

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS

Mailing Address: 500 James Robertson Pkwy.,
Nashville, TN 37243-1150
Telephone: 1-800-544-7693 or (615) 741-8307 / Fax: (615) 532-2868
Website: <http://www.tn.gov/commerce/boards/contractors/>



CONTRACTOR'S LICENSE APPLICATION
◆ PACKAGE ◆

Contents

- **Contractor's License Application** (pages 1-13)
 - Contractor Licensing General Information
 - Instructions (pages i – xv)
- **Exam Information**
 - PSI's "Candidate Information Bulletin"
 - *(Includes information for reference books)*

The above information is included as part of the contractor's license application package. The law, rules and regulations may be viewed from a link on the Board's website; however, these are also part of the "Business and Law" reference manual used for the open book exam.

Supplemental Information - Website

More information is available and may be downloaded from the Board's website at:
<http://www.tn.gov/commerce/boards/contractors/index.shtml>

- [Contractor License Classifications and Exams - Outline](#)
- [FAQ's](#) (*Frequently Asked Questions*)
- [Insurance - General Information](#) (*General Liability and Workers' Comp*)
- [Financial General Information](#) (*For new licenses, renewals and revisions*)
- [Exam - PSI Bookstore](#) (*Reference books for exams*)
- [Exam – NASCLA Publisher and Bookstore](#) (*Reference books for exams*)



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Contractor Licensing General Information

(New, Reinstatement, Change in Ownership, Mergers, Reorganization and Supplemental/Second Licenses)

A contractor's license is required prior to bidding projects \$25,000 or more!

There are various types of contractors and a list of many of these **classifications**, as well as ones with exam requirements, may be obtained from our website "[Contractor Classifications Outline](#)". Examples of the different types of contractors are as follows: Residential Building (BC-A); Commercial Building (BC-B or BC); Electrical (CE); Plumbing (CMC-A); Landscaping (BC-29; Masonry (LMC); and several specialties such as S-Solar Panel Installation; S-Telecommunications; etc. A contractor's license is required for prime (general); various subcontractors; and construction managers. A qualifier (**Qualifying Agent**) is the person who takes the exam(s) for the entity obtaining the license and they may be an owner or full time employee. Bonding is not required to obtain a contractor's license, but may be required for bidding or obtaining local government permits and inspections. A financial statement is required and must be prepared by a CPA (Review or Audit). The financial statement is utilized to determine the size of license in which a monetary limit may be assigned to the license. The license is obtained in the exact name of the entity providing the financial statement. Therefore, a license may be issued to a: **Sole Proprietor, Corporation, Partnership, or LLC**. The license does not necessarily belong to the qualifying agent, unless they are also the owner. Reciprocal agreements are trade exam waivers, only, and exist with many bordering states (*see more information in the application or website*).

HOW TO BECOME A LICENSED CONTRACTOR *(Detailed steps are located in the application attached)*

In order to become a licensed contractor, complete the Board's new license application process, which entails the following steps:

- Exam – All must pass the "Tennessee Business and Law" exam and may need to pass the applicable "**Trade**" exam with PSI Services, LLC. See "Contractor Classifications Outline" for more exam information on our website. Exam registration and study information is available at www.psiexams.com or review the "Candidate Information Bulletin" on our site. *(Note: Must be pre-approved to take plumbing exam!)* *Check website for code updates for the exam after March 15th.
- Reciprocation – There is an exam waiver agreement for the trade exam, only. The following are reciprocating states: Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Ohio, and South Carolina; NASCLA's commercial exam is accepted. *(Note: Not all programs in these states reciprocate; see application for complete details).*
- Financial Statement - Contact a Certified Public Accountant (CPA or PA) to prepare a financial statement in the required format. A "**Review**" is required for limits of \$1,500,000 or less; an "**Audit**" is required for limits exceeding \$1,500,000;
- Reference - Form in application to be completed by a past client, employer, or codes official;
- Corporations and Limited Liability Companies (LLC) must register with the Tennessee Secretary of State; may be contacted at (615) 741-2286 or at: <http://tnbear.tn.gov/>
- Insurance – Provide proof of General Liability Insurance and Workers' Compensation
- Application and Fee - Complete and attach exam scores, financial statement, reference, proof of insurance and mail to the Board office, by the deadline date, which is the 20th day of the month, prior to Board meeting, with **\$250.00** fee;
- Board Review - A personal interview with the Board is typically waived. All licenses are approved by the Board at their regularly scheduled meetings during the months of January (Nashville), March (Nashville), May (Memphis), July (Nashville), September (Knoxville or Johnson City), and in November (Nashville). You will be notified if you need to appear at the Board and sent an "Admission Notice" with the date, time and location.
- Hardship – To obtain an early review to rush the approval, see the "Hardship" criteria from the Board's website.

A Tennessee contractor's license is needed for the following, prior to bidding, contracting, offering or negotiating a price:

- \$25,000 or more for the total project
- Subcontractors who perform \$25,000 or more in electrical, mechanical, plumbing and HVAC projects; and masonry contractors performing \$100,000 or more (includes materials and labor)
- Construction Management of any kind, where the value of the project exceeds \$25,000

Contracting is defined as performs or offers a price, or bid to construct, supervise, superintend, oversee, schedule, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down, or furnishing labor to install material or equipment; highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, etc. (see T.C.A. §62-6-102).

License Classification and Monetary Limit – License is issued with a designated “limit” or amount a contractor is approved to contract and a “classification” or type of license, such as: residential, commercial, industrial or building subcategories, demolition, carpentry, landscaping, etc., or electrical; mechanical; plumbing; HVAC; municipal utility; highway, railroad or airport (HRA); environmental specialties; and specialties for installation of equipment, audio, telecommunications, solar panels, etc. (see Rule 0680.1-.16 or the “Classification Outline” from the website. Monetary limit is based on financial statement and experience).

Bidding requirements are defined in TCA §62-6-119, which states for projects **\$25,000 or more**, the prime (general) contractor must list: **Licensed Name (as licensed exactly), License ID#, Classification, Expiration Date**, and also list the same information for the: **Electrical, Plumbing, Mechanical, *HVAC and **Masonry subcontractors**. **Note: Geothermal contractors may be required to list their well driller license information from the Department of Environment and Conservation. **Masonry contractors are required for portions \$100,000 or more (includes materials and labor).*

Subcontractors: A contractor’s license is NOT required for *all subcontractors, those bidding directly to the prime (general) contractor; not the owner, for projects such as: painting, roofing, excavation, landscaping, etc., *unless, the subcontractors are performing **mechanical, plumbing, HVAC, or electrical over \$25,000; and masonry** if over \$100,000 (*see the bidding guidelines*).

Violations: A contractor who contracts, bids, offers to engage or obtains a permit without a license with proper classification and monetary limit, is in violation of T.C.A. §62-6-120. Therefore, would be ineligible to be awarded the project, may not receive a license for six (6) months; and cannot participate in any re-bidding (would be required to interview with the Board to obtain license).

Deadline Dates for Board Meeting: The Board meets during the months of January, March, May, July, September and November; deadline to submit application for the meeting is the 20th day of the month prior to the Board meeting. (If the 20th lands on a holiday or weekend, then the next business day.)

OTHER LICENSES AND RESOURCES

- ▶ **Home Improvement** license is required (for those without a contractor’s license) in the following counties: Bradley, Davidson, Hamilton, Haywood, Knox, Marion, Robertson, Rutherford and Shelby, for remodeling projects from \$3,000 to less than \$25,000. More information at: <http://tn.gov/commerce/boards/contractors/> or (615) 532-3994.
- ▶ **Limited Licensed Electrician (LLE)** license is required in some counties not performing electrical inspections; for projects less than \$25,000. Website is at: <http://tn.gov/commerce/boards/contractors/> or (615) 253-2144.
- ▶ **Limited Licensed Plumber (LLP)** license is required in some counties not performing plumbing inspections; for projects less than \$25,000. Website is at: <http://tn.gov/commerce/boards/contractors/> or (615) 532-3994.
- ▶ **Alarm Systems Contractors** information is available at: <http://tn.gov/commerce/boards/asc/> or (615) 741-9771.
- ▶ **Fire Sprinkler Contractor Firm and RME** license at: <http://tn.gov/commerce/sfm/fpplsect.shtml> (615) 741-1322.
- ▶ **Local Government (City and County) Permits:** contact information at: <http://www.tn.gov/local/>
- ▶ **Workers’ Compensation Exemption Registration** at: <http://tnbear.tn.gov/wc/>
- ▶ **Business Tax Licenses (City and County):** <http://www.state.tn.us/revenue/onlinefiling/index.shtml>

Board for Licensing Contractors

***Physical Address: Andrew Johnson Tower, 3rd Floor
Telephone: 800-544-7693 or (615) 532-3983 or Fax: (615) 532-2868**

***Note: The Board office cannot accept fees at their physical location; must mail or deliver to mailing address! Please allow 5 to 7 business days for mail delivery; overnight mail takes approximately 2 days to get to staff from cashier/mailroom.**

- ◇ Schools offering pre-licensing contractor courses must be approved by the Contractors Board
- ◇ To check receipt of application review at “License Search” at Board’s website or directly at: <http://verify.tn.gov/>
- ◇ Do not contract until license is approved and issued a current expiration date, after the Board meets
- ◇ If a permit is not required by the local agency, this does not relieve the requirement of a state contractor’s license

More details are located in the “Instructions” of the contractor’s license application, or you may review our website at:

<http://www.tn.gov/commerce/boards/contractors/> for a list of “Frequently Asked Questions”

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CONTRACTOR'S LICENSE APPLICATION

INSTRUCTIONS

***Instructions for completing the "Contractor's License Application"
(see pages i – xv)***

**DEADLINE DATES TO SUBMIT CONTRACTOR'S LICENSE APPLICATION
FOR BOARD REVIEW**

Month of Meeting	Tentative Locations	*Deadline for Applications
January	Nashville	December 20
March	Nashville	February 20
May	Memphis	April 20
July	Nashville	June 20
September	Knoxville	August 20
November	Nashville	October 20

**Note: If the 20th is on a weekend or holiday, the deadline date will be the next business day.*

Rule 0680-1-.03: Applications for licensure are due the 20th day of the month prior to the next Board meeting.

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LICENSE APPLICATION INSTRUCTIONS

Congratulations on your decision to become a licensed contractor with the State of Tennessee! We know how important a license is toward your livelihood and we are here to help. A contractor's license is required for projects \$25,000 or more, prior to contracting (bidding; offering a price; negotiating). Contracting without a license is a violation which comes with monetary penalties and license denial for six months; and not be allowed to start, finish or participate in any re-bidding of the project. (See T.C.A. 62-6-120). For additional assistance, feel free to contact our office at 1-800-544-7693 or see our website at: <http://www.tn.gov/commerce/boards/contractors/index.shtml>

STEP 1 – TESTING: Contact testing center to schedule exam(s)

Examination and Registration Information

All contractor license applicants must submit a copy of their Tennessee “**Business and Law**” exam score; and some applicants may be required to supply proof of “**Trade**” exams. There are various types of contractors; see list of classifications with trade exam requirements provided in the next pages of these instructions. The Board also looks at experience (*prefers three (3) years*); equipment; and financial information. More exam information is available from our website links for “[Contractor Classifications Outline](#)” and the “[Candidate Information Bulletin](#)”.

Note: PSI will update the codes for trade exams effective March 15, 2012!

Business & Law Exam - Open book and based upon the reference manual published by NASCLA: “*Contractors Guide to Business, Law and Project Management*”. This may be purchased by NASCLA at: <http://www.nascla.org/> or PSI at: <http://www.psionlinestore.com/> or

Trade Exams – Open book and based upon codes and books listed in the attached “*Candidate Information Bulletin*” or it may be downloaded from <http://candidate.psiexams.com/> See “page iv” for reciprocity information to accept trade exams taken and licensed in other states.

Qualifying Agent (QA) – Is the person passing the exam on behalf of the entity obtaining the license, which may be a sole proprietor, corporation, partnership or LLC. The license is issued in the exact name on the financial statement. Individual's designated as the QA may be an owner, officer or full time employee with “Power of Attorney” (*see page 10 of the application*). The license does not necessarily belong to the QA unless they are also the owner of the entity. A QA may be listed on two licenses, if they are a majority owner of one of the entities. There may be more than one QA on the license; same person taking Business and Law does not have to take the trade.

Exam Locations, Registration and Study Materials – PSI Services, LLC, is a contracted test vendor; they cannot advise contractors which exams to take. Exam cost is less than \$45.00 each; same day score provided; and given daily in several locations throughout the state, as well as out-of-state. See attached “*Candidate Information Bulletin*” or check online for a list of exam locations, registration and study materials. Exam dates are scheduled by appointments made online at: <http://candidate.psiexams.com/> or by phone: (800) 733-9267; requires SS#.

Prior Licenses / Exams Passed - If you have already taken exam(s) and applying for an additional license, reinstatement, reciprocation or to be the Qualifying Agent (QA), please attach a copy of those exam scores. If not available, a letter may be attached requesting waiver and for our staff to research archived files for copies (*this may take extra time*). Inactive applicant exam scores are typically accepted after two (2) years.

License Classifications – All applicants must take the “Tennessee Business and Law” exam. Trade exams are required for building, electrical, mechanical and masonry categories, as follows:

Building Categories/Combined

Residential (BC-A);	Commercial (BC-B);	Industrial (BC-C);
Res/Small Com (BC-A,b(sm));	Res/Com/Ind (BC);	Small Commercial BC-b(sm);
Com/Ind (BC-B,C);	Masonry (LMC)	MU or MU-B (BC or BC-B exam)

For more detailed information relative to the different types of contractor license classifications and the exam requirements, a list has been compiled from Rule 0680—1-.16 and is available from the website at: <http://www.tn.gov/commerce/boards/contractors/documents/ClassificationOutlineWeb.pdf>

Examples:

- Build residential houses, only; take the BC-A (residential) trade exam.
- A construction manager is required to take the full BC trade exam.
- Build homes and commercial projects, (such as a doctor's office, less than \$750,000), need the BC-A and BC-b(sm) exams OR the "combined" BC-A,b(sm).
- A BC-B or BC is needed to build a water/sewer plant or to obtain a full MU classification.
- Perform only landscaping, or roofing, or painting; no trade exam (see Rule 0680-1-.16 for a complete list of 33 building subcategories or the Board's website for "Classifications Outline").
- Environmental remediation (S-D); no trade exam. Must supply applicable training certificates and experience (Lead Based Paint Removal; Asbestos; Underground Storage Tanks; Hazardous Waste Removal, etc.) to obtain "Specialty" environmental license class.
- Communication/cell towers; no trade exam – specialty license (S-Cell Towers).
- Alarms/Security – Must obtain this license from the "Alarm Systems Board" or register your CE (full electrical) contractor's license.

Electrical and Mechanical Exam Categories

Electrical (CE)	High Voltage (CE-A, H)	Fire/Sprinkler (CMC-D)
Mechanical *(CMC)	Plumbing *(CMC-A)	HVAC/Refrig (CMC-C)

*Effective May 24, 2007, must be pre-approved to take the plumbing mechanical exam

(Note: If you have taken a comparable proctored trade exam, with a Tennessee municipality, such as: Nashville, Knoxville, Oak Ridge, Chattanooga, etc., you may request a waiver. Also check out-of- state reciprocity list.)

Examples:

- Electrical wiring, less than \$25,000, may need the state's **LLE** (Limited Licensed Electrician) license. Check website or call (615) 253-2144. (Not accepted by all local government for permit and inspections (CE electrical contractors are exempt from LLE.)
- Plumbers performing projects less than \$25,000, may need the state's **LLP** (Limited Licensed Plumber) license. Check our website or call (615) 532-3994 and with local government for permit requirements. (LLP not acceptable by all local government)
- Electrical over \$25,000; need the CE exam. (CE accepted statewide for local license/ permits)
- Electrical transmission lines/sub-stations, need CE-A,H (high voltage) or CE;
- Plumbing and HVAC/gas refrigeration; need full CMC (acceptable for local license/ permits).
- Performs process piping (welding); no CMC-B exam. (May need CMC class to perform work in local government; CMC accepted statewide to obtain local permits and inspections.)
- Alarm or security system licensees are exempt from the contractor's license. Or a contractor with a CE or CMC-C may register, in lieu of obtaining license. **Alarm Systems Contractors Board:** (615) 741-9771.
- Installs telephone lines or computer cabling; no trade exam required. (Check with local codes)
- Gas piping: A contractor with CMC, CMC-A or CMC-C may perform gas piping to water heaters, laundry equipment, kitchen equipment, and to appliances, gas grills, swimming pool heaters, gas logs, etc. (Check with local code's office/ government)
- Fire Protection/Sprinkler contractors must pass the CMC-D exam; must also obtain NICET certification and obtain **Firm** and **RME** license with the Department of Fire Prevention (615) 741-7190 or <http://tn.gov/commerce/sfm/>
- Geothermal System requires a CMC-C exam; the well driller needs to be licensed with Department of Environment and Conservation (800-523-4873).
- Solar Panel Installation; specialty (no trade exam if hiring a licensed electrician to perform connections. Local government permits may require electrical license or required to hire a licensed CE)

More information at: <http://tn.gov/commerce/boards/contractors/documents/ClassificationOutlineWeb.pdf>

The following trade classifications do not require an exam; based on equipment and experience: *(Always check with local government for their requirements)*

Building Subcategories such as: “Acoustical Treatments” (BC-1) through “Irrigation” (BC-33); no exam for up to five (5) subcategories. BC exam would cover all. *(Refer to Rule 0680-1-.16 or see the “Outline of Classifications.”)* Others include: Landscaping (BC-29); Demolition (BC-31); Roofing (BC-21); etc. *(LMC exam is required for Masonry).*

Low Voltage (less than 70 volts): Sound, Intercom, Fire Detection or *Alarm Systems (CE-D); Telephone Lines (CE-F); and Cabling (CE-G). *Check with the Alarm Systems Contractors Licensing Board at (615) 741-9771. (See also “Specialties” listed below.) Local government may require license and inspections.

Heavy Construction (HC) such as: Marine (Docks, Harbor Improvements) HC-A; Dams, Dikes, Levees and Canals (HC-D); Structural Steel Erection (HC-1); Clearing, Grubbing, Snagging and Rip Rap (HC-5).

Highway, Railroad and Airport (HRA) such as: Grading and Drainage (HRA-A); Base and Paving (HRA-B); Bridges and Culverts (HRA-C); Well Drilling (HRA-E.4) (well drillers may need to be certified with the Department of Environment and Conservation). (May need to prequalify to bid on TDOT / Federal projects.)

Municipal Utility (MU) such as: Underground Piping (MU-A); Grading and Drainage (MU-C); Gas Distribution and Transmission Lines (MU-A,1). *(Water well drillers may need to be certified with the Department of Environment and Conservation and may be contacted at 800-523-4873.)* Sewer and septic tank contractors need to check with local health department. (MU-B requires BC-B or BC exam!)

Environmental Specialties: Asbestos Handling (S-A); Underground Storage Tanks (S-B); Lead Based Paint Abatement (S-C); Hazardous Waste Removal (S-D); and Air, Water or Soil Remediation (S-E). *(Must attach designated qualifying agent’s (QA) training certifications and resume in these areas.)* These contractors may need to check with the Department of Environment at: <http://www.tn.gov/environment/>

Specialties: Cell/Communication Towers; Equipment Installation; Fabrication of Above-Ground Storage Tanks/Vessels; etc. Specialty license classifications are for unique types of contracting where the Board specifies the exact type of work you perform, such as “S-Installation of Paint Finishing Equipment”; S-Audio Video; S-Sprayed Fire Proofing; S-Cooling Tower; S-Furniture and Equipment, S-Solar Panels, S-Telecommunications, etc.

Medical Gas certification is required by the American Medical Gas Institute (AMGI) or the Piping Industry Progress and Education Trust Fund (PIPE), with a minimum of 32 hours of training, with eight (8) of these hours in brazing. You may also check with the National Inspection Testing Certification (NITC) for local certification locations at 877-457-6482.

Note: Contractors with non-tested trades or specialty license classifications, cannot perform any electrical, mechanical or plumbing in excess of \$25,000, and would be required to subcontract to properly licensed contractors. Example: A contractor with classification “S-Food Service Equipment” would be required to hire a licensed mechanical contractor to perform refrigeration portions in excess of \$25,000. <http://tn.gov/commerce/boards/contractors/documents/ClassificationOutlineWeb.pdf>

Who may be designated as the Qualifying Agent (QA) to take the exam?

- **Individual/Sole Proprietor:** Owner (or family member *employee)
- **Partnership:** Any or all Partners or full-time *employee
- **Corporation:** Major stockholder or full-time *employee
- **Limited Liability Company:** Owner or full-time *employee

***Employees** designated as Qualifying Agents (**QA**), must provide a “Power of Attorney” (see page 10 in the application). Pursuant T.C.A §62-6-115, they must have sufficient knowledge of the construction business to bind the corporation or partnership. A QA cannot be listed on more than one license, unless approved by the Board, which requires them to have majority ownership. Social security number must be provided for identification, however, any public records request will have this number redacted, and not released. If the QA leaves, notify the Board within 10 days, Rule 0680-1-02(3)(e)

Study Guides

Refer to PSI’s attached “Candidate Information Bulletin” for an outline of exam and materials or review from the Board’s website.

Restricted/Limited Residential License (BC-A/r)

In lieu of taking the “BC-A” residential trade exam and “Business & Law” exam, residential contractors wanting to construct homes for **less than \$70,000**, may take a “Limited License” course with their local community college or vocational school. The contractor **MUST** comply with all other application requirements as the examinations are waived, only. A contract or permit valuation cannot exceed \$70,000, which includes contractor’s cost of land and profit; not allowed to joint venture or perform home inspections; and in order to increase, must take the exams and provide a reviewed financial statement. The classification for this license is “BC-A/r”. For a list of these schools, please refer to our website. *(Note: The Board is in the process of implementing new rules to change the limited license to be upgraded.)*

Reciprocity with other States (Trade Exam Waiver)(See page 11)

A trade exam waiver agreement exists with several licensing state agencies in Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Ohio and South Carolina; the Board will also accept the NASCLA National commercial exam. The reciprocating state must be the applicant’s home state; if not, their exam must be comparable to PSI’s exam. Attach a copy of license and exam score with verification form. Must also pass the Tennessee “Business and Law” exam and complete entire license application process. See website for more information on [Reciprocation](#).

Special Accommodations

PSI Services, LLC, the exam vendor, has provisions to make special arrangements and ADA access listed in the “Candidate Information Bulletin”.

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

STEP 2 – FINANCIAL STATEMENT: Contact a Licensed CPA/PA
(Licensed Certified Public Accountant or Public Account)

Licensed Accountant

Contact a Certified Public Accountant (CPA) or a Licensed Public Accountant (PA) actively licensed in the state where your business operates. In Tennessee, you may check with the “Tennessee Board of Accountancy” at <http://www.tn.gov/commerce/boards/tnsba/> or click onto “License Search” at Board’s website to verify CPA is properly licensed as a both a Firm and as CPA. (*Out-o- state contractors may use their CPA licensed in their state.*)

The CPA/PA must prepare a financial statement with a:

- **“Reviewed”** opinion (required for a monetary limit of **\$1,500,000 or less**); or
- **“Audited”** opinion (required for a monetary limit **exceeding \$1,500,000**); based on “Generally Accepted Accounting Principles” (*GAAP*);
- “Compiled” financial statements are **NOT** acceptable to license an entity;
- Financial statements prepared on an income tax basis are **NOT** acceptable;
- Contractor licenses are issued according to the exact **NAME** appearing on the **financial statement** and the name should match on ALL related information, such as the “Charter”, “Articles of Organization”, “Line of Credit”, “Contractor’s Affidavit”, “Guaranty”, and “Certificate of Insurance”.

New start-up businesses: Contact your accountant on deciding how to operate (*mode of operation*). Accounts, such as the checking account, will need to be in the business name of how you will operate and contract. Your accountant may advise whether capital needs to be placed into the business account to obtain the desired monetary limit and the time limit required. Your CPA/PA will need to prepare a “Review” or “Audit” on your contractor’s operating account. For new contractors with financial statements showing “Cash” only, instead of an operating business statement, or a majority as accounts receivables, you must submit, in addition to the reviewed financial statement, a supplemental “personal financial statement” with a Guaranty Agreement (*spouses must also sign Guaranty*). “Supplemental” personal statements are not required to be prepared by a CPA; a “compiled” is acceptable, too. Note: A “Guaranty Agreement” is considered public record.

Monetary Limit Determination (see page v to ix)

The monetary limit is the total dollar amount per each individual contract or project. A contractor cannot split a contract into phases to work within their limit, however, a 10% tolerance is allowed (*except for BC-A/r*). A contractor with a monetary limit of \$150,000 may contract up to \$165,000 without being in violation. In addition, there is no limit of the number of projects a contractor may perform.

Example: Monetary limits are based on the maximum of “10 times the lesser” of both working capital and net worth, plus experience listed as working on these size projects (*may be while working for other contractors, spec homes or subcontracts, etc.*). A license limit of \$150,000 must show working capital and net worth of at least \$15,000. Since the limit is based on the lesser of the two, a contractor with a working capital of \$10,000 and net worth of \$200,000 would qualify for \$100,000, if experienced on these size jobs. The contractor in this example may supplement a “Line of Credit” in the amount of \$5,000 to increase working capital or submit a personal financial statement with Guaranty.

Unlimited License Limit

To obtain an unlimited license, the contractor must show in excess of \$300,000 in working capital and net worth, experience, and an “Audited” financial statement.

Working Capital and Net Worth

Please ask your CPA/PA to determine the amount of your working capital and net worth (*see “Worksheet” on page 6 of the application*). Working capital is “current assets minus current liabilities”. Net worth is “total assets minus total liabilities”. Monetary limit is based on the lesser of both net worth and working capital, times 10 and experience.

Financial statement- A balance sheet listing all of the assets and liabilities of the entity holding the license:

- The balance sheet should not contain personal assets or liabilities
- A classified balance sheet is preferred over an unclassified balance sheet (*classified separates assets and liabilities into current and non-current, long-term*)
- The financial statement must be in **exactly the same name as licensed**
- The balance sheet should contain a full date, including the month, day, and year

CURRENT ASSETS are cash and those assets that are reasonably expected to be realized in cash or sold or consumed within one year or within a business’s normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Underbillings on work in progress
- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50%
- Cash surrender value of life insurance policies (supply documentation on personal statements)
- Trade accounts receivable and notes and other receivables that are expected to be collected within one year
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

The following are not current assets since they generally are not expected to be converted into cash within one year:

- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments/deferred charges that will not be charged to operations within one year
- Notes receivables from stockholders (*Board does not consider these as current assets*)

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Payables for materials and supplies
- Amounts collected before goods or services are delivered (overbillings on jobs in progress)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- Other obligations, including portions of long-term obligations, that are expected to be liquidated within one year*

Current liabilities do not include long term notes, bonds, and obligations that will not be paid out of current assets.

All financial statements submitted should separate current portion of long term debt according to standard accounting principals.

Guaranty Agreement (See Page 8)

A “Guaranty Agreement” (see sample format in this application) with a personal or parent company financial statement may be needed for the following:

- Contractors submitting “cash” only financial statements due to being a new company with no operating statement, will be required to submit a Guaranty, in addition, with their personal financial statement and CPA’s review or audit;
- Spouse must also sign Guaranty Agreement, if applicant is married;
- Contractors needing to supplement their working capital and/or net worth for their monetary limit, may use with their personal financial statement at 50% value with Guaranty;
- Contractors where their company (subsidiary) is owned by another entity (parent), must each submit a Guaranty, with their owners financial statements;
- Subsidiary contractors, which are without a reviewed or audited financial statement, may submit a request for the board to accept an in-house financial statement in the name to be licensed, with their parent company’s audited or reviewed statement, and a signed “Guaranty Agreement”.
- If the parent cannot provide a “Guaranty Agreement” they may request the board to consider a \$1,000,000 bond in the Board’s format, by a bonding/insurance provider. This bond would not be accepted in lieu of providing a financial statement. Contact the Board office for bond format.

Note: Guarantees are required by the Board in order to indemnify the financial statement submitted in an effort to protect the welfare of the public. Rule 0680-1-.13 and T.C.A. 62-6-111(4)(b)].

Financial statements are considered confidential and not public information. However, a Guaranty Agreement is considered public information and may be released.

Line of Credit (see page 9)

A Line of Credit (LOC), in the Board's exact format, in the exact name as financial statement, may be considered to supplement working capital, only. The LOC must come from a FDIC approved bank, savings and loan institution. The sample format is located in the contractor's application. If working capital is negative, the Board may consider no more than 50% percent of LOC with guaranty agreement financials. The Board will not issue a license based on the sole value of a LOC and must accompany their entity's CPA prepared financial statement.

INFORMATION FOR FINANCIAL STATEMENTS

(Please provide to your CPA or Licensed PA with this information!!)

NOTE TO CPA/LPA: Please advise your client of their working capital, net worth and monetary limit, and let them know our in-house auditor will review prior to the Board meeting.

ALL applicants MUST have either a REVIEWED or AUDITED financial statement prepared by a CPA or Licensed PA, in accordance with T.C.A. 62-6-111.

COMPILED STATEMENTS AND STATEMENTS PREPARED ON INCOME TAX BASIS WILL NOT BE ACCEPTED!!

- Licenses will be issued in the EXACT name that appears on the financial statement. Be sure that the name on the financial statement and the name throughout your application are the **EXACT** same. (If a spouse's name is on the statement, such as "John and Mary Jones", the license will be issued as "John and Mary Jones"). If a corporation, must match as registered.
- Request for monetary limits **GREATER than \$1,500,000.00** requires an **AUDITED** financial statement.
- Request for monetary limits **EQUAL TO or LESS THAN \$1,500,000.00** require a **REVIEWED** or **AUDITED** financial statement.
- **ALL** financial statements **MUST** be prepared by a **CPA or PA**. Their accountancy licenses (as a firm and CPA) must be current and in good standing.
- **ALL** financial statements **MUST** include the following:
 - 1) CPA signed opinion letter. This will provide the opinion on the licensee or applicant exactly as the license will be issued.
 - 2) Balance sheet. The balance sheet must list the assets (separated into current and long term); and the liabilities (separated into current and long term) based on the Generally Accepted Accounting Principals (GAAP).
 - 3) Notes to the financial statement. This is requested to explain to the Board how the figures were determined.
 - 4) Audited statements must include the profit and loss statement and cash flow statement.

Note: The Board considers retirement plans, profit sharing plans, IRA's, 401-K's, etc., at **50%** of their value. This is to allow for tax liability.

FINANCIAL STATEMENTS MUST BE PREPARED ON YOUR CPA'S OWN FORM.

Financial statements **MUST** be current (within the last twelve (12) months). In addition to a reviewed or audited financial statement, the Board may require a personal financial statement with a Guaranty Agreement if an operating statement was not submitted or cash only. The personal financial statement does not have to be prepared by a CPA.

INFORMATION FOR MONETARY LIMITS

NOTE: CPA/PA'S - Please advise your client of their working capital and net worth-

Monetary limit is based 10 times the LESSER of WORKING CAPITAL, NET WORTH and EXPERIENCE! A monetary limit for \$100,000 would require \$10,000 in working capital and net worth (plus experience).

Working Capital is your **current** assets *MINUS* your **current** liabilities.

Net Worth is your **total** assets *MINUS* your **total** liabilities.

Example #1:

Current Assets:		<u>\$ 20,000.00</u>	Total Assets:		<u>\$ 20,000.00</u>
Current Liabilities:	-	<u>\$ 10,000.00</u>	Total Liabilities:	-	<u>\$ 10,000.00</u>
Working Capital:	=	<u>\$ 10,000.00</u>	Net Worth:	=	<u>\$ 10,000.00</u>

Monetary Limit Qualify: \$100,000.00 (must show experience, too!)

Example #2:

Company Working Capital:	<u>\$ 20,000.00</u>	Company Net Worth:	<u>\$ 20,000.00</u>
Personal Working Capital:	<u>\$ 2,000.00</u>	Personal Net Worth:	<u>\$100,000.00</u>
50% of Personal Working Capital:	<u>\$ 1,000.00</u>	50% Personal Net Worth:	<u>\$ 50,000.00</u>
Line of Credit:	<u>\$ 10,000.00</u>		
Total Working Capital:	<u>\$ 31,000.00</u>	Total Net Worth:	<u>\$ 70,000.00</u>

Monetary Limit Qualify: \$300,000.00 (must show experience, too!)

STEP 3 - LETTER OF REFERENCE

Reference Letter (See page 5)

The "Letter of Reference" is required by all applicants, including additional and reinstatements. Must be completed by a past client or employer, who can comment about your construction work/experience, OR a code official who has inspected your work (not from a relative). Only one reference letter is necessary. Please include and attach the completed reference with your application. *(The reference does not have to be from a Tennessee resident/firm.)*

STEP 4 – CORPORATIONS AND LIMITED LIABILITY COMPANIES

Tennessee Secretary of State

The Secretary of State's office is responsible for business filings and may be contacted at (615) 741-2286 or visit their web site at: http://tn.gov/sos/bus_svc/corporations.htm

- Tennessee corporations, out-of-state (foreign) corporations, limited liability company or a limited/general partnership must register with the Tennessee Secretary of State's office and submit proof with their license application, such as a copy of their "Certificate of Authority" or "Articles of Organization" (must be in the same name as on their financial statement).
- You may register tax ID number at: <http://www.tennessee.gov/revenue/>

Contractors may change their mode of operation after licensed, through the "Revision" process. Note: Must operate in name and mode of operation in the legal entity, as licensed!

STEP 5 – COMPLETE APPLICATION, SIGN AND NOTARIZE

License Application (page 1 – 13)

Make sure all questions on the application are complete. Be sure to list all experience, which may be from working in other states or with construction companies, as well as, from your other owners/officers work experience. Attach reference letter, include proof of **insurance** (*general liability; and workers' compensation*) and EIN (federal tax id #). Attach **financial statement**, and a copy of **exam scores**. See "Checklist" on page 13.

Contractor's Affidavit (see page 4)

Be sure affidavit is signed and notarized by all applicable individuals (qualifying agent, owner(s), partners, members, main officers and major stockholders). For large corporations, with several officers, please list at least three (3) who have authority to act on the company's behalf. Attach an explanation on items where it is applicable. Applicant must inform the Board of any felony convictions, claims of judgments, complaints, court or legal arbitration proceedings, bankruptcy, or violation of license law, etc. (See T.C.A. 62-6-118). Be sure to include a detailed explanation. (*Convictions must include court documents and proof of probation release, a certified background check and reference letter from parole officer.*) A license may be denied for this basis or for failing to disclose. However, the full Board will judge on merits with respect to time, circumstances, and seriousness. Failure to submit this documentation will delay the review process. A license may be held for six (6) months for license law violations. (*May copy affidavit form for each signature or include all on one*).

Power of Attorney (See page 10)

A "Power of Attorney" (POA), is required only if the person taking the exam "Qualifying Agent" (QA) is not a majority owner (20%) and only a full time employee. If the QA is/was listed on more than one license, an explanation is required.

STEP 6 – APPLICATION PROCESS - \$250.00 LICENSING FEE

Once the application is complete (*see also Checklist on page 13 of the application*), submit with the **\$250.00** (nonrefundable) two (2) year license application fee (*may be company, personal or cashier check (no cash or credit cards)*), payable to: **Contractor's Board**. Attach check and mail to the Board's "mailing" address as follows:

**Tennessee Board for Licensing Contractors
500 James Robertson Parkway
Nashville, TN 37243-1150**

Please allow 5 to 7 business days for mail delivery. Express mail arrives to us within two (2) days (*goes to the mailroom/cashier's office first*). Always make a complete copy for your records. Note: If hand-delivering application to be reviewed, the Board's *physical address* is at the Andrew Johnson Tower; 710 James Robertson Parkway. The Board office cannot accept fees at their office; must mail or hand-deliver to the "Cashier's" office at the Davy Crockett Tower (*next door*). See "Checklist" on page 13 of the application to assist in providing all required information.

Hardship/Emergency Requests - Early review of the application may be made prior to Board meeting, however, must follow the special guidelines as provided on the website by emailing or faxing the application; then mailing the original with the fee.

Application Deadline

The application is due on the 20th of the month before the Board meets. The application must be received in the office by deadline date; not postmarked. The Board meets during the months of January (Nashville); March (Nashville); May (Memphis); July (Nashville); September (Knoxville/Johnson City); and November (Nashville). *Meeting locations are tentative and subject to change!* See "Calendar" on the website. For example, the January meeting must have completed application in by December 20th. If 20th is on a holiday/weekend, next business day is considered the deadline.

Personal appearance before the Board is not required unless there are complaints, felony convictions, lack of experience, or for BC-A/r restricted license applicants. If the QA is an employee of less than six (6) months, you may be required to appear for a personal interview. Meeting notices are typically mailed out approximately three (3) weeks after receipt. Check "License Search" on web for receipt at: <http://verify.tn.gov/>

Processing (See also "Board Review on page x)

Please allow at least three (3) weeks for processing your application before making telephone inquiries. Due to limited staff, telephone inquiries delay processing applications. The "New Application" staff member will notify you by mail and/or fax of the time, date and location of the Board interview; or whether the **interview** has been **waived**. Should additional information be needed, you'll be contacted. Meeting dates/locations are available on the website. *You may check the website to confirm receipt of application in process at: <http://verify.tn.gov/> - Do not contract until you receive license certificate in the mail with current expiration date.*

STEP 7 – BOARD REVIEW

Board Review (See also page xi for “Application Process”)

An **interview** at the board meeting **may** be required if: Qualifying Agent (QA) is not a majority owner or employed less than six (6) months; Experience – Insufficient amount listed for the monetary limit requested; BC-A/r (*limited restricted residential*) applicant; and/or if there are issues such as: Complaints; unpaid judgments; felony convictions; bankruptcy; or failure to disclose such issues. When the QA is a new employee, then an **owner** or **officer with a power of attorney** must also attend the board meeting. An admission letter of the time, date and location of the meeting will be sent for those required to interview. (*Those qualifying to have the interview waived will also receive notification.*)

- Those required to **interview**, this is informal and takes no longer than 30 minutes. However, due to several contractors scheduled, there may be a **timely wait**. Board members in your field of expertise usually perform the interview. For example, an electrical Board member will interview those applying for an electrical license, and the mechanical contractor interviews the plumbing and HVAC contractors, etc. At the interview, the application is reviewed and general questions will be asked about contracting experience and to ensure the license classification covers your type of projects. You may use this time to ask the Board member advice or the staff questions concerning the licensing law. There is no dress code requirement.

Interview Waived – If you meet criteria for no interview, you will **not** get licensed earlier; they are all approved on the same day as those who interview. See the “Calendar” on the website for dates of meetings. Waived criteria is as follows: Owner (*who has majority ownership*) or full time employee of six months passed the exam; experienced for the limit requested; financial statement complete; no bankruptcy, felony or complaints on file; and application received timely.

FINAL STEP – LICENSE ISSUED

License Issuance/Renewal

Upon approval by the full Board, the license will be issued for two (2) years. You may review from the “License Search” tool on the website at: <http://verify.tn.gov/> The license will have your **license name, ID number, classification, expiration date** (*this is the same information required to be on the outside of a bid envelope*) and your monetary limit. You are required to renew after two years. Renewals are mailed 90 days prior to expiration date and must be submitted 30 days prior to expiration. There is not a grace period to renew; cannot work on an expired license. If submitted late, the license will have a “delinquent” status on the website. Renewal rights are 12 months. Any contracting during the expiration of the license is considered unlicensed activity and subject to disciplinary action. Always contract in the name as license.

Multiple Businesses

If you have more than one (1) business entity, must obtain an additional license for any subsidiary (*exam does not have to be retaken*); must operate in exact name as licensed.

Address Changes

Make sure to notify the Board of any address change, as State mail is not forwarded. Contractors with a monetary limit of \$1,500,000 or less, may prepare their own financial statement for **renewal**. Contractors with a limit exceeding \$1,500,000 may submit a “Review” instead of an “Audit”. A license expired in excess of 12 months cannot be renewed; a new license must be obtained by the “Reinstatement” process. There is not a grace period to renew! For example, if your license expires on 7/31/2012, on August 1, 2012, a permit would be denied; contracting during time the license expired is considered unlicensed activity.

Revisions/Changes – Mode, Name, Classification or Limit

Contractors may request revisions such as, an increase of monetary limit, add a classification, or name change, by requesting a **revision** application. Changes in the “Mode of Operation” such as changing from a sole proprietor to a corporation or LLC must complete a change in mode of operation. A license cannot be transferred to another business entity. Mergers, change in ownership, reorganization due to bankruptcy, or if dissolving and starting another in a different name, must complete new license application for new license (or second license) prior to contracting. Exams are not required to be retaken if the QA remains. The Board reviews all revision requests at Board meetings; they meet six (6) times yearly.

Bidding/Contracting

Contractors must be licensed in Tennessee prior to bidding, negotiating, making an offer, and must contract and permit in the name as licensed or it is considered unlicensed activity and subject to disciplinary action by the Board. Contractors licensed as an individual, such as “John Jones” and bids as “John Jones, Inc.” is considered an unlicensed entity; must change the mode on a license through a revision (*LLC, corporation or partnership*) or obtain second license, prior to bidding in new name. (See [“Bidding”](#) summary on the website.)

Name as licensed, license ID number, classification, and expiration date, is required to be on the **outside of a bid envelope**. The electrical (CE); plumbing (CMC-A); and *HVAC (CMC-C or CMC); licensing information of **subcontractors**, where their portion of the bid is \$25,000 or more; masonry (LMC) if \$100,000 or more (includes materials and labor), must also appear on the outside of the bid envelope. (see TCA 62-6-119). *HVAC - For each vertical closed loop geothermal heating and cooling project, the company name, Tennessee Department of Environment and Conservation (TDEC) license number, classification (G, L or G,L) and the expiration date may also be required.

Subcontractors

The only subcontractors, bidding directly to the licensed prime contractor, required to be licensed are those bidding \$25,000 or more: electrical, plumbing, mechanical, HVAC, and *masonry (LMC).. Also must list on the outside of the bid envelope with their licensing information. Subcontractors in other areas, such as, roofing, landscaping, etc., are not required to be licensed unless they bid directly to the owner in excess of \$25,000. (**Masonry (LMC) - required for projects of \$100,000 or more.*)

Second/Additional Companies

Contractors, who own more than one business, may only bid or contract in the exact name as licensed. Even though they own both entities, they cannot bid or contract under the subsidiary's name and would be required to apply for an additional license in order to operate under another entity.

Bid Preference Law

For those contracting in other states bordering Tennessee, our state requires the same of nonresident contractors as they do of resident contractors. This statute is found in T.C.A. 12-4-801 and states in part, should the bidder on a public construction project in this state be a resident of another state, contiguous to Tennessee, a like reciprocal preference is allowed. In short, if a nonresident's home state gives a preference to their residents, we apply the same criteria to their bid on our state's work.

Complaints

Contractors must respond to complaints submitted to the Contractor's Board or to the Division of Consumer Affairs "Contractors/Homeowners Accountability Mediation Program (**CHAMP**)" to avoid civil penalties, license suspension or revocation which are assessed by the Board for Licensing Contractors. In addition, contractors failing to respond in good faith may be listed on the website's "Problem Contractors" list. Unpaid civil penalties may be turned over to a collection agency for non-payment. It may be considered theft (*felony*) for a contractor to accept payment without performing work.

Board Notification of Changes

It is the responsibility of the contractor to notify the Board of address changes, judgments, bankruptcy, changes in officers, qualifying agents, or felony convictions of owners, officers, qualifying agents, and persons listed on the "Contractor's Affidavit".

Social Security Numbers

Social security numbers are used for identification; will not be a part of public record. Authority: 42 USC 666.

Law Updates

Get on the Board's email list to be notified of important law changes at: <http://regbdlist.tennessee.gov/> or check the Board's website.

Qualifying Agent/Exam Scores (see also page iv and x)

Should the designated qualifying agent (QA) leave, the owner has 90 days for a new QA to pass the trade exam or license classification is invalid. License owner is the entity providing the financial statement. *(QA may apply for their license without retaking the exams, as long as they have not been inactive more than two years).*

Reinstatement of Expired License (Check "Reinstatement" on page 1)

A license cannot be renewed if expired 12 months or more and a contractor must complete the new license application process to reinstate an expired license, except the exams will not be required. Trade exams *MAY* be waived if license has been expired less than two years. If more than two years, the contractor will need to put their request in writing showing where they have remained active in the industry; the Business and Law exam will NOT have to be retaken. Please provide a copy of exam scores. *(If not available, the Board may research through archives, and this may delay processing.)*

Merger/Change in Ownership/Reorganization (Check "Merger" box on page 1)

Must notify the Board in writing of change immediately and must apply for a new license within 90 days. All steps are required except exams do not have to be retaken, as long as the qualifying agent (QA) remains with the company.

Joint Ventures

All contractors must hold a Tennessee contractor's license in order to bid as a joint venture to combine monetary limits (See Rule 0680-1-.11); must be properly classified.

Retirement of License

You may place a license with renewal rights in a retirement status by submitting request and \$25.00 for each year to be retired. To activate from retirement, simply submit renewal fee and form. License may be retired up to seven (7) years.

Insurance ([General Information](#))

For more information on requirements for insurance, see the Board's website at: http://tn.gov/commerce/boards/contractors/documents/InsuranceInfo_001.pdf

General Liability

The Board has established minimum amounts for **General Liability** at three (3) levels, based upon the monetary license limit requested: Up to \$500,000 = \$100,000 of minimum coverage; \$501,001 to \$1,500,000 = \$500,000 of minimum coverage; and monetary limits exceeding \$1,500,001 to Unlimited = \$1,000,000 of minimum coverage.

Workers' Compensation (See page 12)

Required for all contractors, unless, 1) they have no employees or subs and do not perform commercial work; and 2) the owners/officers have met the criteria and have each registered as a "Construction Services Provider" with the Secretary of State at: <http://tnbear.tn.gov/wc/> (See page 12 of the application; or review the Board's website for "Insurance Information" for more details concerning requirements and exemptions effective 3/1/11/.)

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

**CONTRACTOR'S LICENSE
APPLICATION**

For Office Use Only

Xact# _____

Lic.ID# _____



**TENNESSEE
BOARD FOR LICENSING CONTRACTORS**

(Mailing Address) 500 James Robertson Parkway
Nashville, TN 37243-1150

(615) 741-8307 or 1-800-544-7693 or Fax: (615) 532-2868

Website: <http://www.tn.gov/commerce/boards/contractors/index.shtml>

Email: Contractors.Home-Improvement@TN.Gov

Note: Deadline date to submit is 20th of the month prior to Board meeting!

Please allow 5 to 7 days for mail delivery.

Please check one:

- ___ New License – First Time Applicant
OR
___ Reinstatement of Expired License (Expired 12 months or more)
License # _____ - Exp: _____
___ Merger/Reorganization/Change of Ownership/Dissolving Licensed Company
License # _____ (of prior company)
___ *Second or Additional License – Other license(s) to remain: Active Inactive Sold Company
License # _____ (of prior company)
___ Qualifying Agent – Applying for their own license – License# _____ (of prior company designated)
___ *Other: _____

CONTRACTORS LICENSE APPLICATION
Application Fee: \$250.00 (Nonrefundable) – Two Year License Fee

Mode of Operation: Sole Proprietor Partnership Limited Partnership General Partnership Corporation LLC

**NAME TO APPEAR ON
LICENSE:** _____

(License will be issued in the exact name on your financial statement and mode of operation indicated)

**Mailing
Address:** _____

P.O. Box – Must Include Physical Street Address

(City) (State) (Zip)
Telephone: () - Cell: () - Fax: () -

Qualifying Agent: _____ Email Address: _____

*Note: If you currently have a contractor's license and want to only revise your current license by adding a classification or increase your license limit, do not complete this application. Request a "Revision" application from our office or obtain from our website at the "Forms and Downloads".

QUESTIONNAIRE/SYNOPSIS

1. **Mode of operation:** Sole Proprietor Partnership Corporation Limited Liability (LLC)

2. **Owners:** List Name of Owner(s), Officer(s) or Major Stockholder (20% or more), with their Title (owner, partner, stockholder, Officer) and their SS#; parent/holding companies must submit their FEIN # : *(May submit an attachment)*

Complete Name (Include Suffix (Jr., Sr., III))	Title	SS#	% of Ownership
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3. **FEIN #** _____ **(Federal Employee ID # - EIN)**

4. **Type of License Classification Requested** *(see page I – iii of instructions or “Classifications Outline” on the Website)*

- Residential (BC-A) Commercial (BC-B) Small Com (BC-b{sm}) Industrial (BC-C) BC (Resid. Com. & Ind.) BC-A/r (Restricted)
 Electrical (CE) Plumbing (CMC-A) HVAC (CMC-C) CMC (Mechanical-Plumbing/HVAC) MU (Mun. Utility)
 HRA (Hwy/Rail/Air) HC (Heavy) S-Equip. Installation LMC (Masonry)
 CMC-D (Fire Sprinkler; must register with Fire Prevention); CE-D (Alarm Systems; must register with Alarm Systems Board)
 Specialty/Other: _____

5. **Monetary Limit Requested** (size of contracts): \$ _____ (Ensure General Liability Insurance is sufficient!)
 (Limit is based on financial and experience. Note: Small Commercial (BC-b(sm)) cannot exceed \$750,000. Unlimited is in excess of \$3,000,000)

6. **Prior Contractor License(s):** If the owners, officers or the qualifying agent has held or been listed on a Tennessee Licensed entity; please answer the questions below: **Does Not Apply;** **See Attached Explanation**

License ID # _____; Expiration Date: _____; *Complaints on File: **NO** ***YES** (* Supply Attachment)
 Explain: Reinstatement; Sold Company; No longer at company; Additional/second license;
 Dissolved Partnership; Qualifying Agent Applying for own license; Purchased Entity

Other: _____
*(*Attach explanation regarding any open, pending or closed complaints, revoked, outstanding judgments)*

7. **Other State Licenses:** Have you or your qualifying agent or officers held a contractor’s license in any other state(s)?
 NO **YES** - If so, please list “State” and current status, such as: **(A)** Active; **(E)** Expired; **(S)** Suspended/Revoked.
 _____(); _____(); _____();

8. **Other Tennessee Licenses:** Have you or the qualifying agent or officers held any other Tennessee licenses, such as, Real Estate; , Architect/Engineer; Alarm; Fire Sprinkler; Home Improvement; LLE; LLP; Well Driller, etc.
 NO **YES** - please list type of license and status. If revoked or suspended, please submit an attachment: See attached.

9. **List Qualifying Agents (QA):** Person(s) who passed the exams or designated employee for specialty:

Complete Name (Suffix-Jr., Sr, III)	SS#	Exam Type	Ownership%	Exam Date
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- Specialty Contractors: Attach current certificates for Asbestos, Lead, UST, Fire Sprinkler, Alarm, Well Drilling, Medical Gas, etc.*
 Power of Attorney required if QA does not have majority ownership.

**Note: Failure to disclose prior licenses and complaints are grounds to have the license denied (questions 7, 8 and 9)*



STATEMENT OF EXPERIENCE AND MANAGEMENT INFORMATION

Name to be on License: _____

1. License applicant's list of experience: *(May attach a list in lieu of completing the below)* – See Attached

<u>Year</u>	<u>Type of Work</u>	<u>Contract/\$Amount</u>	<u>Location of Work</u>	<u>Client</u>

2. Please list owners/officers experience (if different from above): – See Attached

(May submit attachment or resumes)

<u>Employee/Owner Name & Title</u>	<u>Years of Experience</u>	<u>Employer's Construction Company Name</u>	<u>(Res./Com./Ind.) Project Type</u>

3. **Personnel:** One or more employees? Yes No / **Officers:** More than three (3) Yes No

4. **Workers' Compensation Insurance:** Please attach one of the following, as required by law:
 Proof of Insurance Registration as "Construction Services Provider" Questionnaire (pg 12)
(More information relative to exemptions to workers' compensation is at: <http://tnbear.tn.gov/wc/>)

5. **General Liability Insurance:** Attached coverage is: \$100,000 \$500,000 \$1,000,000 or more

6. **Bank(s):** Name, location and contact person of where you do business:

7. **Attach list of major equipment** (owned; leased or rented information). *(This may be a depreciation schedule)*
 – See Attached List – No Equipment Owned *(leased or rented when needed)*

8. **Contractor Preparatory Course:** No Yes – Name of Course Provider: _____



CONTRACTOR'S AFFIDAVIT

Mode of Operation: Sole Proprietor Partnership Limited Partnership General Partnership Corporation LLC

1. _____
(Contractor Applicant - Name as to be licensed and same as on financial statement)

2. To the best of my knowledge, information, and belief, a petition in bankruptcy { } *HAS { } HAS NOT been filed within seven (7) years preceding the filing of this application from any person who is an officer, owner, partner of this entity. (*If such petition has been filed, attach information and an explanation of the proceedings hereto as part of affidavit and copy of discharge.)

3. As Contractor Applicant, the owner(s), officer(s), qualifying agent(s) or major stockholder(s), with this entity,
A. { }*HAVE { } HAVE **NOT** been convicted of a felony;
B. { }*HAVE { } HAVE **NOT** been involved with claims for gross negligence, incompetency, fraud, dishonest dealing, misconduct (violation of TCA § 62-6-118); judgments; and/or complaints derived from the practice of contracting or had a license revoked. (If you checked "HAVE", please attach an explanation (see page x)

Note: TCA 62-6-118(h), the Board may deny a license for improper conduct or submission of false statements.

4. As Contractor Applicant, I/we { }*HAVE { } HAVE **NOT** bid, offered to engage or performed any construction in the State of Tennessee, where the amount of the contract was \$25,000 or more, or in the case of those domiciled in non-reciprocal states, \$2,500, as would require a contractor's license to engage in contracting. *If you "Have", this violation is penalized by T.C.A. § 62-6-120; licensed must be held for six (6) months.

I/we affirm and attest in applying to the Tennessee Board for Licensing Contractors for a new license to engage in contracting with the State of Tennessee, hereby depose and say as follows:

The foregoing statement and all other information provided in this application are true and correct. In addition, these statements are submitted to the Board for Licensing Contractors for the express purpose to license as a contractor in the State of Tennessee. Further, any depository, vendor or other agency herein named is hereby authorized to supply this Board with any information necessary to verify these statements. Contractor agrees to maintain insurance as required.

If you checked "HAVE" or "HAS" above, please attach explanation

All Must Execute Affidavit: Owner(s); qualifying agent(s); partners; major officers; and controlling stockholders or their Chief Executive Officer duly authorized by the Board of Directors with this entity.

(Print Name)	Qualifying Agent	(Signature)
(Print Name)	(Title)	(Signature)
(Print Name)	(Title)	(Signature)
(Print Name)	(Title)	(Signature)

Subscribed and witnessed before me this _____ day of _____, 20 _____.

(NOTARY)

My Commission Expires: _____

-SEAL-

LETTER OF REFERENCE



From:

_____ *Past Client*
_____ *Past Employer*
_____ *Codes Official*

Reference Relating to: _____
(Please print name of individual and/or company applying for a license)

Address: _____

The above named individual and/or company is applying for a contractor's license in the State of Tennessee. Please give any information you can relating to their construction experience. You can greatly assist both applicant and Board by furnishing this information in detail. *(PLEASE PRINT OR TYPE)* Return the completed reference to the contractor license applicant for them to supply with their completed application.

1. How long have you known the owner(s)/principals? _____
2. What has been your general experience with the above?
3. What is your business opinion of the above?
4. Do you recommend a state license be granted to the above? Explain.
5. Please mention other comments you would like to include regarding the applicant.

This form is being completed by:

_____ (Print Name) _____ (Name of Company/Employer/Codes Official/ Client (Homeowner))

Mailing Address: _____

Telephone Number: _____ Email _____

_____ (Signature) _____ (Date)

NOTE: All reference letters must be from a past client, employer or codes official commenting on experience, as required pursuant T.C.A. § 62-6-111(4)(b)(2). Out of state letters are acceptable; family member references are not acceptable.

WORKSHEET FOR DETERMINING MONETARY LIMIT

(Attach to Reviewed for Audited Financial Statement – See pages v - ix)

FINANCIAL STATEMENT OF: _____ DATE _____

___AUDITED ___REVIEWED ___CPA ___LICENSED PA
___INDIVIDUAL ___PARTNERSHIP ___LLC ___CORPORATION

CURRENT ASSETS _____ TOTAL ASSETS _____
CURRENT LIABILITIES _____ TOTAL LIABILITIES _____
WORKING CAPITAL _____ NET WORTH _____

*SUPPLEMENTAL FINANCIAL STATEMENT(S): ___ Guaranty Agreement: ___ Yes ___ No *(cannot be included)*

1. Company/Personal Financial Statement of _____ Date _____
Current Assets _____ Total Assets _____
Current Liabilities _____ Total Liabilities _____
Working Capital _____ Net Worth _____
50% of W/C _____ 50% of NW _____

2. Company/Personal Financial Statement of _____ Date _____
Current Assets _____ Total Assets _____
Current Liabilities _____ Total Liabilities _____
Working Capital _____ Net Worth _____
50% of W/C _____ 50% of NW _____

3. Line of Credit in the amount of \$ _____ Bank: _____

TOTALS:
COMBINED WORKING CAPITAL \$ _____ COMBINED NET WORTH \$ _____

***MONETARY LIMIT REQUESTED: \$ _____** (General Liability Insurance must be sufficient)

*Should the contractor’s financial statement and experience fail to qualify for the monetary limit requested, the Board may grant the license at a lower amount.

MONETARY LIMITS ARE BASED ON TEN (10) TIMES THE LESSER OF YOUR COMBINED WORKING CAPITAL, NET WORTH and EXPERIENCE!

- SUPPLEMENTAL FINANCIAL STATEMENTS MAY BE USED TO INCREASE NET WORTH AND WORKING CAPITAL at 50%
- LINE OF CREDIT MAY BE CONSIDERED TO SUPPLEMENT WORKING CAPITAL, ONLY. (If negative, at 50%)
- GUARANTY AGREEMENT MUST BE SIGNED, NOTARIZED AND ATTACHED WITH SUPPLEMENTAL FINANCIAL STATEMENT

4. Years of Total Experience (listed on page 3): ___ Less than 3 years ___ 5 to 10 years ___ Over 10 years

ATTACH FINANCIAL STATEMENT PREPARED BY A LICENSED CPA/PA WITH A REVIEWED OR AUDITED OPINION

Financial statements submitted by contractors shall be treated as confidential and shall be used by the Board only for the purpose of determining the financial stability of an applicant for a license and the monetary limitations. T.C.A. 62-6-124.

CURRENT ASSETS are cash and those assets that are reasonably expected to be realized in cash or sold or consumed within one year or within a business's normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Underbillings on work in progress
- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50%
- Cash surrender value of life insurance policies (*provide documentation on personal statements to utilize*)
- Trade accounts receivable notes and other receivables that are expected to be collected within one year
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

The following are not current assets, however, since they generally are not expected to be converted into cash within one year:

- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability, however.)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments or deferred charges that will not be charged to operations within one year
- Notes receivables from stockholders or employees (*do not count as a current asset*)

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Payables for materials and supplies
- Amounts collected before goods or services are delivered (overbillings on jobs in progress)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- *Other obligations, including portions of long-term obligations, expected to be liquidated within one year

*Current liabilities do not include long term notes, bonds, and obligations that will not be paid out of current assets.

All financial statements submitted should separate current portion of long term debt according to standard accounting principals

◆NOTE: More detailed information is in available from the instructions (see pages v – ix)



GUARANTY AGREEMENT

(Required with supplemental financial statements to increase working capital or net worth or by parent companies indemnifying subsidiaries)

I/we, the undersigned person(s), natural or corporate, do hereby pledge and agree to guarantee the debts and obligations of the within named contractor for all debts and obligations arising out of the contracting activities of the Contractor as defined by TENNESSEE CODE ANNOTATED, section 62-6-101.

I/we the undersigned Guarantors, agree and contract to pay any and all debts and obligations of said Contractor as provided for above should they fail and refuse to pay and/or default on same.

I/we the undersigned Guarantors, agree to furnish and supply the Board with any and all financial reports, statements and information to which they may request in order to provide evidence of my/our financial security and stability.

I/we understand and agree that where the words "indemnities" appear in Rule #0680-1-.13 of the rules of the Board, it shall be in reference to this document, its title and wording to the contrary.

This document and the obligation undertaken shall expire and shall become null and void upon expiration of any license granted the Contractor by the Board or upon joint request, in writing, of the undersigned Guarantors and the Contractor, with the approval of the Board, provided, however, that any and all debts and obligations for, or arising out of work in process, upon the expiration, nullification and/or cancellation of this agreement, shall be covered and the Guarantor(s) herein shall remain liable for same.

This **GUARANTY AGREEMENT** is being executed at the request of:

(NAME AS ON LICENSE)

the contractor to which this document is applicable for the express purpose of providing additional financial security and stability to, and for, said Contractor in order that they may obtain a license to engage in contracting in the State of Tennessee, Board for Licensing Contractors.

* * *

<p>_____ (Name on Corporation's Financial Statement)</p> <p>Name: _____</p> <p>Title: _____</p> <p>_____ *Signature of Corporate Official or Personal Guarantor</p> <p>_____ Signature of Additional Personal Guarantor or Spouse</p> <p><small>*As a corporate official, I am fully authorized to bind and obligate corporation to the terms and conditions of this document as stated herein.</small></p>	<p>Please Check the Applicable Line</p> <p><input type="checkbox"/> Corporate Guaranty – Must be signed by Authorized Corporate Official</p> <p><input type="checkbox"/> Personal Guaranty – Must be signed by All Persons Named on Personal Financial Statement</p>
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NOTARIZE

Affirmed/witnessed and subscribed before me this _____ day of _____, 20_____.

(Notary Public Signature) My Commission Expires: _____

- (Notary Seal) -

*Corporate financial statements submitted to increase working capital and net worth of licensee, must complete corporate section.
** Personal financial statements submitted, the personal guarantor(s) sign and signature of all persons named on financial statement, such as SPOUSE, is required.

LINE OF CREDIT

TO BE WRITTEN ON BANK, SAVINGS & LOAN LETTERHEAD
(May be used if WORKING CAPITAL does not support monetary limit requested)

DATE

TO: CONTRACTOR LICENSEE NAME (Individual, Corporation, Partnership or LLC)
Address
City, State and Zip

Dear Contractor:

You have requested of (Name of Bank, Savings and Loan FDIC Institution) to establish a line of credit which will be available to (Contractor's Name as to be on License) for use in conducting the contracting business for which a license is being sought from the State of Tennessee Board for Licensing Contractors.

We hereby establish a line of credit for these purposes in the amount of \$_____ 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 for Licensing Contractors of any significant change(s) in your financial condition during the term of this commitment.

We the undersigned will endeavor to notify the Board for Licensing Contractors should we become aware of any significant change(s) in financial conditions of the above named applicant.

The undersigned hereby agrees to notify the Board for Licensing Contractors should we withdraw and/or eliminate the above named applicant's credit line.

By _____
Name Title

SAMPLE LETTER -- FOR BANK USE ONLY

Contractor Instructions

- To increase the working capital, a contractor may take this **SAMPLE** form to their bank; does not increase the net worth
- If a contractor's working capital is negative, only 50% of the Line of Credit (LOC) value is applied
- The LOC is for the contractor's use and may be utilized at any time by the contractor
- This format's exact wording must be used in order for the Board to consider accepting; any deviation will delay process
- Original LOC document must be submitted; copies are not acceptable
- Name on LOC must be in the **EXACT NAME** as on the license and financial statement
- Lending institution must be a bank, savings and loan which is FDIC approved
- Website is at: <http://www.tn.gov/commerce/boards/contractors/>

TENNESSEE TRADE EXAM RECIPROCITY INFORMATION
 TENNESSEE BOARD FOR LICENSING CONTRACTORS
 500 JAMES ROBERTSON PARKWAY
 NASHVILLE, TENNESSEE 37243-1150
 (800) 544-7693 or FAX - (615) 532-2868
<http://tn.gov/commerce/boards/contractors/index.shtml>



ALL CONTRACTORS MUST HOLD A TENNESSEE LICENSE PRIOR TO OFFERING A PRICE, CONTRACTING OR BIDDING OR BE SUBJECT TO PENALTIES AND DENIAL OF LICENSE (See TCA 62-6-120).

The State of Tennessee has entered into a trade exam waiver agreement with licensing agencies in: **Alabama** – (General, Electrical, Resid. and HVAC); **Arkansas** (Gen. Contracting); **Georgia** (Commercial); **Louisiana**; **Mississippi**, **North Carolina** (Residential/Commercial); **Ohio** (Electrical, Plumbing, HVAC); and **South Carolina**. The Board will also accept NASCLA’s Commercial exam. Reciprocation is with the TRADE exam, only. The reciprocating state must be the applicant’s home/domiciled state or be an exam comparable to Tennessee’s current exam with PSI. In addition, the contractor must pass the TN “Business and Law” exam, complete the entire license application with all financial requirements, workers’ compensation and liability insurance, and Board review. Please also attach copy of license and exam score, if available. Corporations or LLC must register with the Tennessee Secretary of State.

LICENSE VERIFICATION

Licensee: _____ **License #:** _____
 (Name as it appears on license)

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Telephone: (____) _____; **Fax:** (____) _____ **Email:** _____

 (Signature of Owner or Officer) **Date:** _____

ATTN: Reciprocating State - The above named applicant is applying for a contractor’s license in the State of Tennessee. Please complete the bottom portion and return to the contractor for them to submit with their Tennessee license application.

RECIPROCATING STATE AGENCY COMPLETES PORTION BELOW

Verifying State Completing Form:

Alabama Arkansas Georgia Louisiana Mississippi North Carolina Ohio South Carolina

Owner(s) or Officer(s): _____

Name of Qualifying Agent(s) (Person Tested): _____

License Classification: _____ **Monetary Limit:** _____

Original Date of Licensure: _____ **Expiration Date:** _____

Licensed By:

Exam - Type & Score: _____ Date _____

Endorsement- State: _____

Waiver - _____

Complaints: None Yes - **Disciplinary Action:** _____

Signature: _____ **Title:** _____
 (By State Agency)

TCA 12-4-801 - **Bid Preference Law** - A like reciprocal preference is allowed to the lowest responsible bidder to a contractor who is either a resident of this state or is a resident of another state.

(Eff. 2/2012)

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 to 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 proof of 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; must attach 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; Partnership or LLC with less than (5) members (Note: Corporations do not qualify to be exempt from both)
- Works directly for the owner (*handyman exemption*)

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: _____

IMPORTANT NOTICE: THIS QUESTIONNAIRE PERTAINS TO COVERAGE REQUIRED FOR OUR PURPOSE OF LICENSING, ONLY! PLEASE CHECK WITH YOUR INSURANCE CARRIER OR THE DEPARTMENT OF LABOR TO ENSURE YOU ARE PROPERLY EXEMPTED, COVERED, OR WHEN OBTAINING MINIMUM COVERAGE, TO PREVENT PAYING PENALTIES AT THE TIME OF AN AUDIT OF YOUR PAYROLL!

CHECKLIST

(Detailed steps are in the instruction booklet - see pages i – xv)

_____ **Exam Score(s)** – Attach copies and/or other required documentation:

- Business & Law Trade Explanation (*Registered; Reinstatement, etc.*)
- Restricted Residential (BC-A/r) Certificate;
- Environmental Specialties - Attach copies of the qualifying agent's training certificates;
- Fire Sprinkler / Alarm Systems - Attach copy of other required licenses from the State;
- Reciprocation - Attach license verification completed by the state agency where licensed (page 11)

_____ **Contractor's License Application (1 – 5)**

- Questionnaire/Synopsis (page 2); supply explanation(s) where required
- Experience/Management Information (page 3);
- Contractor's Affidavit (page 4); supply explanation if checked "HAS" or "HAVE"
- Reference (page 5)

_____ **Financial Statement Prepared by CPA/PA - Attached (Page 6; see also pages v – ix)**

- Review for a limit of \$1,500,000 or less;
- Audit for limit more than \$1,500,000
- Parent Company's Audit (to indemnify subsidiary; include in-house statement)

_____ **Supplemental Financial Statement – Attached (with Guaranty Agreement)**

- Compiled or Self-Prepared (to support monetary limit; may be required with Guaranty Agreement)

_____ **Guaranty Agreement (page 8) - Required by the following with supplemental financials:**

- o Submitting primarily cash only financial statement for entity (new business); large amount of receivables
- o Submitting supplemental financials to increase net worth/working capital at 50%
- o Entity is owned by another (parent/subsidiary)

_____ **Line of Credit (page 9) – Must be in exact format to be used for the following:**

- Supplement working capital

_____ **Certificate of Insurance Attached (see page xv)**

- General Liability
- Workers' Compensation Proof of Coverage; if not, must submit the following:
 - o *Worker's Compensation Exemption Questionnaire (attach page 12)*
 - o *Construction Services Provider – Proof of Registration from: <http://tnbear.tn.gov/wc/>*

_____ **Power of Attorney (page 10)**

- Required if the Qualifying Agent (QA) does not have majority ownership and is only an officer or full time employee.
Note: If an interview with the Board is required, the owner is required to appear with the QA - Rule 0680-1-02(f)] (see also page xii of the instructions)

_____ **Corporations, LLC, and Limited or General Partnerships (see page x)**

- Must attach proof of registration with the Tennessee Secretary of State's Office

_____ **Attach an Explanation (see page xv)**

If this is not a new license: i.e. Reinstatement, Second Company, or Merger/Reorganization, detailing whether the present license is to be continued or is to be made invalid; or if a new license number is to be assigned, etc. (Exams are not required to be retaken unless the QA has been inactive for two years. If you have remained active in the construction industry, you may *submit* a letter to the Board requesting to waive the two year policy. Note: To add a classification or increase limit, apply for revision in lieu of applying for a new license.

_____ **Make a Copy of Application Prior to Sending to the Board - \$250 Fee (see page xi)**

- o Allow 5 to 7 business days for mail delivery. We recommend over-night delivery for tracking purposes. "Hardship" requests for early review, see special handling procedures listed on our website.
- o You may check the "License Search" from the website at: <http://verify.tn.gov/> to confirm receipt
- o Enclose a check or money order (*no cash*) in the amount of **\$250.00 (nonrefundable)** payable to the "Contractors Board" and send to the Board's mailing address at:

Tennessee Board for Licensing Contractors
500 James Robertson Pkwy.
Nashville, TN 37243-1150

Questions: Telephone: 800-544-7693 or Email: Contractors.Home-Improvement@TN.Gov
Website: <http://www.tn.gov/commerce/boards/contractors/index.shtml>