

## LIMITED RESIDENTIAL LICENSE (BC-A/r)

In lieu of taking the BC-A residential contractor's trade exam, a contractor may take a "Limited Residential Contractor" course, offered by a state community college, to apply for a special residential restricted license with a **BC-A/r** classification. The course certificate may be used to obtain a contractor's license, in lieu of providing the exam scores. The monetary limit is based upon the contractor's financial statement; however, the maximum limit is **\*\$70,000**. The contractor **MUST** comply with all other application requirements, including providing a financial statement; proof of insurance; list of experience; and reference. This course waives the examinations, only. The contractor application and instructions may be obtained from:

<http://www.tn.gov/regboards/contractors/contractor.shtml>

*\*Note: Rule pending to change the amount from \$70,000 to \$125,000 at:*

[http://state.tn.us/sos/rules\\_filings/05-16-13.pdf](http://state.tn.us/sos/rules_filings/05-16-13.pdf) (check our website for effective date in early 2014)

The monetary limit assigned to a BC-A/r license is restricted and does not allow a 10% bid tolerance; therefore, they cannot exceed their monetary limit on any project or contract. Note: The total project/contract cost includes the materials, equipment, cost of land and profit; and the contractor **CANNOT** enter into joint ventures. For example, a contractor would not be able to contract with the owner for purchase of the land; then another contract for building the home (labor); and then a separate contract for materials. The law does not allow contracting in phases to circumvent the law. To increase the monetary limit and remove the restricted classification, the contractor must take the exams ("Business and Law" and any applicable trade exam); complete the "Add Class" request form; and also request an increase to obtain a larger monetary limit by supplying the required reviewed for audited financial statement prepared by a licensed CPA. Revision request forms for an "Add Class" and "Increase" may be downloaded from the Boards "**Forms and Downloads**" at:

<http://www.tn.gov/regboards/contractors/forms.shtml>

You may check with community colleges in your area to see if they currently offer a "Limited License" residential restricted course. Information for each school may be found online at the Tennessee Board of Regents website at:

<http://www.tbr.edu/schools/default.aspx?id=2650>

For more information on obtaining a contractors license, please go to the main website at: <http://www.tn.gov/regboards/contractors/>