance

Workers' compensation insurance is mandatory for companies with one or more employees. It is the general contractor's responsibility to make sure that all subcontractors have workers' compensation insurance for their employees as well. The contractor must comply upon renewal of the license.

Contract Requirements

Each contractor must commit to a start and completion date on a project. If 30 days from the start date pass and substantial work is not done, consumers can request a refund of the deposit. The consumer has a 3-day cancellation period and is not financially responsible for any work completed within that time period.

A person who does not read books for learning has no advantage over those who cannot read at all.

DISTRICT OF COLUMBIA

Address for Application

Department of Consumer and Regulatory Affairs
Occupational and Professional Licensing Administration
614 H Street, NW, Room #1120
Washington, DC 20001
202/727-7120

Applicable Law

Municipal Regulations: Title 16: Consumer Protection, Chapter 8:
Home Improvements.

Who Must Obtain a License?

All home improvement contractors. "Home Improvement Contractor" is a person who enters or offers to enter into a home improvement contract for \$300 or more. There are no specialty licenses in the construction industry, however, there are specialty permits required for numerous activities. For further information concerning permits, contact the Building and Land Regulation Administration at 202/727-7340.

Bond

A surety bond of \$5,000 is required. In lieu of a surety bond, an applicant may deposit other securities with the D.C. Treasurer.

Insurance

An insurance certificate composed of \$100,000 for public liability and \$50,000 for property damage is required.

Enforcement

The Office of Compliance handles all penalties and fines in the regulation of home improvement and the construction industry. For further information concerning penalties and fines, contact the Office of Compliance at 202/727-7770.

"An excellent plumber (or painter, carpenter, roofer, concrete finisher, etc.) is infinitely more admirable than an incompetent philosopher. The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

John Gardner

DELAWARE

Address for Application

He who begins too
much, accom-
plishes little.
German proverb

Division of Revenue
Department of Finance
Carvel State Building
820 North French Street
PO Box 2340
Wilmington, DE 19899
302/577-5800 ext. 7522

Applicable Law

Delaware Tax Reports, Title 30, Chapter 25, Contractor's Licenses, Sections 92:495-497.

Who must Obtain a License?

All contractors. "Contractor" is a person who constructs, alters or repairs any structure.

Renewal

Each license must be renewed on December 31 of each year.

Bond

If the total contracts of a nonresident contractor amount to \$20,000 or more in a year, a bond of six percent of the contract price is required.

Insurance

Each contractor must register with the Department of Labor and provide proof of workers' compensation and liability insurance.

FLORIDA

Address for Application

Construction Industry Licensing Board
Department of Business & Professional Regulation
7960 Arlington Expressway, Suite 300
Jacksonville, FL 32211-7467
904/727-3689

Applicable Law

Chapter 489, Part 1, Florida Statutes, and Chapter 6164, Florida Administrative Code.

Who Must be Registered or Certified?

All contractors must be either registered or certified in Florida. The state certifies contractors, who can then operate statewide.

Each jurisdiction is in charge of licensing contractors at the local level, who must be registered with the state, and can only operate in that particular jurisdiction.

For purpose of statewide certification, contractors are separated into two divisions. Division One includes general, building and residential contractors. Division Two is for other contractors.

"General Contractors" are not limited in the types of services they can perform.

"Building Contractors" are limited to the construction of commercial buildings up to and including three stories.

"Residential Contractors" are limited to construction, remodeling, repair, or improvement of 1-3 family unit dwellings, not exceeding two stories.

Applicants for certification should check with the Construction Board for specific requirements pertaining to their type of contracting.

Financial Requirements

Each applicant for certification or registration is required to provide proof of net worth. They are to provide a credit report, from a national company to show ratings. The net worth for each type of contractor follows:

General Contractors - \$10,000

Building Contractors - \$10,000

Residential Contractors - \$10,000

Division Two Contractors - \$2,500-\$10,000

Insurance

Before the issuance or renewal of an active certification or registration, the applicant shall submit a signed affidavit attesting that the applicant has obtained and will maintain public liability and property damage insurance. General and Building Contractors must carry \$300,000 in liability coverage and \$50,000 in property damage coverage. Residential and all Division Two contractors

The brain is a wonderful organ; it starts working the moment you get up in the morning and does not stop until you get your first real problem.

must carry \$100,000 in liability coverage and \$25,000 in property damage coverage.

Examination

Each applicant for certification under Division One and Division Two must pass a written examination with a score of no less than 70 percent. This examination will test business, law, and technical knowledge.

Continuing Education

All contractors must provide proof of 14 hours of continuing education each biennium.

GEORGIA

Address for Application

Construction Industry Licensing Board
166 Pryor Street, SW
Atlanta, GA 30303
404/656-2448

Applicable Law

O. C. G. A. Title 43, Chapter 14

Who Must Obtain a License?

Georgia does not require licenses for general, residential and remodeling contractors. The following specialties require licenses:

- Electrical
- Plumbing
- Conditioned air
- Low voltage
- Underground utility

*"It's not so much
where we are that's
important, but in
what direction
we're moving."
Oliver Wendell
Holmes*

Bond

All out of state contractors are required to post a revenue bond equal to 10 percent of the contact. The bond is related automatically after two years. For further information concerning bonds, contact the Department of Revenue at 404/656/4080.

HAWAII

Address for Application

Contractor's Licensing Board
Division of Professional & Vocational Licensing
PO Box 3469
Honolulu, Hawaii 96301
808/586-2700

The truly determined will either find a way, or will make one.

Applicable Law

Chapter 444, Hawaii Revised Statutes. Chapter 77, Rules of the Contractors License Board.

Who Must Obtain a License?

All contractors must be licensed. There are three types of licenses: general building, general engineering, and specialty contractor.

"General Building Contractor" is a person who builds any structure for the support, shelter, and enclosure of persons, animals... requiring the use of more than two unrelated building trades or crafts.

"General Engineering Contractor" is a person whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill.

"Specialty Contractor" is a person whose operations include the performance of construction work requiring special skill.

Renewal

Each application must be renewed biennially, by April 30th of each even-numbered year.

Bond

A minimum bond of \$5,000 may be required by the Contractors Licensing Board before a license is activated.

Fund

Each applicant must contribute \$150 to the recovery fund. This fund is available to anyone injured by a licensed contractor.

If an applicant has passed the examination within 4 years of the current application, he/she does not have to take it again. The examinations are given monthly, and may be repeated with additional fees if it is not passed the first time.

Insurance

Each applicant must show proof of workers' compensation insurance, and liability insurance for comprehensive personal injury in the amount of \$100,000 per person, and \$300,000 for each occurrence. Each applicant also needs property damage liability in the amount of \$50,000 per occurrence.

Examination

All applicants must pass a two-part written examination with a score of 75 percent or better. The first part tests the applicant's general knowledge of laws and business management. The second part tests the applicant's specialized knowledge in the field in which the applicant has applied.

IDAHO**Address for Application**

Public Works Contractors State Licensing Board
PO Box 83720
Boise, ID 83720-0073
208/334-2966

Who Must Obtain a License?

Contractors doing residential, private and commercial construction are not licensed or regulated in the state of Idaho. However, public works contractors must be licensed.

*Bove's Theory:
The remaining
work to finish a
project increases
as the deadline
approaches.*

ILLINOIS**Address for Application**

Department of Professional Regulation
100 West Randolph, Suite 9-100
Chicago, IL 60601
312/814-4500

Who Must Obtain a License?

Illinois does not have any statewide licensing. Plumbers are regulated by the Department of Health at 217/782-4977. Contractors should check with local jurisdictions for regulations in their area.

INDIANA

Address for Application

Division of Consumer Services
Office of the Attorney General
402 West Washington Street, IGC-S, 5th floor
Indianapolis, IN 46204-2746
317/232-6201

*To succeed, don't
learn the tricks of
the trade. Learn
the trade.*

Who Must Obtain a License?

Indiana does not have statewide contractor licensing. Contractors should contact local jurisdictions for regulations in their area.

IOWA

Address for Application

Workforce Development Department
Division of Labor
1000 East Grand Avenue
Des Moines, IA 50319-0209
515/242-5871

Applicable Law

Chapter 91C.

Who Must be Registered?

All contractors must be registered. "Contractor" is a person who engages in a business of construction on property owned by another, and who earns more than \$1,000 from the business annually. Registration is required on a biennial basis.

Bond

Each out-of-state contractor must provide a bond to the Iowa Division of Labor of either \$1,000 or 5 percent of the contract price, whichever is greater, for each contract over \$5,000 or a blanket bond of \$50,000 for multiple projects. Certain federally funded projects are exempt from the bonding requirement.

Insurance

Each applicant must provide annual proof of compliance with Iowa's workers' compensation law to the Iowa Division of Labor.

KANSAS

Address for Application

Department of Revenue
Division of Taxation Registration
State Office Building
915 SW Harrison Street
Topeka, KS 66625-0001
785/296-3044

Applicable Law

Kansas Statutes 79-1008 through 1015.

Who Must be Registered?

Kansas has no statewide licensing laws. All licensing is done at the local and county level. Nonresident contractors must register each job over \$10,000.

Bond

A bond of eight percent of the total contract must be presented. This bond shall not exceed \$25,000 and must be a minimum of \$1,000.

Insurance

Kansas law requires all employers in the state who have, or expect to have, a gross annual payroll of \$20,000 in a calendar year to insure payment of workers' compensation benefits for employees injured on the job. All payroll is taken into account including that paid in Kansas and elsewhere. If the employer is a sole proprietor or a partnership, the wages paid to the employer and any family members are not used in the computation of the \$20,000 gross.

KENTUCKY

Address for Application

Division of Occupations and Professions
Department of Housing & Developing
Capitol Annex
PO Box 456
Frankfort, KY 40601
502/564-8644

"Men are all alike in their promises. It is only in their deeds that they differ."
Moliere, 1668

Who Must Obtain a License?

Kentucky does not have statewide licensing. Contractors should check with local jurisdictions for regulations in their area.

LOUISIANA**Address for Application**

Licensing Board for Contractors
PO Box 14419
Baton Rouge, LA 70898-4419
504/765/2301
800/256/1392

The secret of financial success is to spend what you have left after saving, instead of saving what is left after spending.

Applicable Law

LA R.S. 37:2150 through 2173

Who Must Obtain a License?

All contractors working on projects costing \$50,000 or more. It is the responsibility of the contractor to insure that any subcontractor for an amount of \$50,000 or more has a valid contracting license. For work involving hazardous materials including asbestos removal and abatement, lead based paint abatement and removal, and underground storage tanks, a license is required.

As of February 1, 1996, any person who builds a structure which is used by another as a residence, when the cost undertaking exceeds \$50,000, must be licensed as a residential building contractor.

License Classifications:

- Building
- Electrical
- Hazardous
- Heavy
- Highway, Street and Bridge
- Mechanical
- Municipal and Public Works
- Plumbing
- Specialty

Renewal

All licenses shall expire on December 31 of the year in which they are issued. Each license must be renewed by the second Tuesday of

the next January. After that, the applicant may be charged a penalty fee of no more than \$50, and have to undergo reexamination.

MAINE

Address for Application

Office of Licensing and Registration
Department of Professional and
Financial Regulation
59 State House Station
Augusta, ME 04333-0059
207/627-2656
800/541-5872

Applicable Law

Title 32, Chapter 128

Who Must Obtain a License?

There are no statewide laws governing the licensure or registration of contractors in Maine. However, there are laws pertaining to home contract requirements and energy standards. All door-to-door sellers must be registered with the Maine Department of Professional & Financial Regulation at the Business Answer Office at 800/541/5872. For a copy of the Maine Model Home Construction Contract, you can also call the toll free number 800/541-5872

Some people can become very decisive when it comes to avoiding decisions.

MARYLAND

Address for Application

Home Improvement Commission
Department of Licensing and Regulation
501 St. Paul Place, Room 801
Baltimore, MD 21202-2272
410/333-6322

Alternate Address

National Assessment Institute
3813 Gaskin Road
Richmond, VA 23233

Applicable Law

Title 8, Business Regulation Article - Home Improvement, Annotated Code of Maryland. Title 9A, Business Regulation

Article - HVACR, Annotated Code of Maryland.

Who Must Obtain a License?

All contractors, subcontractors and home improvement salespersons must be licensed. All contractors engaged in heating, ventilation, air conditioning and refrigeration must also be licensed. LIVACR Board can be reached at 410/333-6590.

"Home Improvement Contractor" is a person, other than an employee of an owner, who performs or offers or agrees to perform a home improvement for an owner.

"Home Improvement Subcontractor" is a person, other than a laborer or supplier of materials, who makes an oral contract or a written agreement with a contractor, or another subcontractor, to perform all or part of a home improvement contract.

"Home Improvement Salesperson" is a person who sells home improvements.

Requirements for Licensure

Each applicant must have a minimum of two years trade experience, acceptable to the commission, or comparable educational training.

Renewal

Each license expires on the date set by the Secretary of the Department of Licensing and Regulation. Each licensee has two years from the date of expiration to reapply for it to be seen as a renewal of the original license. After the two years, each application will be seen as a request for a new license.

Fund

Prior to each issuance of a contractor's license, the applicant must pay an initial fee of \$100 to be credited to the recovery fund. If the fund drops below \$250,000, each contractor will be charged an additional \$50, but may not be charged more than \$150 per calendar year.

People who try to do something and fail are much more alive than those who try to do nothing and succeed.

MASSACHUSETTS

Address for Application

State Board of Building Regulations and Standards
One Ashburton Place, Room 1301
Boston, MA 02108
617/727-3200

Applicable Law

Chapter 1 42A - Regulation of Home Improvement Contractors.
780 CMR 5 - Contractor Supervisor
780 CMR 6- Contractor Registration and Enforcement of Home Improvement Contractor Program
201 CMR 14 - Home Improvement Contractor Arbitration
201 CMR 15 - Home Improvement Guaranty Fund.

Who Must be Registered?

All persons, individuals, proprietorships, partnerships, and corporations, who solicit, bid on, or perform residential contracting as a contractor or a subcontractor on a preexisting one to four-unit owner-occupied residential building, except those exempted by 780 CMR - 6, 5.1.6., must be registered.

Who Must Obtain a License?

A construction supervisor license, issued by the Board of Building Regulations and Standards, is required whenever any work is done of a structural nature on a building or structure, up to, and including, 35,000 cubic feet of enclosed space. The license is issued to an individual and that licensed individual must be on site during critical phases of construction. The license requirement is in effect even if the company has a Home Improvement Contractor Registration.

Renewal

The initial registration is valid for two years, and must be renewed every two years.

Contract Requirements

All agreements to perform residential contracting services for work costing over \$1,000 must have a written contract. Contracts must include: a clear description of the agreement; work to be done and materials used; the contractor's registration number; start and completion dates; time schedule payments; and an explanation of the owner's three-day cancellation rights. Sample contracts are

"I long to accomplish a great and noble task, but it is my chief duty to accomplish humble tasks as though they were great and noble. The world is moved along, not by mighty shoves of its heroes, but by the aggregate of the tiny pushes of each honest worker."
Helen Keller

available at the Executive Office of Consumer Affairs and Business Regulation at 617/727/7780.

Examination

The Construction Supervisor License is obtained by successful completion of an open book, multiple choice examination on the Massachusetts State Building Code (780 CMR).

Fund

Each applicant must pay between \$100-\$500 to the Home Improvement Guaranty Fund. The amount is based on the number of employees (active construction-related personnel) of the contractor on the date of initial registration. This is a onetime payment made at the time of initial registration, unless the fund becomes depleted, then each contractor will be reassessed.

MICHIGAN

Address for Application

Department of Commercial & Industry Services
Bureau of Occupational and Professional Regulation
Ottawa Building, PO Box 30245
Lansing, MI 48909-7745
517/373-0678
Builders Licensing Unit
800/733-9267 PSI Exam. Services

Applicable Law

Occupational Code, Act 299 of 1980, as amended.

Who Must Obtain a License?

All persons contracting to perform new construction, remodeling or alteration to a residential structure, or a combination residential and commercial structure, where labor and materials combined equals or exceeds \$600.

"Residential Builder" is a person who contracts to construct, add to, subcontract from, alter, repair or demolish a residential structure or a combination residential and commercial structure.

"Residential Maintenance and Alteration Contractor" is a person who contracts to add to, subcontract from, alter or repair a residential structure, or combination residential and commercial structure.

*"While one person
hesitates because
he feels inferior,
the other is busy
making mistakes
and becoming
superior."
Henry C. Link*

You can have anything you want, but you can't have everything you want.
Wealth 101

"Salesperson" is an employee or agent of a licensed residential builder or residential maintenance and alteration contractor, who, for compensation, sells, solicits or negotiates the services of the licensed builder or contractor.

Renewal

Licensees are required to renew every two years.

Fund

This Homeowner Construction Lien Fund is supported by licensees. Each original application for licensure must be accompanied by a onetime fee of \$50 for the fund. If the fund balance falls below one million dollars, all members will be assessed another fee.

Examination

Each applicant is required to take an examination that tests their knowledge of the laws, rules and their trade.

MINNESOTA

Address of Application

Department of Commerce
Licensing Division
133 East 7th Street
St. Paul, MN 55101
612/297/5280

Applicable Law

Minnesota Statute 326.83-326.991.
Minnesota Rules 2891.0010 - 2891.0280

Who Must Obtain a License?

Any residential contractor or residential remodeler who contracts or offers to contract with a homeowner to perform more than one special skill, whose gross receipts exceed \$15,000, must obtain a license. In addition, all residential roofers, whose annual gross receipts exceed \$15,000, and all individuals or companies who install or repair manufactured homes, whose gross receipts exceed \$15,000, are required to be licensed.

"Residential Building Contractor" is a person in the business of building residential real estate, or contracting or offering to contract

with an owner to build residential real estate by providing two or more special skills. A residential building contractor may also improve existing residential real estate.

"Residential Remodeler" is a person in the business of contracting or offering to contract with an owner to improve existing residential real estate by providing two or more specialized skills.

"Residential Roofer" is a person engaged in the business of doing work on residential real estate roof covering, roof sheathing, roof weatherproofing and insulation, and repair of roof systems, but not the construction of new roof systems.

"Manufactured Home Installer" is a person, or corporation that installs or repairs a manufactured home for others at the site of occupancy.

The following trades are licensed by the agencies listed below:

Plumbers Department of Health: 612/215-0836

Electricians Board of Electricity: 612/624-0800

Well Drillers Department of Health: 612/627-5147

Septic Systems Pollution Control Agency: 612/297-1831

Lead Abatement Department of Health: 612/627-5498

Examination

Applicants for each of the four licenses are required to take and pass a two part written exam. The first part of the exam tests the applicant's general knowledge of state laws and business management. The second part tests the applicant's knowledge of the specific trade. The exams are given monthly statewide, and twice a month in the Twin City area.

Renewal

All licenses are renewed on an annual basis at a cost of \$75.00 plus the appropriate recovery fund fee for contractors and remodelers.

No one's credit is as good as their money.

Bond

Residential roofers and manufactured home installers are required to obtain a \$5,000 and \$2,500 bond, respectively.

Fund

Applicants for the residential building contractor or residential remodeler license must pay a fee into the Contractor's Recovery

*Before you can
score, you must
first have a goal.
Greek proverb*

Fund and are not required to obtain a bond. The fee for the recovery fund ranges from \$100 to \$200 per year based on the licensee's annual gross receipts. The recovery fund may compensate an aggrieved homeowner or lessee of residential property up to \$50,000 per claim, not to exceed \$50,000 per licensee.

Insurance

Minnesota law requires that each company have workers' compensation and unemployment insurance. It is possible for an applicant to claim an exemption from these requirements.

All applicants are also required to provide a certificate of insurance for a minimum of \$100,000 in liability coverage per occurrence, which must include a minimum of \$10,000 in property damage insurance.

Continuing Education

Residential building contractors and remodelers must complete seven hours of continuing education per year. During the first reporting period, they must have a minimum of one hour in safe lead abatement procedures, and every year they are required to have a minimum of one hour in energy codes. Residential roofers are also required to have seven hours per year. Manufactured home installers are not subject to education requirements.

Enforcement

A person required to be licensed who performs unlicensed work is guilty of a misdemeanor. In addition, an unlicensed person who knowingly violates the licensing law has no right to claim a lien and the lien is void.

MISSISSIPPI

Address for Application

Board of Contractors
2001 Airport Road, Suite 101
Jackson, MS 39208
601/354-6161

Applicable Law

Chapter 59 - Residential Builders and Remodelers.
Chapter 3 - State Board of Works Contractors.

Who Must Obtain a License?

Residential builders of residences which are not more than three floors in height and the cost exceeds \$50,000, and remodelers who make improvements to existing residences in excess of \$10,000 must be licensed. Any licensed builder or remodeler can also work on commercial projects under 7,500 square feet without additional licensure.

Any contractor, or subcontractor who participates in the erection, building, construction, reconstruction, repair, or related work on any public or private structure, must also obtain a Certificate of Responsibility. If the public project is less than \$50,000, or the private project is less than \$100,000, then the certificate is not needed.

Renewal

Contractors must renew their licenses annually. The annual fee cannot exceed \$100.

Financial Requirements

Each applicant must provide a financial statement, signed by a certified public accountant, stating assets, liabilities and net worth, to the Board to determine financial responsibility.

Examination

Each applicant must pass a written or oral examination with a grade of at least 70 percent.

Enforcement

Violations of the licensing law are subject to fines and penalties up to \$5,000 or 60 days in jail. Additionally, unlicensed contractors may not bring any action to enforce any residential building, remodeling, or sales contract.

*"There's a six word
formula for success:
Think things through,
then follow through."
Eddie Rickenbacker*

MISSOURI**Address for Application**

Division of Professional Registration
PO Box 1335
Jefferson City, MO 65102
573/751-1081

"There are two things to aim at in life: First, to get what you want, and then to enjoy it. Only the wisest of mankind can achieve the second."
Logan Pearsall Smith

Who Must Obtain a License?

Missouri does not have statewide contractor licensing. Contractors should contact local jurisdictions for regulations in their area.

MONTANA

Address for Application

Department of Labor & Industry
Employment Relations Division, Contractor Registration
PO Box 8011
Helena, MT 59604-8011
406/444-7734
800/556-6694

Who Must Obtain a License?

The licensing of public contractors was repealed by the 1995 legislature with the passage of House Bill 354. Electricians and Plumbers are required to license with the Department of Commerce.
Contact:

Department of Commerce
Professional & Occupational Licensing
PO Box 200513
Helena, MT 59620-0513
406/444-4390

Who Must be Registered?

The 1995 legislature also passed a bill requiring the registration of general and specialty contractors. The effective date of the bill was October 1, 1995 and requires the registration of contractors on or before July 1, 1996.

Bond

A surety bond is required for all registered contractors with or without employees. The minimum amount of the surety bond varies with the type of contractor registration.

Insurance

Workers' compensation insurance "specific to Montana" is required for all employers with employees. An independent contract or exemption may be filed if the employer meets certain requirements.

NORTH CAROLINA

Address for Application

NC Licensing Board for General Contractors
PO Box 17187
Raleigh, NC 27619
919/571-4183

Applicable Law

Chapter 87, Article 1.

Who Must Obtain a License?

Persons, firms, corporations, or businesses constructing projects or entering into contracts costing \$30,000 or more.

"General Contractor" is a person, firm or corporation who is in the business of building, superintending, or managing construction work as defined in 21 NCAC 12.0200.

There are three different limitations of license based on the monetary value of the individual projects undertaken: limited, intermediate, unlimited. The initial application fee is based on the limitation of the license applied for. There are five different license classifications: building, residential, highway, public utilities, and specialty.

Renewal

All licenses expire on December 31st of each year. Annual renewal fees are \$50 for limited license, \$75 for intermediate license, and \$100 for unlimited license.

Fund

Licensed contractors contribute to the homeowner's Recovery Fund by paying an additional \$5.00 fee for individual building permits for the construction or alteration of single-family dwelling units.

Examination

Every applicant must pass a Board conducted examination before a license is issued. The exam tests both the applicant's trade and business knowledge, and understanding of general contracting laws and regulations.

There is so much information coming at a person each day, it is possible to lose your balance of common sense.

NEBRASKA

Address of Application

Department of Labor
Division of Safety & Labor Standards
313 Farnam Street, 3rd floor
State Office Building
Omaha, NE 68102-1898
402/595-3095 or 402/595-3189

Applicable Law

NRS: 77-3101 to 77-3112, Non-Residential Contractors.
(Department of Revenue)
NRS: 47-2101 to 48-2116, Contractor Registration Act.
(Department of Labor)

Who Must be Registered?

All residential and nonresidential contractors and subcontractors doing business in Nebraska counties with a population of 100,000 or more (Douglas, Lancaster and Sarpy) must register with the Department of Labor and pay an annual registration fee of \$25. All nonresidential contractors and subcontractors doing business in any Nebraska county must also register with the Department of Revenue at 402/471-5862

What's worth doing
is worth doing for
money.

"Contractor" is any person who engages in the business of construction and includes general contractors, subcontractors and any other person arranging for the performance of work on real property. A person who is self-employed and does not pay more than \$1,000 annually to employ others in the business is exempt.

"Non-Resident Contractor" is a contractor who is not living in, nor has maintained a permanent place of business or residence in Nebraska for a period of at least six months.

All nonresidential contractors must be registered with the Department of Revenue if the project is greater than \$2,500 and pay a \$25 registration fee. In addition, a \$25 fee is due for each contract awarded.

Bond

Each nonresident contractor must file a bond on each project with the Department of Revenue as follows:

Contract Price	Bond Amount
Under \$2,500	None
\$2,501 - \$10,000	\$1,000
\$10,000 - \$100,000	10%
Greater than \$100,000	5%

Insurance

Proof of workers' compensation coverage is necessary to maintain valid registration with the Department of Labor. A report must be filed with the Division of Employment in order to determine if unemployment insurance is needed.

Enforcement

Any contractor or subcontractor failing to register is subject to civil money penalties of not more than \$500 for the first violation and not more than \$5,000 for the second and subsequent violations.

NEVADA

Address for Application

State Contractors Board
4220 S. Maryland Parkway, Bldg. D, Ste. 800
Las Vegas, NV 89119
702/486-1100

Applicable Law

Nevada Revised Statutes, Chapter 624.

Who Must Obtain a License?

All contractors. "Contractor" is synonymous with "Builder" and means any person, except a registered architect or a registered professional engineer, who undertakes to build, alter, repair, or demolish any building or structure. This includes subcontractor and specialty contractors.

License Classifications:

- A General Engineering
- B General Building
- AB Combination of types A & B
- C 1-42- Specialty Trades

One of the best ways to be successful is to make people believe it's to their advantage to help you.

Bond

Prior to licensure, the applicant must file a surety bond fixed by the Board with references to the contractor's financial and professional responsibility, ranging from \$1,000 to \$50,000.

Insurance

Each applicant must be registered with the State Industrial Insurance System.

Examination

The Board requires the applicant to pass an exam, which tests knowledge of business, law and trade, with a score of 70 percent or better. In most classifications, reciprocity is accepted from Arizona, California, and Utah. Plumbing and electrical classifications must take the trade exam. Also to be able to qualify for the reciprocity, they must have been licensed for five of the past seven years in the state where they were previously licensed.

Business success is more about how you play an average hand than getting dealt a winning hand.

NEW HAMPSHIRE**Address for Application**

Consumer Protection & Antitrust Bureau
Office of the Attorney General
33 Capitol Street
Concord, NH 03301-6397
603/271-3641

Applicable Law

RSA 329-A-Plumbers.
RSA 31 9-C-Electricians.
RSA 141-B-Asbestos Removal Contractors.

Who Must Obtain a License?

General building contractors are not licensed or regulated in New Hampshire. However, the following trades are licensed by the agencies listed below:

Plumbers by the Plumbers' Licensing Board at 603/271-3267.
Electricians by the Electricians' Licensing Board at 603/271-3748.
Asbestos Removal Contractors by the Division of Public Health at 603/271-4609.

NEW JERSEY

Address for Application

Bureau of Homeowner Protection
Dept. of Community Affairs
CN 805
Trenton, NJ 08625-0805
609/530-8800
609/530-8802

Service is a verb; it means action.

Applicable Law

New Home Warranty & Builders' Registration Act, NJSA 46:3B- 1
Regulations NJAC 5:25-1 et seq.

Who Must be Registered?

All new home builders must register. "New Home Builder" is any individual, corporation, partnership or other business organization engaged in the construction of new homes (single family, two-family, townhouses, condominiums, or cooperatives).

Applications for registration must be accompanied by a nonrefundable \$200 fee. Remodelers are not required to register.

Who Must Obtain a License?

The following trades are licensed by the agencies listed below:

- Electrical Contractors by the Board of Examiners of Electrical Contractors at 201/504-6410.
- Plumbing Contractors by the Board of Examiners of Master Plumbers at 201/504-6420.
- Asbestos Removal Contractors by the Office of Asbestos Control and Licensing at 609/633-3760.
- Radon Testing and Mitigation Service Contractors by the Radiation Protection Unit at 609/984-5925.
- Home Repair Contractors that offer homeowner financing by Consumer Services and Licensing at 609/292-5340.

Renewal

Each certificate of registration for a new home builder is valid for a period of two years. Each renewal application must be accompanied by a nonrefundable \$200 fee and is subject to the same requirements as the original application.

Warranty

All new home builders must provide a ten-year limited warranty on all new homes. The warranty can be either one of the private warranty plans approved by the state or the state warranty plan.

Insurance

There are no insurance requirements for new home builders pursuant the law. However, other types of contractors should contact the specific state licensing agencies for their requirements.

NEW MEXICO**Address for Application**

Construction Industries Division
Department of Regulation and Licensing
725 St. Michael's Drive
PO Box 25101
Santa Fe, NM 87504
505/827-7030

"The only place
where success
comes before work
is in the dict-
ionary."
Vidal Sasson

Applicable Law

New Mexico Construction Industries Licensing Act and LPG Act of 1978.

Who Must Obtain a License?

All contractors must obtain a license. "Contractor" is a person who undertakes, offers to undertake by bid or other means or purports to have the capacity to undertake, by himself or through others, contracting.

Renewal

Renewal fees are required at the time of renewal of the license. At present, some licenses are being renewed for 2 years and some for 3 years. Eventually all will be renewed for 3 years.

Bond

Contractors have a choice in proving financial responsibility. They must either submit an audited financial statement, a certified financial statement certified by a financial institution, a license bond, or a cash collateral assignment. (The amount varies between \$500 and \$5,000 depending on the amount of the permit or contract.)

Insurance

For licensure and upon renewal, proof of workers' compensation insurance is required if there are one or more employees.

Examination

Before obtaining a license, an applicant must successfully complete a technical examination and business knowledge examination. A certificate of completion of a business and law course can be substituted in lieu of the business exam.

NEW YORK**Address for Application**

Department of State
Division of Licensing Services
41 State Street
Albany, NY 12231
518/473-2728

Applicable Law

Section 36-A

Who Must Obtain a License?

New York does not have statewide contractor licensing, however, home improvement contracts are subject to escrow requirements. Violations of the escrow law are handled by the Attorney General's Office at 518/474-1778. Various local jurisdictions require licensing.

If you're willing to admit you're wrong, when you're wrong, you're alright.

NORTH DAKOTA**Address for Application**

Contractors Licensing Division
Office of the Secretary of State
600 B. Boulevard Avenue
Bismarck, ND 58505-0500
701/328-3665

Applicable Law

Chapter 43-07

"I don't know the
key to success,
but the key to
failure is trying to
please everybody."
Bill Cosby

Who Must Obtain a License?

Contractors or subcontractors working on a project where the cost, value, or price exceeds \$2,000 must obtain a license. There are four license classifications dependent on the amount of the work done.

Renewal

Each license must be renewed each fiscal year. The fee is equal to 20 percent of the cost of the original license.

Insurance

Each applicant must submit proof that they have proper coverage according to the state Workers' Compensation Board. Contractors must also submit a copy of their Certificate of Liability coverage.

OHIO

Address for Application

Construction Industry Examining Board
6606 Tussing Road
PO Box 4009
Reynoldsburg, OH 43068
614/644-3493

Applicable Law

R.C. 4740.01 et seq.

Who Must Obtain a License?

There are no statewide licensing laws regulating contractors. However, there is a voluntary certification process for electrical, HVAC, refrigeration, hydronic, and plumbing contractors. If a contractor satisfies the eligibility requirements, the contractor obtains a Qualification Certificate, which enables the contractor to do business in a city, county, or other political subdivision without having to submit to a test by that jurisdiction. The contractor still has to comply with any other local requirements such as licensing or registration, bonding, and building codes.

Insurance

Both workers' compensation and liability insurance are required.

Examination

To be qualified, a contractor must pass an exam administered by the Construction Industry Examining Board.

Continuing Education

There are various continuing education requirements to meet in order to remain qualified.

OKLAHOMA**Address for Application**

Occupational Licensing Division
State Department of Health
1000 N.E. 10th Street
Oklahoma City, OK 73117
405/271-5217

Change is not necessarily progress.

Who Must Obtain a License?

Oklahoma does not have statewide general contractor licensing. Contractors should check with their local jurisdiction for regulations in their area.

Bond

All nonresident contractors must file a bond of 10 percent of the contract price for privately owned buildings.

OREGON**Address for Application**

Construction Contractors Board
700 Summer St. NE, Suite 300
PO Box 14140
Salem, OR 97309-5052
503/378-4621 ext. 4900

Applicable Law

Chapter 701.

Who Must be Registered?

There are three categories of registration: general, specialty, and limited. General and specialty contractors either register to work on only residential structures or on all structures.

"General Contractor" is a person whose business operations require the use of two or more unrelated building trades or crafts that the

contractor supervises or performs in whole or in part whenever the sum of all contracts, on any single property, including labor and materials, exceeds \$2,500. General contractors may also do specialty contractor work.

"Specialty Contractor" is a person who specializes in two or fewer unrelated building trades or crafts. If the contract includes three or more building trades or crafts, the contract price cannot exceed \$2,500 on any one property.

"Limited Contractor" is a person who grosses less than \$30,000 per year in all construction activities including labor and materials.

Pre-Requisite Education

All construction contractor registration applicants must provide evidence that the responsible managing individual has completed a four-hour core course on Oregon laws and business practices; and an additional 12 hours of approved elective education.

Bond

Each classification of license requires a surety bond amount ranging from \$2,000-\$10,000.

Insurance

Most contractors who have employees must have workers' compensation coverage. Each applicant must have liability insurance in the amount of \$100,000 or \$500,000 depending on their classification.

Enforcement

Violations of the law can result in fines up to \$5,000 and in some cases, suspension or revocation of the registration.

"Be like a postage stamp, stick to one thing until you get there."
Margaret Carey

PENNSYLVANIA

Address for Application

Bureau of Professional & Occupational Affairs
Department of State
PO Box 2649
Harrisburg, PA 17105-2649
717/787-8503

Who Must Obtain a License?

There is no statewide licensing law in Pennsylvania. Contractors should contact their local jurisdiction for local regulations.

RHODE ISLAND**Address for Application**

Contractor's Registration Board
Code Commission
One Capitol Hill
Providence, RI 02908-5859
401/277-1270
TDD# 401/277-6334

Applicable Law

Title V, Chapter 65.

Who Must be Registered?

All contractors performing work on residential property of four units or less.

Insurance

All applicants who are business owners and employ four or more persons, must show proof of workers' compensation and unemployment insurance at the time of application. Each contractor must also have liability insurance in the amount of \$300,000 combined single limit, bodily injury and property damage.

*There are two ways
to get ahead in
the world; by your
own ability, or by
the ability of
others.*

SOUTH CAROLINA**Address for Application**

Residential Builders Commission
Department of Labor Licensing & Regulation
PO Box 11329
Columbia, SC 29211-1329
803/896-4656

Applicable Law

Chapter 59.

Who Must Obtain a License?

All residential builders and commercial contractors must be licensed

60% of people do not set goals at all. 10% set goals in their mind, but do not write them down. 3% set goals in written form. This 3% accomplish 50 times more than all the rest.

when the price of the contract exceeds \$30,000. Commercial builders are regulated by the Board for Commercial Contractors at 803\734-8955.

"Residential Builder" is one who constructs a residential building or structure for sale or who receives money for superintending the construction of such structure.

"Residential Specialty Contractor" is an independent contractor who offers specialized construction skills when the contract exceeds \$200.

Bond

Each applicant must provide a surety bond in the amount of \$15,000 or the applicant must have a net worth of \$50,000, of which \$10,000 is in liquid assets.

Exam

The applicant must pass an examination that tests the knowledge of the business law and code. The state requires that the applicant practice under a licensed contractor for one year.

SOUTH DAKOTA

Department of Revenue

Business Tax Division
700 Governors Drive
Pierre, SD 57501-2291
605/773-3311

Who Must Obtain a License?

Construction contractors are not licensed by the state of South Dakota before they make bids. However, if a contractor is awarded a bid to complete realty improvement, a contractors' excise tax license must be obtained before starting work. The contractor is liable for four percent sales or use tax, plus city tax, when the job is inside a taxing city, on the purchase of materials and equipment, leases of equipment, and sales taxable services used in completing the project.

In addition, a two percent contractors' excise tax is due on total contract receipts plus owner furnished materials. The prime contractor should furnish an exemption certificate to all subcontractors to avoid the additional two percent excise tax. The

exemption certificate does not remove the subcontractors' from their sales or use tax liabilities on materials, equipment, leases or sales taxable services they provide in their portion of the contract.

TENNESSEE

Address for Application

Home Improvement Commission
Department of Commerce and Insurance,
Home Improvement Commission, Contractor Board
500 James Robertson Parkway, Suite 110
Nashville, TN 37243-1150
615/741-8307
800/544-7696

*Time is money,
especially when you
are talking to a
lawyer.*

Who Must Obtain a License?

All contractors who perform home improvement contracting in Bradley, Davidson, Hamilton, Johnson, Knox, Marion, Robertson, Rutherford, and Shelby counties.

Renewal

Each license expires on the last day of the year following its issuance or renewal.

Examination

Each person requesting a license must pass an examination before a licensed is issued. The exam covers both the law and business aspects of contracting.

TEXAS

Address for Application

Department of Licensing & Regulation
PO Box 12157
Austin, TX 78711
512/463-6599
512/463-5522
800/803-9202

Applicable Law

Article 8861, Texas Civil Statutes, 16 Administrative Code
Chapter 75 - Air Conditioning and Refrigeration.

Article 6243, Texas Civil Statutes - Plumbing.

Article 5.43-2 of the Insurance Code - Fire Protection.

Who Must Obtain a License?

The following trades are licensed by the agencies listed below:

- Air Conditioning and Refrigeration Contractors by the Department of Licensing and Regulation at 512/463-5522.
- Plumbing Contractors by the State Board of Plumbing Examiners at 512/458-2145.
- Fire Protection Contractors by the Fire Protection Commission at 512/918-7100.
- Electrical Contractors are regulated at the local level.

Insurance

An applicant for an air conditioning and refrigeration license must have between \$100,000 and \$300,000 liability coverage per occurrence, depending on the class of license for which they are applying.

Examination

Air conditioning, refrigeration, plumbing and fire protection contractors are required to pass an exam to obtain a license.

Continuing Education

Voluntary continuing education is available for air conditioning, refrigeration and pump installers, water well driller, and contractors.

"Wealth is not he
who has it, but he
who enjoys it."
Benjamin Franklin

UTAH**Address for Application**

Contractor's Bureau
Division of Occupational & Professional Licensing
PO box 45805
Salt Lake City, UT 84145-0805
801/530-6628

Applicable Law

Chapter 55, Title 58 - Licensing Laws and Rules

Who Must Obtain a License?

All contractors must be licensed including: general engineering; general building, residential and small commercial building and specialty contractors.

Bond

All contracts for \$2,000 or more require a bond equal to the contract price, if the client requests it.

Fund

All contractors must pay an assessment to the Residential Lien Recovery Fund regardless of whether they perform residential construction or not.

Financial Requirements

An applicant must request a monetary limit for each job on which they would like to bid. The applicant then must submit a financial statement to support their request. The amount of CPA involvement varies with the choice of monetary limit.

Insurance

If the applicant has employees, then proof of unemployment registration and workers' compensation insurance is required. Each applicant must show coverage of \$100,000 per incident, \$300,000 total in public liability and property damage insurance.

Examination

The applicant must pass an examination that tests the knowledge of state business and law practices, as well as, some trade knowledge. In addition, each applicant is required to have significant experience in the category for which they are applying.

*"Everything
changes but
change itself."
John F. Kennedy*

VERMONT

Address for Application

Department of Labor & Industry
Fire Prevention Division
Drawer 20, National Life Building
Montpelier, VT 05620-3401
802/828-2107

"It's an old ironic
habit of human
beings to run
faster when we
have lost our way."
Rollo May

Applicable Law

26 VSA Chapter 15, Subchapter 3 - Electricians.
26 VSA Chapter 39, Subchapter 3 - Plumbers.

Who Must Obtain a License?

The following trades are licensed by the agencies listed below:

- Electricians by the Electrical Licensing Board at: 802/828-2107.
- Plumbers by the Plumbers Examining Board at the same number.
- Sprinkler Systems installers, LPG installers, fire suppression system installers, and chimney sweeps are certified by the Fire Prevention Division at: 802/828-2106.

Examination

Examinations are required for both electrical and plumbing licenses.

VIRGINIA

Address for Application

Contractor Licensing Division
Department of Professional & Occupational Regulation
3600 West Broad St., 4th Floor
Richmond, VA 23230-4917
804/367-8511; 804/367-2945-Tradesman Certification Office

Applicable Law

Title 54.1, Sections 54.1-1100 through 54.1-1135 & 18VAC 50-22-10 Regulations of the Board of Contractors.

Who Must Obtain a License?

There are two different license classifications and one certification, based on the amount of the contract price.

Class A license allows contractors to bid on a job that has a total value of \$70,000 or more.

Class B license allows contractors to bid on a job that has a total value less than \$70,000 and more than \$7,500. Class C certification allows contractors to bid on jobs with a total value of less than \$7,500 and more than \$1,000.

In July 1995, the Board for Contractors extended its program to include certification of electrical, plumbing, and HVAC tradesmen.

Renewal

Class A and B licenses and Class C certifications are renewable every two years.

To change and to improve are two different things.

Requirements for Licensure

Class A and B contractors must have five years of experience.

Class C contractors must have two years of experience.

Financial Requirements

Each applicant must prove they have a net worth of \$45,000 for a Class A license, or \$15,000 for a Class B license. Class C certifications require no net worth.

Examination

Each Class A and Class B applicant must complete a written or oral examination given by the state Board of Contractors. This examination will test the applicant's knowledge of laws and regulations governing contractors, as well as questions concerning general business knowledge. Class C certification contractors are not required to take an exam.

WASHINGTON

Address for Application

Contractor Registration Section/Compliance Division
Department of Labor & Industries
P.O. Box 44450
Olympia, WA 98504-4450
360/902-5202
800/647-0982

Applicable Law

Revised Code of Washington 18.27- General and Specialty Contractors. Washington Administrative Code 296-200.

Who Must be Registered?

All contractors must obtain a license. "Specialty Contractors" are those who participate in no more than two trades and do not subcontract work to other contractors.

Bond

General Contractors are required to maintain a \$6,000 bond. Specialty Contractors must maintain a \$4,000 bond.

Insurance

Contractors are required to carry at least \$20,000 in property damage insurance and \$100,000 in bodily injury or death insurance.

WEST VIRGINIA**Address for Application**

Contractor's Licensing Board
West Virginia Division of Labor
319 Building #3, Capitol Complex
Charleston, WV 25305
304/558-7890

Applicable Law

West Virginia Code 21-11-1

Who Must Obtain a License?

All construction contractors.

"Contractor" is a person who, for compensation, offers to construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, structure or excavation when the cost is \$ 1,000 or more.

"Residential Contractor" is a person whose principal business is in connection with construction, repair, or improvement of real property used for residential occupancy.

"Remodeling and Repair Contractor" is a person whose primary business is general remodeling, additions and repairs to existing structures, where the cost does not exceed \$10,000. Plumbing, electrical, and other classifications are also licensed in West Virginia. Contact the Board for more information.

Renewal

Each license shall expire one year from the date it was issued.

Bond

If a contractor has not worked in West Virginia for five consecutive

*"Despair is the price one pays for setting oneself an impossible aim."
Graham Green*

years prior to the present undertaking, a wage surety bond must be filed with the Division of Labor. This bond will equal the payroll for four weeks plus 15 percent.

Examination

A business and law examination is required for all contractors in the state. Twenty-two classifications require a trade examination. Twenty-eight specialty classifications do not require a trade examination.

Enforcement

Contractors working without a license, or out of their classification, will be ordered to immediately cease and desist from operations until the proper license is obtained, and are subject to fines between \$200 and \$1,000.

In business planning and management, hold on to the old as long as it's good; grab onto the new as soon as it's better.

WISCONSIN

Address of Application

Safety & Building Division
Department of Commerce
PO Box 7969
201 East Washington Ave. Room 106
Madison, WI 53707
608/266-3815
608/267-9566

Applicable Law

Statute 101.654- Residential Contractors; Commercial Chapter.
Statute 101.178 - HVAC Contractors; Commercial Chapter.
Statute 101.80- Electricians; Commercial Chapter.
Statute 145.06- Plumbers; Commercial Chapter.

Who Must Obtain a License?

Residential construction and remodeling contractors (one and two family homes) are required to register. Masters plumbers must be licensed. Electrical and HVAC contractors are subject to voluntary certification programs, however, local jurisdictions may require electrical contractors to be certified by the state.

Bond

Contractors must show financial responsibility through either liability insurance or a bond.

Insurance

Contractors must show proof of workers' compensation and unemployment compensation insurance.

Examination

Plumbers must pass an examination to be licensed. Voluntary certification examinations are given to electrical and HVAC contractors. If they pass, they are awarded a certificate which may be necessary at the local level to obtain a permit.

WYOMING**Address of Application**

Division of Labor Standards
Department of Employment
6101 Yellowstone, Room 259 C
Cheyenne, WY 82002
307/777-7261

"I have a new
philosophy. I'm only
going to dread one
day at a time."
Charles Schultz

Who Must Obtain a License?

There is not statewide licensing of residential contractors. Contractors should check with their local jurisdictions for regulations in their area. Insurance Nonresidential contractors must be registered with the Workers' Compensation Division.

For the most detailed information check out the Bibliography section of this course or go to your state's web site. Other requirements may apply for certain specialty areas.
