



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS – HOME IMPROVEMENT

Mailing Address: 500 JAMES ROBERTSON PARKWAY/ NASHVILLE, TENNESSEE 37243-1150
(615) 532-3994 or (800) 544-7693 or FAX - (615) 532-2868

<http://tn.gov/commerce/boards/contractors/> Email: Contractors.Home-Improvement@tn.gov

A **Home Improvement** license is required to perform residential remodeling work as a prime (*contracting directly with the owner*) for the following: **1)** In counties where the law has been adopted (*see below*); and **2)** If the total cost (*contract amount*) is **\$3,000 - \$24,999**; includes materials and labor. (*Note: Over \$25,000 requires a "Contractor's" license.*) Employees of a contractor are exempt from the license, as well a residential homeowner performing their own work.

- **County Requirement:** This state law applies to the following counties: Bradley, Davidson, Haywood, Hamilton, Knox, Marion, Robertson, Rutherford, and Shelby). Check local government for business licenses, bonding, permits and inspection requirements: <http://www.tn.gov/local/>
- **Home Improvement Defined:** Repair, replace, remodel, alter, conversion, modernization, improvement, or addition to structures and land. (Some government agencies may require for HVAC work). (*See TCA § 62-6-502 and TCA § 62-6-137*)
- **Examples of Home Improvement:** Driveways, swimming pools, porches, garages, landscaping fences, shelters, roofing, painting, environmental remediation (asbestos, lead, mold), and other improvements for the repair, removal or demolition of any damage to a building or structure caused by insects or natural disaster.
- **Other:** Those performing lead paint abatement, well drilling, security, electrical, mechanical, HVAC and plumbing are required to obtain other agency licenses (*see our website for additional information*).
- **Name on License:** Licenses cannot be issued in a similar name used by another licensee. Check at: <http://verify.tn.gov/> Licenses are issued in the exact name as listed on the bond and as registered with the Secretary of State.

Please read these instructions carefully before completing the attached "*Home Improvement License Application*" and also read the license law; particularly, regarding **advertising, payments from consumers, permits, inspections and preparing contracts**, to prevent license law violations.

HOME IMPROVEMENT LICENSE APPLICATION - INSTRUCTIONS

NO EXAMINATION REQUIRED

Your application CANNOT be considered until all questions are answered, disclosures provided and information attached. Include a copy of a photo ID (*driver's license*) for each owner or officer.

- **Application fee for two (2) year license - \$250.00 – By check or money order payable to: HI – Contractors Board** (*do not mail cash*). Board office cannot accept fees at their physical location.
- **Bond or ILOC - Attach an original proof of financial responsibility; (COPIES ARE NOT ACCEPTABLE) Must be in the amount of \$10,000 and in one of the four following formats: (Note: Bond must remain on file for one (1) year after license inactivated or replaced, and cannot be released prior. The license is issued in the name of the entity on the bond; if a corporation or LLC, should be as registered. See Rule 0680-7-.13)**
 1. **Surety Bond** (Include written Power of Attorney from Insurance company (**see page 5**) (*See attached format for your insurance company; Contractor signs as "Principal"; must include bond number*);
 2. **Cash Bond** (No sample form available; check with your bank for preparation);
 3. **Property Bond** (No sample form available; requires an attorney to prepare; appraisal; and file deed with county clerk); OR
 4. **Irrevocable Letter of Credit (ILOC)** (**see page 6**) (*Must be in attached format and from a FDIC approved bank, savings and loan financial institution*)
- **Insurance: Proof of Workers' Compensation; and General Liability** (**see page 7**) (Minimum coverage for GL is \$100,000)

BOARD REVIEW / LICENSE ISSUANCE

Applications are approved by the Board at regularly scheduled meetings. If you have complaints, convictions, incomplete application or failed to disclose information as required, the Board may require a personal interview with the owner. See the list of meeting dates for their regularly scheduled meetings from the "Calendar" on the website. If you have been convicted of a felony, please attach documentation (*charging document; disposition; release of probation, background check showing clean history, etc.*) You may check license issuance from the website at: <http://verify.tn.gov/> Do NOT use the license ID until approved with an "Active" status and current expiration date. Display license in a noticeable place at your business location and list your license I.D. number in advertisements. Renew license biennially.



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE & INSURANCE
BOARD FOR LICENSING CONTRACTORS – HOME IMPROVEMENT

Mailing Address: 500 JAMES ROBERTSON PKWY.

NASHVILLE, TN 37243-1140

TELEPHONE: (615) 532-3994 or 800-544-7693 or FAX: (615) 532-2868

Physical Address: 3rd Floor, Andrew Johnson Tower

Website: <http://www.tn.gov/commerce/boards/contractors/> Email: Contractors.Home-Improvement@tn.gov

\$250 Fee – 1701- HI Initial
Xact#:

HOME IMPROVEMENT LICENSE - APPLICATION

\$250.00 – FEE (2 year License)

(Make check payable to: "HI – Contractor's Board")

New – First Time Applicant

OR

Additional Business Location (Prior License # _____; or - NA: Not Approved)

Resubmitted – Prior Application Denied or Pending

Reinstatement of Expired License (License # _____ - Exp: _____)

NOTE: The Board may deny a license for failing to disclose information as requested (prior license information, complaints, judgments, felony, law violations relative to contracting, etc., See T.C.A. § 62-6-509

*Name on license cannot be similar to another licensee.

Check at: <http://verify.tn.gov/>

***NAME TO APPEAR
ON LICENSE:** _____

(Name should be the same as listed on Bond or IRLOC)

BUSINESS LOCATION

ADDRESS: _____

[If listing a P.O. Box, include physical address] [Have been at this address for more than one year Yes; No -See page 4]

CITY _____ **STATE** _____ **ZIP** _____

TELEPHONE: (____) _____ - _____ **CELL:** (____) _____ - _____ **FAX:** (____) _____ - _____

FEIN Tax ID# _____ **EMAIL:** _____ **WEBSITE** _____

Contact Person(s) / Office Manager: _____

TYPE OF WORK PERFORMED: † Remodeling † Environmental † Lead † Asbestos † Mold † Other _____

1. Mode of Operation: Sole Proprietor Partnership/Joint Venture *Corporation *LLC

*If this is a Corporation or LLC; please attach charter/articles of organization; and proof of active registration with the Secretary of State's office. Yes (Attached); No (Not Applicable) [Note: A Partnership may register to obtain a control #]

2. Please list name(s) of owner(s) / officers; their *SS#, ownership percentage; additional address where they may be contacted; (may submit attachments); and **attach a copy of photo ID** (driver's license):

• Name _____ SS# _____

Title: _____ Ownership: _____%

Address: _____

(† Same as above)

• Name _____ SS# _____

Title: _____ Ownership: _____%

Address: _____

(† Same as above)

† See attachment for additional owners, other office locations, headquarters; and page 4 for prior address

Disclosure: You are required to provide your Social Security Number (SSN) to be used for identification purposes, only, and it will not be a part of public record, in accordance of 42 USC 666.

Continued ⇨

Reference & Experience Information

Please list your home improvement experience and mark where you acted as the: **Contractor; Subcontractor; or Employee.** Include contact information for staff to verify experience. (Note: To include experience as an employee, may attach a resume with business and supervisor's name.)

1. Employed as: **Contractor** **Subcontractor** **Employee of Contractor**

Name of Employer; or
Customer: _____ Date _____ Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed:

- | | | | | |
|-------------------------------------|--------------------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------|
| <input type="checkbox"/> Painting; | <input type="checkbox"/> Roofing; | <input type="checkbox"/> Swimming Pool; | <input type="checkbox"/> Porch/Deck/Garage; | <input type="checkbox"/> Gutters/Siding; |
| <input type="checkbox"/> Fencing; | <input type="checkbox"/> Driveway; | <input type="checkbox"/> Room Addition; | <input type="checkbox"/> Landscaping | <input type="checkbox"/> Windows/Doors; |
| <input type="checkbox"/> Masonry; | <input type="checkbox"/> Concrete; | <input type="checkbox"/> Foundations; | <input type="checkbox"/> Site Work; | <input type="checkbox"/> Framing |
| <input type="checkbox"/> HVAC; | <input type="checkbox"/> Electrical; | <input type="checkbox"/> Plumbing; | <input type="checkbox"/> Ins. Restoration | <input type="checkbox"/> Room Additions |
| <input type="checkbox"/> Lead Paint | <input type="checkbox"/> Asbestos | <input type="checkbox"/> Mold | <input type="checkbox"/> Meth | <input type="checkbox"/> Other: |

2. Employed as: **Contractor** **Subcontractor** **Employee of Contractor**

Name of Employer; or
Customer: _____ Date _____ Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed:

- | | | | | |
|-------------------------------------|--------------------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------|
| <input type="checkbox"/> Painting; | <input type="checkbox"/> Roofing; | <input type="checkbox"/> Swimming Pool; | <input type="checkbox"/> Porch/Deck/Garage; | <input type="checkbox"/> Gutters/Siding; |
| <input type="checkbox"/> Fencing; | <input type="checkbox"/> Driveway; | <input type="checkbox"/> Room Addition; | <input type="checkbox"/> Landscaping; | <input type="checkbox"/> Windows/Doors; |
| <input type="checkbox"/> Masonry; | <input type="checkbox"/> Concrete; | <input type="checkbox"/> Foundations; | <input type="checkbox"/> Site Work; | <input type="checkbox"/> Framing; |
| <input type="checkbox"/> HVAC; | <input type="checkbox"/> Electrical; | <input type="checkbox"/> Plumbing; | <input type="checkbox"/> Ins. Restoration | <input type="checkbox"/> Room Additions; |
| <input type="checkbox"/> Lead Paint | <input type="checkbox"/> Asbestos | <input type="checkbox"/> Mold | <input type="checkbox"/> Meth | <input type="checkbox"/> Other: |

3. Employed as: **Contractor** **Subcontractor** **Employee of Contractor**

Name of Employer; or
Customer: _____ Date _____ Contract \$ _____

Address: _____

Telephone: _____ Email: _____

Type of Work Performed:

- | | | | | |
|-------------------------------------|--------------------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------|
| <input type="checkbox"/> Painting; | <input type="checkbox"/> Roofing; | <input type="checkbox"/> Swimming Pool; | <input type="checkbox"/> Porch/Deck/Garage; | <input type="checkbox"/> Gutters/Siding; |
| <input type="checkbox"/> Fencing; | <input type="checkbox"/> Driveway; | <input type="checkbox"/> Room Addition; | <input type="checkbox"/> Landscaping; | <input type="checkbox"/> Windows/Doors; |
| <input type="checkbox"/> Masonry; | <input type="checkbox"/> Concrete; | <input type="checkbox"/> Foundations; | <input type="checkbox"/> Site Work; | <input type="checkbox"/> Framing; |
| <input type="checkbox"/> HVAC; | <input type="checkbox"/> Electrical; | <input type="checkbox"/> Plumbing; | <input type="checkbox"/> Ins. Restoration; | <input type="checkbox"/> Room Additions; |
| <input type="checkbox"/> Lead Paint | <input type="checkbox"/> Asbestos | <input type="checkbox"/> Mold | <input type="checkbox"/> Meth | <input type="checkbox"/> Other: |

4. Environmental Certifications:

Yes No – Does not perform environmental remediation, such as lead based paint; asbestos; mold or meth contamination. Check with the Department of Environment and Conservation at: <http://www.state.tn.us/environment/>

5. Subcontractors

Do you hire subcontractors to perform work? Yes No

Licenses from other Agencies/States:

1. Please list all other trade licenses held in all states:
___ - See list of licenses as follows
___ - No other licenses have been obtained

NAME ON LICENSE	STATE	LIC#	TYPE	EXP. DATE	DICIPLINED (Yes/No)

Business Locations/Headquarters

2. Please provide information on other similar businesses; locations or headquarters (including locations other than in Tennessee) as noted on page 1. Note: Each business location in Tennessee is required to hold a separate license and bond. (See Rule 0680-07-.01)

Business Name	Address

Prior Address (Physical and Mailing Address):

3. If business address listed on page one (1) is less than one year, please list prior address:

___ - Not applicable

INSTRUCTIONS/CHECK-LIST

1. _____ Answer all questions of the application (pages 1 – 4). License “Name” should be as you operate; must be the same name as your bond and insurance. Check our website at: <http://verify.tn.gov/> to ensure the business name is not similar to others licensed. Attach a copy of a photo ID (driver’s license of each owner/officer).

2. _____ Attach explanation to items answered “Yes” and required additional information:
Attachments
 - _____ Additional Owners / Office Locations - (questions 2, 11, and 13)
 - _____ License Lists of Owners/Officers (question 3 – page 4)
 - _____ Explanation of Revoked/Suspended Licenses (question 4)
 - _____ Explanation of Lending Company (question 5)
 - _____ Explanation of Felony Conviction (question 6)
 - _____ Explanation of Judgments (question 7)
 - _____ Explanation of Complaints / Violations (question 8)

3. _____ \$10,000 Proof of Financial Responsibility Attached (one of the following)
 - _____ *Surety Bond (with Power of Attorney - from Insurance company – see page 6)
 - _____ Cash Bond (contact bank or attorney for drafting)
 - _____ Property Bond (contact an attorney for drafting)
 - _____ *Irrevocable Letter of Credit” (ILOC) (from bank – Board’s exact format- see page 7)

(*Required sample formats attached for the **Surety Bond** and **ILOC** (see pages 6 -7) . There are no sample forms for “property or cash bonds”, as they need to be specially prepared from another source, such as an attorney or the bank. Note: These cannot be released for at least one year after voided.)

4. _____ Corporations and LLCs - Attach copy of charter/articles of organization, and show proof of registration with the Secretary of State, in the same **name** as on the bond. You may obtain online at: http://tn.gov/sos/bus_svc/corporations.htm

5. _____ FEIN Tax ID number:: <https://sa1.www4.irs.gov/modiein/individual/index.jsp>

6. _____ Experience and Reference List - Please include a list (page 3); or may attach resume(s) providing same information. (Note: If no experience is provided, the Board cannot grant a license)

7. _____ Attach proof of insurance (see page 8 and 9 for more information)

8. _____ Fee – **\$250.00** - Two (2) year biennial license. Attach a check or money order (no cash), made payable to “**HI – Contractors Board**” and mail to:

HI - Contractors Board
500 James Robertson Parkway
Nashville, TN 37243-1140

If hand delivering application, fees must be submitted with it to the “Cashier’s Office” located at the mailing address listed above (1st Floor of the Davy Crockett Tower). The Board office cannot accept fees at their physical location (710 James Robertson Parkway, 3rd Floor Andrew Johnson Tower.) Keep a copy of the application for your records! Please allow 5 to 7 business days for mail delivery. License issuance may take up to 30 business days to process. Those submitted incomplete will be delay issuance. See “Calendar” on the website. Status of license issuance is available at the “License Search” on the website at: <http://verify.tn.gov/> Do NOT contract until approved!

Warning: If you performed work where a license was required, a complaint or citation for unlicensed activity may be issued. License may be denied.

Summary

- Check the website for important laws, rules and regulations at: <http://www.tn.gov/commerce/boards/contractors/>
- Include license ID number in advertisements
- Contracts must be in writing and include information identified in the law (start and completion date)
- Avoid conflict of interests within the Consumer Protection Law (acting as a lender, cosigner, etc.)
- Law has exceptions before requiring more than 1/3 payment prior to work starting

Other Resources and License Requirements

- Lead Based Paint Abatement - <http://www.state.tn.us/environment/swm/leadpaint/schedule.shtml>
- Limited Licensed Electrician (LLE); Limited License Plumber (LLP); and Alarm Systems licensing information may be obtained from our website at: <http://www.tn.gov/commerce/boards/contractors/>



STATE OF TENNESSEE
 DEPARTMENT OF COMMERCE AND INSURANCE
 BOARD FOR LICENSING CONTRACTORS
 Mailing Address: 500 James Robertson Pkwy., Nashville, TN 37243-1140
 (615) 532-3994 or 800-544-7693 or Fax (615) 532-2868
<http://www.tn.gov/commerce/boards/contractors/>

TENNESSEE HOME IMPROVEMENT CONTRACTOR'S SURETY BOND

Bond # _____

BE IT KNOWN, that we _____
 (Name as to be on License)

of _____,
 (Mailing and Physical Address)

as principal, and _____
 (Name of Surety Company)

as surety, are held and firmly bound unto the State of Tennessee, for the benefit of all owners, as defined by *Tennessee Code Annotated*, Title 62, Chapter 6, undertaken by the principal in the full and just sum of ten thousand dollars (\$10,000.00) for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden principal has applied to the Tennessee Board for Licensing Contractors for a license as a Home Improvement Contractor; and

WHEREAS, under the provisions of Public Chapter 460, Title 62, chapter 6, Section 506 of Tennessee Code Annotated, and as amended, the principal is required to file this bond in order to obtain said license.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, if the above bounden principal shall comply in all respects with Title 62, Chapter 6, of Tennessee Code Annotated, and the regulations promulgated thereto, then this obligation shall be void otherwise to remain in full force and effect.

PROVIDED, HOWEVER, this bond may not be construed to require the surety to be responsible for the completion of any home improvement contract entered into by the principal on this bond.

PROVIDED, FURTHER, this bond may not be construed to require the surety to be responsible for damages arising from any breach of a home improvement contract, if such contract was entered into after the inactivation, expiration or revocation of the contractor's license.

This bond shall become effective on the _____ day of _____, 20____, and shall be continuous; however, each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the surety SHALL not be cumulative, and the aggregate liability of the surety for any and all claims, suit or action under this bond shall not exceed the sum of \$10,000.00. The surety may cancel this bond by giving thirty (30) days notice to the Tennessee Board for Licensing Contractors and principal by certified mail of such cancellation, it being understood that surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

Witness our hands and official seals this _____ day of _____, 20_____.

 NAME OF COMPANY (As to be Licensed)

 NAME OF SURETY

 SIGNATURE OF PRINCIPAL (Contractor)

 ADDRESS OF SURETY

DATE: _____

 NAME OF SURETY AGENT

(SEAL)

 SIGNATURE OF SURETY AGENT

 ADDRESS OF SURETY AGENT

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC CHAPTER 460; OF *TENNESSEE CODE ANNOTATED*. SHOULD THERE BE ANY CONFLICT WITH THE TERMS THEREOF, AND THE STATUTE, THE STATUTE OR REGULATION SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

SAMPLE - IRREVOCABLE LETTER OF CREDIT

(This form MAY be supplied in lieu of the \$10,000 Surety Bond)

(NOTICE: It must remain on file for one (1) year after the license expiration or inactivation)

State of Tennessee
Board for Licensing Contractors
Home Improvement Section
500 James Robertson Pkwy.,
Nashville, TN 37243-1150

RE: Irrevocable Letter of Credit No. _____
Effective Date: _____
Expiration Date: _____

Board:

You have requested of (Name of Lending Institution) that we establish an irrevocable letter of credit which will remain available to (Applicant) for use in conducting home improvement residential remodeling business for which a license is being sought from the Tennessee Board for Licensing Contractors (Board).

We hereby establish an irrevocable letter of credit for these purposes in the amount of (Dollar Amount) which will be maintained for a period of one year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board of any significant changes in your financial condition during the term of this commitment.

(Name of Lending Institution) may cancel this letter of credit by giving thirty (30) days written notice to the Board and licensee by certified mail, of such cancellation, it being understood that the lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation and that claims which arise during the effective period may be filed up to one year after this letter of credit expires.

Except so far as otherwise stated, this documentary credit is subject to the "Uniform Customs and Practice for Documentary Credits" fixed by the International Chamber of Commerce applicable at the date of this letter.

Yours truly,

(Bank Officer)

(Date)

(Lending Institution)

Instructions

In order to obtain a Home Improvement license, the applicant must supply a form of financial responsibility, such as a bond or a Irrevocable Letter of Credit in the Board's format and from an FDIC approved bank, savings and loan. For further clarification, contact the Board office at: 800-544-7693 or review our website at: <http://www.tn.gov/commerce/boards/contractors/>

Workers' Compensation Insurance - Coverage Determination Questionnaire

(Required by Contractors NOT submitting Proof of Insurance)

The following questionnaire has been developed to assist licensees and our staff to determine whether proof of workers' compensation (WC) insurance coverage or exemption requirements have been fulfilled for the purpose of obtaining a contractor's license. This is based upon changes in the law on March 1, 2011, Public Chapter 1149; and includes amendments for Public Chapter 422, effective October 1, 2011. Please check with your insurance carrier and/or the Department of Labor and Workforce Development to ensure you are properly covered or exempted. In addition, ensure your employees are not misclassified as independent contractors.

Contractors must supply proof of coverage or exemption on themselves as owners, in addition to their employees, unless exempt. A provision allows up to five (5) individuals as an **owner, officer, partner or member** to be exempt from coverage by registering each person on the license with the Tennessee Secretary of State as a "**Construction Services Provider**". Therefore, licensee applicants without employees have the option provide proof of insurance or proof of registration for exemption, unless considered exempt from both (*sole proprietors and partners without employees or subs, working directly for a residential owner, etc.*). As always, check with your insurance agent to make sure you are properly protected on a project. To register online as a "**Construction Services Provider**" for exemption with Tennessee Secretary of State's office, go to: <http://tnbear.tn.gov/wc/> or you may call at (615) 741-2286. Check the Division of Workers' Compensation at: <http://www.tn.gov/labor-wfd/wcomp.html>

Contractor's License WC Questionnaire

1. If you check **ONE** item, you are **NOT EXEMPT** and must submit **proof of insurance** (questionnaire not required)

- One or More Employees (An owner/officer may still need to register for an exemption to exclude themselves)
- Having more than as allowed for an exemption (five (5) owners or officers; or a partner retaining less than 20% ownership)
- Does not meet the requirements in questions 2 – 3 below, and must provide coverage.

2. If you check **ALL** of the following, considered **EXEMPT** from submitting **proof of insurance**, and will need to supply **proof of registration** as a "**Construction Services Provider**" - <http://tnbear.tn.gov/wc/> (Licenses expired cannot register as a licensee with the Board and would not qualify for \$100 discount with Secretary of State exemption registry)

- No Employees on payroll
- Less than five (5) owners and/or officers; or if a partnership, each partner owns a minimum of 20% of business entity.
- All owners/officers/members/partners are registered as a "Construction Services Provider"
- Does not meet the criteria in section "3" below; see attached for registration for each individual on license (limited to five)

(Note: Partnerships, who have not registered with the Secretary of State's "Corporate" section, must do so to obtain a "Control #")

3. If you check **ALL** of the following, you are **EXEMPT** from supplying both the **proof of Insurance and registration** as a "**Construction Services Provider**" as a condition of licensure with the Board:

- No Employees on payroll and no Subcontractors hired to perform work
- Sole Proprietor; or Partnership with less than (5) members (Note: Corporations do not qualify to be exempt from both)
- Does not perform commercial work; works directly for the homeowner (*handyman exemption*)

(See law, Public Chapter 1149, for the definition of commercial work and employee)

4. Other: Considered **EXEMPT** from both the insurance and registration as a "Construction Services Provider" due to:

- Other: Exempt due to: _____
(Provide explanation allowed by law for us to verify with the Department of Labor)

(Note: Renewal will be held until we receive authorization)

5. Signature of Authorized individual completing questionnaire for licensing.

Completed by: _____ Title: _____

For more information concerning the Workers' Compensation law relative to requirements, exemptions, definitions of commercial projects, the amount of exempt contractors allowed on a project, penalties, etc., please refer to the website of the Department of Labor and Workforce Development at: <http://www.tn.gov/labor-wfd/wcomp.html>

To register for an exemption, go to: <http://tnbear.tn.gov/wc/>

NOTICE: Please check with your insurance carrier to ensure you are properly exempted or covered when obtaining minimum coverage to prevent paying penalties at the time of their audit!

SUPPLEMENTAL INFORMATION

(Note: Please keep supplemental information (pages 9 – 15) as guidance and part of your license records)

Pursuant T.C.A. § 62-6-111, all contractors must provide proof of **General Liability** (GL) insurance and in the format listed below (*there are no exemptions for GL coverage*). In addition, proof of **Workers' Compensation** insurance coverage or **exemption** must be supplied. (*Note: The law allows exemption to the owner/officer of the entity, for those performing residential work directly for the homeowner, unless licensed as a corporation. See T.C.A. § 50-6-902(4).*) Licenses cannot be issued or renewed without supplying the required proof of insurance coverage or exemption

1) GENERAL LIABILITY

A "Certificate of Insurance" in the Board's required format and limits of coverage must be attached to the application. The Board has established the minimum amount of **coverage of \$100,000** to obtain general liability, however, please check with your insurance provider, as they may advise to apply for more or additional coverage, based upon your individual needs, risks and the amount of projects you perform.

2) WORKERS' COMPENSATION

The law requires those in the construction industry to supply coverage for every employee. You must supply a "Certificate of Insurance" showing proof of Workers' Compensation (WC) coverage. If you have no employees; and licensed as a sole proprietor, partnership or LLC; do not hire subcontractors; and do not perform commercial work, you may be considered exempt. This law is regulated by the Department of Labor and Workforce Development should you need clarification to the requirements or to confirm exemption, their website is at: <http://www.tn.gov/labor-wfd/wcomp.html>

Law became effective March 1st, and amendments of Public Chapter 422 became effective October 1, 2011, to provide additional exemptions to owners and officers, who elect not to be covered by WC insurance. These individuals may register with the Tennessee Secretary of State's office as a "Construction Services Provider" in order to obtain an exemption, unless they are a sole proprietor, partnership, or LLC, they may be exempt from covering themselves if they do not perform commercial work or hire subs; and work directly for a homeowner. Corporations must supply proof of coverage or exemption, for all owners and officers, regardless (*similar to the former I-6 exemption form*). Owners with family members or officers, may register up to five (5); and partnerships must own 20% of the total business in order for each partner to register. Registration for an exemption is available online at: <http://tnbear.tn.gov/wc/>

T.C.A. § 50-6-102(10) (A) "Employee" includes every person, including a minor, whether lawfully or unlawfully employed, the president, any vice president, secretary, treasurer or other executive officer of a corporate employer without regard to the nature of the duties of the corporate officials, in the service of an employer, as employer is defined in subdivision (11), under any contract of hire or apprenticeship, written or implied."

Format for Proof of Insurance

The Board requests a **Certificate of Insurance** (*available from your insurance agency*) which lists a **policy number** (*not binder or account number*), a **beginning and expiration date**, and **limits** of the insurance. The **name on the license** must match the **name in the insured box**. The "Contractor's Board" should be listed as the certificate holder.

Limits required to be listed on Certificate of insurance

The following information should be provided on the "Certificate of Insurance":

- Each occurrence (this value must comply with minimum requirements listed above)
- Damage to Rented Premises (each occurrence)
- Medical Expense (any one person)
- Personal & Adv Injury
- General Aggregate
- Products- comp/op agg

Submitting Proof of Insurance (*Please do not send separately*)

Always attach proof of insurance to the renewal; do **not** send a "Certificate of Insurance" **separate** from the renewal. A renewal is considered incomplete without proof of coverage. If you cannot supply with renewal, please provide a cover letter stating it is for a pending renewal with the license ID# or attach to the "**Notice of Insurance**" (*form from our website*). This will ensure it is properly matched to the correct pending renewal for timely issuance.

CONTRACT GUIDELINES - INFORMATION

NOTICE: Effective July 1, 2007, changes in the contractor's law for home improvement requires the following:

- (1) Contracts must be in legible writing and contain the complete agreement between the owner and the home improvement contractor;
- (2) State the full names and addresses of all parties, the license number of the home improvement contractor, the date when executed by the parties and contain a description of the work to be done and the goods to be used;
- (3) Be completed in full without any blank spaces to be filled in after the contract is signed by the owner and clearly describe any other documents which are to be incorporated, and shall contain the following notice directly above the space provided for the signature of the owner: "NOTICE TO OWNER: Do not sign this contract if blank. You are entitled to a copy of the contract at the time you sign";
- (4) Contain the approximate dates when the work will begin and be substantially completed;
- (5) Contain the agreed upon consideration for the work;
- (6) Contain a notice that all home improvement contractors must be licensed by the board and that any inquiries about a contractor should be transmitted to the board's office;
- (7) Contain all other matters upon which the parties lawfully agree;
- (8) Not contain any power of attorney to confess judgment. No sales person, agent or employee of the home improvement contractor shall be authorized to make any changes in the agreement on behalf of the owner;
- (9) Before accepting more than 1/3 down payment prior to contracting, must include disclosure in written contract and schedule of payments; and
- (10) Must operate and advertise in the name as licensed; must reference license number.

The above is an abbreviated list of the home improvement law. Please review in it's entirety by requesting a copy from the Board office or download from the website at <http://www.tn.gov/commerce/boards/contractors/index.shtml>

Acts Prohibited

NEW! Effective July 1, 2010 - Public Chapter 1055 – Felony/Criminal Violation for home improvement services providers when accepting payment without completing work, etc. [TCA § Titles 39, 47, and 62]. Review from our website at: <http://state.tn.us/sos/acts/106/pub/pc1055.pdf>

T.C.A. § 62-6-133, prohibits home improvement contractors from having a controlling ownership in the lender providing a mortgage loan or from acting as a co-signer for home improvement work. Violation of this law is considered an unfair or deceptive act under the Consumer Protection Act, pursuant title 47, chapter 18, part 1 and may result in civil penalties up to \$25,000. <http://tn.gov/commerce/boards/contractors/law.shtml>

Local Municipality Licensing and Permits

Always check with the local codes or permit office for their requirements and inspections. The home improvement license does not cover electrical or plumbing or any residential work of \$25,000 or more (state contractor's license required). Note: An additional permit bond may be required by local codes offices. <http://www.tennesseeanytime.org/local/index.html>

You may check the status of a home improvement license from our website or at: <http://verify.tn.gov/>

**RULES
OF
TENNESSEE BOARD FOR LICENSING CONTRACTORS**

**CHAPTER 0680-07
GENERAL REGULATIONS FOR HOME IMPROVEMENT CONTRACTORS
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0680-07-.01 FEES.

- (1) Initial application and license fee (biennial)\$250.00 per business Location
- (2) Renewal fee (biennial).....\$200.00 per business location
- (3) Late renewal fee \$10.00 each month; not to exceed three (3) Months
- (4) Duplicate license fee for one lost, destroyed or mutilated.....\$10.00

Authority: T.C.A. §§ 62-6-504 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.02 DEFINITIONS.

The definitions contained in T.C.A. § 62-6-501, are incorporated into these regulations by references as 0680-07-.02.

Authority: T.C.A. § 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.03 LICENSE FOR HOME IMPROVEMENT CONTRACTORS.

All home improvement contractors required to be licensed shall have licenses on and after January 1, 1989.

Authority: T.C.A. §§ 62-6-502 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.04 ADVERTISING.

(1) A licensed home improvement contractor may not solicit home improvement business by way of advertisement in a newspaper, magazine, circular, or printed document, or by way of television or radio announcement, unless the name and license number of the contractor is stated in the advertisement.

(2) A licensee may not directly or indirectly publish any advertisement relating to home improvements, including finance or credit terms, that contains an assertion, representation, or statement of fact that is false, deceptive or misleading.

(3) General statements, such as "Factory to You," "Direct to You," "Buy from the Manufacturer," "Save the Middleman's Profit," or phrases of similar meaning may not be used unless the advertiser is actually the maker or producer of the merchandise advertised or offered for sale.

Authority: T.C.A. §§ 62-6-510(9) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.05 NOTICE OF CHANGE OF LICENSING INFORMATION.

A licensee shall notify the Board in writing within thirty (30) days of any change of control in ownership, management, address or trade name. Upon notification of a substantial change in control of ownership, the Board reserves the right to require a new application for licensure.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.06 TIME LIMITATIONS FOR FILING COMPLAINTS.

The Board may summarily dismiss any complaint brought against a licensee after one (1) year from the date of the home improvement contract for the work from which the complaint arises, unless the Board finds that the delay was justified and does not result in an undue burden for the licensee.

Authority: T.C.A. §§ 62-6-513(3) and 62-6-513(4). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.07 APPLICATION FOR LICENSURE AS HOME IMPROVEMENT CONTRACTOR.

(1) An application for licensure as a home improvement contractor, whether it is in the name of an individual, partnership, proprietorship, or corporation, may not be accepted, if the name under which the licensee will be trading is the name being used by an existing licensee, or is so similar to the name being used by an existing licensee that it will cause confusion on the part of the public at large, unless the applicant has obtained exclusive use of this name under the federal trademark laws.

(2) If the applicant's mailing address is a post office box, the applicant must also include a physical address for the business location.

Authority: T.C.A. §§ 62-6-506(c) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.08 TEMPORARY LICENSES.

(1) Pursuant to T.C.A. § 62-6-506(d), the Executive Director may grant an application for a home improvement license a temporary license pending a final decision of the Board on the Application for a permanent license if:

(a) applicant has properly filed for a permanent license and has paid the requisite license fee;

(b) applicant has filed a bond or evidence of financial responsibility in accordance with T.C.A. §62-6-506(h);

(c) applicant submits a written request for a temporary license to the Executive Director; and

(d) Executive Director determines that granting the applicant a temporary license is in the public interest and that granting the applicant a temporary license does not pose a substantial risk of harm to owners for whom the applicant would do home improvement work.

(2) As soon as reasonably possible after receiving a written request for a temporary license, but not more than forty-five (45) days after receiving the request, the Executive Director shall inform the applicant in writing whether the Executive Director has denied or granted the applicant a temporary license. If the Executive Director grants an applicant a temporary license, the writing to the applicant shall state that the temporary license terminates automatically when the Board decides to issue or deny the applicant a permanent license and that the Executive Director can terminate the temporary license at any time before final action on the application for a permanent license. Notwithstanding the above, a temporary license shall automatically expire after sixty (60) days from the effective date, and may not be renewed. If an additional application for a temporary license is filed within thirty (30) days after expiration of a previously issued temporary license, then the fee shall be twenty-five dollars (\$25.00).

(3) When the Executive Director issues a temporary license to an applicant, the Executive Director shall issue the applicant a license which is specially marked as temporary. This temporary license may be in the form of a letter from the Executive Director. The Executive Director shall state in this letter the effective date of the temporary license.

(4) A temporary license shall automatically expire if the Board issues a Final Order denying the applicant's request for a permanent license.

(5) The Executive Director or the Board may terminate a temporary license at any time for any reason which is not arbitrary or capricious. When the Executive Director or the Board terminates a temporary license, it shall take effect upon receipt by the applicant of the notice of termination, or ten (10) days after the mailing of the notice of termination, or whichever comes first.

Authority: T.C.A. §§ 62-6-506(c), 62-6-506(d) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.09 LICENSE RENEWALS.

(1) An application for a license previously issued which is received within one (1) year from the date of issue shall be presumed to be an application for a renewal of that license; no renewal application will be accepted more than ninety (90) days after the expiration of the license.

(2) An application for a license previously issued which is received more than ninety (90) days from the date of the previously issued license's expiration shall be presumed to be an application for a new license.

(3) Effective Date of Renewals. A license renewed pursuant to this regulation may not be retroactive to the date that the previously issued license expired, but shall take effect on the date that the applicant fulfills the Board's requirements for renewal. The license shall expire two (2) years from the date on which the previously issued license expired.

Authority: T.C.A. §§ 62-6-506(g), 62-6-513(3) and 62-6-507(d). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.10 CREDIT REPORTS.

(1) The Board in its discretion may require an applicant for an original contractor's license to submit to the Board a credit report from an approved credit reporting agency and a statement of all outstanding judgements against the applicant.

(2) The Board shall consider this credit report and statement in determining whether the applicant has demonstrated financial solvency.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.11 FINANCIAL STATEMENT.

The Board may require any applicant to submit a reviewed financial statement attested to by either a certified public accountant or licensed public accountant; or on a form prescribed by the Board with a notarized affidavit, in order to determine the applicant's financial stability.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.12 FILING OF SECURITY PRIOR TO ISSUANCE OF LICENSE.

(1) The requirements of T.C.A. § 62-6-506(h) must be effective and evidence thereof filed with the Board prior to issuance of the contractor's license.

(2) Upon cancellation of an instrument described in T.C.A. § 62-6-506(h) the licensee must notify the Board in writing within ten (10) days of such cancellation.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.13 BONDS.

(1) Bonds shall be written on a form approved by the Insurance Commissioner, available through the Board, which shows the name of the principal as it appears on the license application.

(2) Description of Bonds.

(a) Cash Bonds.

Cash bonds may not include personal checks.

Cash bonds may include:

1. Currency, which shall be deposited with the State Treasurer, subject to the order of the Board, and which may not earn interest;

2. Cashier's check, certificate of deposit for a term of at least two (2) years or certified check:

- (i) Issued by a financial institution;
- (ii) Showing the name of the purchaser; and
- (iii) Assigned and payable to the Board;

3. Savings and loan association certificates, passbook or share accounts, credit union or share accounts, passbook savings or other similar accounts assigned and payable to the Board, which shall be issued for periods of not less than one (1) year and accompanied by delivery of the certificate passbook, share account, certificate, passbook or other similar account to the Board.

(b) Property Bond

1. A property bond shall be the assignment to the Board by an owner applicant of an interest of ten thousand dollars (\$10,000.00) in real property located in Tennessee; and submission of a title search showing any encumbrances on the property.

2. The Board may require the applicant to submit an appraisal of the property to ascertain that the unencumbered value of the property is at least ten thousand dollars (\$10,000.00).

(c) Surety Bond.

1. A surety bond shall be in the amount of ten thousand dollars (\$10,000.00), issued to a home improvement contractor by an approved insurance company authorized to do business in Tennessee, for the benefit of a claimant, who has been damaged by the contractor's breach of a home improvement contract. If the bond ceases to be in effect, the home improvement contractor's license shall become invalid.

2. The Board may refuse to accept a bond written for a home improvement contractor by a surety which has failed to meet its obligations under this subtitle.

(d) Letter of Credit.

1. A bond in the form of an irrevocable letter of credit shall be an agreement, between a financial institution and a home improvement contractor on record at the Board wherein the FDIC insured financial institution agrees to extend an irrevocable line of credit amounting to ten thousand dollars (\$10,000.00), for the purpose of honoring claims filed with the Board.

2. The irrevocable letter of credit shall show the name of the financial institution extending the credit and the name of the applicant or home improvement contractor to whom the letter of credit was issued as it appears on the applicant's or home improvement contractor's license application.

(3) Release of Bond.

A bond may not be released until whichever occurs last: 5

- (ii) Showing the name of the purchaser; and
- (iii) Assigned and payable to the Board;

3. Savings and loan association certificates, passbook or share accounts, credit union or share accounts, passbook savings or other similar accounts assigned and payable to the Board, which shall be issued for periods of not less than one (1) year and accompanied by delivery of the certificate passbook, share account, certificate, passbook or other similar account to the Board.

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2. The irrevocable letter of credit shall show the name of the financial institution extending the credit and the name of the applicant or home improvement contractor to whom the letter of credit was issued as it appears on the applicant's or home improvement contractor's license application.

(3) Release of Bond.

A bond may not be released until whichever occurs last:

(a) One (1) year after the inactivation, expiration or revocation of home improvement contractor's license;

(b) After the pending claims against the licensee filed during the period described in 3(a) have been heard and satisfied, or dismissed.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.14 COUNTY ADOPTION OF HOME IMPROVEMENT LAW.

The legislative body of the county may, by two-thirds (2/3) majority vote, adopt the home improvement license law. Such county must notify the Board in writing of the effective date to implement the requirements to home improvement contractors.

Authority: T.C.A. §62-6-516(b). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009

-End-

RESOURCES

- Rule updates are available online at: <http://www.state.tn.us/sos/rules/0680/0680.htm>
(Home Improvement Section is under 0680-7)
- The law may be reviewed at the Board's website at:
<http://www.tn.gov/commerce/boards/contractors/index.shtml>
(Home Improvement section is under Title 62, Chapter 6 and Part 5 (T.C.A. § 62-6-501)
- More information is also available at the Boards website at:
<http://www.tn.gov/commerce/boards/contractors/index.shtml>

NEW! Effective July 1, 2010 - Public Chapter 1055 – Felony/Criminal Violation for taking money without performing work within 90 days; fraudulent contracts, etc.

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

For details on becoming certified as a weatherization contractor, contact the Department of Human Services at: <http://tn.gov/wap/>

LEAD ABATEMENT

Lead abatement remodelers are required to be certified through the Department of Environment and Conservation and may be contacted at 1-888-871-5323 or their web site at: State.TN.US/Environment/swm/leadpaint.

Quick facts on EPA's Renovation Repair and Painting (RRP)

Fully effective on April 22, 2010 - Firms must be certified, workers must be trained, and follow specific lead-safe work practices for work performed in pre-1978 homes and child-occupied facilities, if lead paint is disturbed, impacts general contractors, carpenters, painters, electricians, plumbers, "handymen", window and door replacement crews, etc.

Time Line for Lead Abatement Requirements

- Now – Contractors that disturb paint in buildings built prior to 1978 must distribute EPA's new Renovate Right brochure, (Renovate Right is available at www.epa.gov/lead/pubs/renovaterightbrochure.pdf).
- Summer 2009 – Appropriate staff can take training course to become certified, once trainers are accredited.
- October 2009 – Firms can apply for EPA or state certification.
- April 2010 – Businesses engaged in renovation, repair or painting activities in buildings built prior to 1978 must be certified, use trained workers, and follow specific lead-safe work practices to prevent lead contamination.

For more information, the Environmental Protection Agency's website is at: www.epa.gov/lead

Please check with the Department of Environment and Conservation relative to requirements environmental or hazardous material removal. Their websites are at:

MOLD REMEDIATION

<http://health.state.tn.us/Environmental/mold.htm>

METH CLEANUP

<http://tennessee.gov/environment/dor/pdf/FAQcontractors.pdf>

ASBESTOS ABATEMENT

<http://tennessee.gov/environment/swm/asbestos/>

The Tennessee Department of Commerce and Insurance is committed to principles of equal access and affirmation action. Contact the EEO or ADA Coordinator at (615) 741-2177.