#### Department of Commerce & Insurance TENNESSEE CONTRACTOR'S LICENSE NOTICE OF RENEWAL

For Office Use - Validation
Contractor – Prof 1801 – Fee \$200

Isted above. See website or call e for location and office hours.	NOTICE OF RENEWAL	
MAIL 30 DAYS PRIOR TO EXPIRATION         RENEWAL FEE:       \$200.00         **Late Fee (per month)       \$ 20.00         **Cannot renew if expired over 12 months         RETIREMENT: (See page 7)       \$ 25.00         May retire for more than one (1) year	ADRICUTORE ADDRECTIONE 706	Mode of Operation Sole Proprietor Partnership LLC Corporation
Return to: ***Ma	ARD FOR LICENSING CONTRACTORS ailing Address: 500 James Robertson Pkwy., Nashville, TN 37243-1150 800-544-7693 or (615) 741-8307 or Fax: (615) 53 ral@tn.gov Website: http://www.tn.gov/commerce	2-2868 /boards/contractors/
LICENSE NAME:	LICENSE	ID#
TELEPHONE: ()	FAX: () EMAIL:	
*ADDRESS:	ons to correct contact information OR if preprinted label	not provided)
	MONETARY LIMIT:	
*ADDRESS CHANGE     No     *Yes (Make changes above)		
DO NOT WE	RITE IN THIS SECTION / FOR OFFICE USE ONLY	
FEEPENALTIES- \$;	Address Chg Done Limit Lowered: \$	;SOS Active
	N/W = \$	
	FS N/W (50%) = \$ (LOC at 50% if W/C is negative)GA	
Total W/C = \$	• (LOC at 50 % if W/C is negative)GA	
lni	tial for Approval / Date:	
Qualifying AgentInc	reaseName Change	Transfer
Renewal Incomplete:         F/S:      R or A      Notes       Per         SOS/In      W/C      G/L          Cont Aff:      Seal      Notary      Contra	OC - \$ PFS/GA or UFSI NameContr DateCurrent Fee Penalty \$ Transfe ctor SignIncompleteLOC on Board For s/officersEmployeesNo CSP RegBC-B Class	r/ Explanation mat G/A
HOLDInitial	Date /HOLDInitia	alDate

IN-0438 (Rev.11/11)

RDA 1578

## CHECK LIST – TENNESSEE CONTRACTOR'S LICENSE RENEWAL

\*\*If you prefer to "Retire" the license, complete page 7 in lieu of renewal form <u>before</u> expiration date\*\* \*\*\*See page 9 for additional instructions\*\*\*

1.\_\_\_\_\_ ATTACH FEE AND MAIL - Attach \$200 fee to the renewal (do not send cash); make check payable to "Contractor's Board" and include license ID#. Late fee is \$20 per month. (Envelopes require extra postage!) Allow 5 to 7 business days for mailing. Keep a copy of renewal before mailing to:

Renewal is due 30 days prior to expiration date State of TN - Contractor's Board 500 James Robertson Pkwy. Nashville, TN 37243-1150

Please allow 30 days to process

2. \_\_\_\_CONTRACTOR'S AFFIDAVIT - PAGE 3 - Please complete, sign and have notarized.

3.\_\_\_\_\_CORPORATIONS AND LLC'S, please attach a copy of the "Business Filing Information" which may be downloaded from the Secretary of State's office, to ensure "Active" status. You may print from: <a href="http://tnbear.tn.gov/Ecommerce/FilingSearch.aspx">http://tnbear.tn.gov/Ecommerce/FilingSearch.aspx</a> (Partnerships may register to obtain control #)

4.\_\_\_\_\_FINANCIAL STATEMENT - Attach a current financial statement in exact name as licensed or complete **page 6** (*if the monetary limit is* \$<u>1,500,000 or less</u>). For contractors with a limit more than \$1,500,000, CPA must prepare on their own format and not use this form (*include their Firm and CPA license* # on their opinion letter to assist our auditors). Monetary limit is based 10 times the lesser of both working capital and net worth. Example: For a monetary limit of \$100,000; must have a minimum of \$10,000 for <u>both</u> working capital and net worth.

• \_\_\_\_Insufficient Working Capital and Net Worth – Options below may be used to supplement financial statement. Forms are available from the website's "Forms and Downloads"

a. \_\_\_\_Guaranty Agreement w/Supplemental Financial Statement to increase net worth and working capital.
 b. \_\_\_\_Line of Credit may be used to supplement "Working Capital", only. Must be in <u>exact</u> Board format. (See "Forms and Downloads" from the website.)

• **\_\_\_\_Guaranty Agreement** is required if the licensee is a subsidiary or owned by another entity. Include with the parent company's financial statement. (*May download Guaranty from "Forms & Downloads"*)

5.\_\_\_\_\_PROOF OF INSURANCE ATTACHED – General Liability (see page 5)

6.\_\_\_\_\_PROOF OF INSURANCE ATTACHED – Workers' Compensation (see pages 4-5)

7. \_\_\_\_\_LAW/RULE CHANGES – Review important law changes from the summary (page 8).

#### 8.\_\_\_\_\_DO NOT INCLUDE BLANK, UNUSED PAGES OR INSTRUCTIONS

You may dispose of any unused pages, forms or instructions, and also may remove staples.

For further instructions, "Supplemental" instructions are available at: http://tn.gov/commerce/boards/contractors/documents/RenewalInstructBookletWeb.pdf

Board's Website: <a href="http://www.tn.gov/commerce/boards/contractors/index.shtml">http://www.tn.gov/commerce/boards/contractors/index.shtml</a> Email: <a href="http://www.tn.gov/commerce/boards/contractors/index.shtml">Contractors/index.shtml</a> Email: <a href="http://contractor.Renewal@tn.gov/">Contractors/index.shtml</a> Elephone: <a href="http://contractor.Renewal@tn.gov/">(Contractor.Renewal@tn.gov/</a> License Search: <a href="http://weify.tn.gov/">http://weify.tn.gov/</a> (Cannot perform work while license has an "expired" date)</a>

**License Status:** Expired licenses with active or delinguent status has renewal rights for 12 months from expiration.

#### Physical Delivery Instructions

To hand-deliver a renewal to the "Cashier's Office", they are located at: 500 James Robertson Parkway, Davy Crockett Tower. However, our physical address is located next door at the Andrew Johnson Tower, Third Floor; 710 James Robertson Parkway. Note: Fees and deliveries are <u>not</u> accepted at our physical location.

#### **CONTRACTOR'S AFFIDAVIT FOR RENEWAL**

1. MODE OF OPERATION (as licensed):			
2. QUALIFYING AGENT (QA) – List Perso	on(s) who tested (or a	lesignated if prior to e	-
		xxx-xx	<u>Ownership</u> %
Qualifying Agent's Name	Title	///////	SSN
Qualifying Agant's Name	Title	XXX-XX	SSN%
Qualifying Agent's Name		ne last 4 digits of SS# for ide	
3. LIST OWNER(S) / OFFICERS/ MEMBE			
a. List up to four (4) of the owners/officers/partner b. Supply proof of Active corporate status from:			
b. Supply proof of Active corporate status from.	nup.//mbear.m.gov/Ecor	innerce/FinngSearch.as	<u>spx</u> u res u no u n/A
1	% 3		%
2.	% 4		- %
ENVIRONMENTAL CONTRACTORS:			
4HAVE**HAVE NOT complied wit	• •		
5. LICENSE OPERATION CHANGES:			
**Yes – The following has changed (If yes, s			
Name Change – Must Apply fo			
Mode of Operation – Must ap			
Ownership – New stockholders			
Merger – "New Application" form Bankruptcy – "New Application"			
*If there have been changes, please attach explanation and			
<b>CERTIFICATE OF INSURANCE (COI) - AT</b>			
6. Workers Compensation Coverage:No - Mu	ist complete "Question	naire" (See page 4)	Yes – Attached
7. General Liability Coverage:No – Ca *Notice: Important changes to Workers' Compens	ation law are effective N	larch 1; and October 1,	, 2011 (see pages 4 and 5)
8 – 10: CONVICTIONS/JUDGMENTS/DISC			
If an owner, qualifying agent or officer has <u>felony</u> c documents with date of offense and probation rele			
If you have court judgments from contracting or dis			
8. Convicted of a Felony:No**Yo	PS - Must attach explan	ation with court docum	nents (unless disclosed earlier).
	If yes, Date:	; Felony a	lisclosed earlier and on file.
	es - Must attach inform		
<b>10.</b> Discipline/Complaints:No**Ye Notice: Failure to disclose is grounds for disciplin			enalties, complaints, etc.
11. PLEASE COMPLETE, SIGN AND NO		License ID#: 0	00
This is to certify, I am authorized to renew this			
attachments; including financial statement (cu			
entity is true and correct, to the best of my know			
liability insurance is maintained, as required by financial stability or insurance. Submission o			
conviction in any state; or pursuant T.C.A. § 5			
action after a notice of hearing and charges,			
disclosure is grounds for disciplinary action.			
Хл <sup>—</sup>		<b>_</b>	
(OWNER/OFFICER SIGNATURE)	(TI	TLE)	FEIN# or 🛛 SS# (last 4 digits)
Affirmed, subscribed and witnessed before me t	his of		, 20
NOTARY PUBLIC SIGNATURE:	(Day)	(Month)	, 20 (Year)
		N1	atom Saal
MY COMMISSION EXPIRES:		~IN0	otary Seal-

\*Disclosure: Social Security Number (SSN) is used for identification; will not be a part of public record. Authority: 42 USC 666. \*\*Attachments: Please attach additional information where applicable.

Staff Reviewed

## Workers' Compensation Insurance - Coverage Determination Questionnaire

(Required by Contractors <u>NOT</u> 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 <u>purpose of obtaining a contractor's license</u>. 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 <u>or</u> 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: <u>http://tnbear.tn.gov/wc/</u> or you may call at (615) 741-2286. Check the Division of Workers' Compensation at: <u>http://www.tn.gov/labor-wfd/wcomp.html</u>

## 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" - <u>http://tnbear.tn.gov/wc/</u> (Licenses <u>expired</u> cannot register as a licensee with the Board and would not gualify 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: <u>http://www.tn.gov/labor-wfd/wcomp.html</u>

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!

## ATTACHMENT(S) NEEDED – PROOF OF INSURANCE

Pursuant T.C.A. § 62-6-111, all contractors must provide proof of **General Liability** (GL) insurance, in the format listed below, at the time of renewal (*there are no exemptions for GL coverage*). In addition, proof of **Workers' Compensation** insurance coverage or their **exemption** must be supplied at the time of renewal. (*Note: The law has specific exemptions for those performing residential work directly for the homeowner, unless licensed as a corporation*). Licenses cannot be renewed without supplying the required proof of insurance coverage or exemption. If you do not have coverage due to not working, you may utilize the "Retirement" form to keep license in an inactive status to retain renewal rights.

## 1) GENERAL LIABILITY

A "Certificate of Insurance" in the Board's required format and limits of coverage must be attached to the renewal. The Board has established the following as a \*minimum amount of coverage 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.

Contractor's License Monetary Limit	* <u>Minimum General Liability Insurance</u>
Up to \$500,000 \$500,001 to \$1,500,000	\$100,000 \$500,000
\$1,500,001 to Unlimited	\$1,000,000

### 2) WORKERS' COMPENSATION

The law requires contractors to supply coverage for every employee and you must supply a "Certificate of Insurance" showing proof of Workers' Compensation (WC) coverage. 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: <u>http://www.tn.gov/labor-wfd/wcomp.html</u>

Law became effective March 1<sup>st</sup>, 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: <a href="http://tnbear.tn.gov/wc/">http://tnbear.tn.gov/wc/</a>

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 <u>not</u> 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.

FINANCIAL STATEMENT - CONTRACTOR'S BALANCE SHEET	License #:000
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1. License Name:		[Name must be same as lice	nsed]
2. Mode of Operation:	Sole Proprietor	Corporation LLC Partnership	
3. Date:	(mm)	(day) <b>20</b> (yr)	

	CURRENT AS	SSETS	Dolla	rs Only
		Cash on hand and in the Bank		
		Accounts Receivable (Within 1 year)		
		Trade		
		Employees		
		Other: (Itemize)		
		Costs in excess of billings on uncompleted contracts		
		Marketable Securities, Stocks, and Bonds		
		Inventories- Materials or Houses Built or Developed Lots for Sale		
		Retirement Plans (IRA; 401K; Profit Sharing) [Generally Only for Personal Financials]		
		Cash Surrender Value of Life Insurance (Not Face Value) [May be required to supply documentation]		
		Prepaid Expenses (Insurance, Taxes, Interest, Rents, Other)		
		Other: (Itemize)		
Α	<b>Total Curre</b>	nt Assets		
	NON-CUR	RENT ASSETS		
	-	Accounts Receivable (amounts not due within 1 year)		
		Related Party Receivables		
		Long Term Investments		
		Land		
		Depreciable Assets		
		Buildings		
		Equipment		
		Tools Vehicles		
		Other: (Itemize)		
В	Total Asset			
_	CURRENT LI			<u></u>
	-	Credit Cards (Balance)		
		Accounts Payable (Amount Due Within 1 Year)		
		Accrued Salaries and Wages		
		Billings in excess of costs (uncompleted contracts)		
		Equipment Encumbrances (Amount Due Within 1 year)		
		Real Estate Encumbrances (Amount Due Within 1 year)		
		Line of Credit (Balance)		
		Other: (Itemize)		
С	<b>Total Curre</b>	nt Liabilities		
	LONG TERM	LIABILITIES		
		Accounts Payable (Amount Due After 1 Year)		
		Equipment Encumbrances (Amount Due After 1 year)		
		Real Estate Encumbrances (Amount Due After 1 year)		
		Stockholder Payable		
		Other: (Itemize)		
D	Total Liabil			
E	NET WOR			
Total Liabilities and Net Worth         Formula: Working Capital: A – C = \$; Net Worth: B – D = \$; (Both must be 10% of monetary limit)				
FO	mula: working	Capital: A – C = \$; Net Worth: B – D = \$; (Both must be 10% of (Same as line E));	rnonetary	' iimit)

Contractor Retirement Fee – Prof 1801- \$25/Yr Xact #

License ID#

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

Mailing Address: 500 JAMES ROBERTSON PARKWAY - NASHVILLE, TN 37243-1150

(615) 532-3985 or Toll Free: 1-800-544-7693

http://www.tn.gov/commerce/boards/contractors/ Email: Contractor.Renewal@tn.gov

## **RETIREMENT OF LICENSE – APPLICATION**

(If business is inactive or not using the license, may place license in retirement in lieu of renewing contractor's license)

FEE: \$25.00 – Yearly Retirement (Nonrefundable)	May retire for more than one (1) year; limited to seven (7) consecutive years; <b>\$25.00</b> yearly fee			
Total Enclosed: \$	<ul> <li>If license is expired (less than 12 months), or it has been in retirement seven (7) years, must submit \$200.00 renewal fee and any late monthly fees;</li> <li>May not place in retirement if expired more than 12 months.</li> <li>Retirement of a license places it in an "inactive" status to allow renewal rights. Cannot bid or contract while the license is retired!</li> </ul>			
Government Agency Employee:NoYes: Agency:	Government Agency Employee:NoYes: Agency:			
Contractor's License #	Expiration Date:			
License Name:	(If expired, must pay \$200 and \$20 monthly late fee)			
Address: (Address Change: No Yes)				
	(Address Change: No Yes)			
Attach active license certificate and pocket ID card:Yes	_No- Explain:			
By placing license in retirement, this is considered an inactive status and you <u>cannot</u> perform, bid or contract with a retired license, as it would be considered unlicensed activity. (If you prefer to dissolve the license and do not need to retain renewal rights, you may submit a written request to "Withdraw" and no fees are required.)				
Signature Print Name	Title (Owner/Officer)			
<b>REASON FOR RETIREMENT:</b> (In an effort to provide better assistance, this information may be beneficial to address concerns in the industry. Thank you!)				
PROCEDURES				

#### New and Renewal Retirement Process

License must be active or have renewal rights in order to retire. Complete the above portion, sign and return with the \$25.00, *nonrefundable* retirement fee. Unless renewing retirement, include your current license I.D. pocket card and certificate. If license is expired, less than 12 months, please submit renewal fee (\*\$200.00) and late fees (\$20.00/month). Renewal fees paid prior to retirement are non-refundable. A contractor's license may be retired annually, up to seven (7) years, by submitting \$25.00 yearly at renewal time or while the license is current. However, if you pull out of retirement after paying more than one yearly fee, it is nonrefundable. Please be sure to renew retirement prior to expiration date on license. You are not required to complete the "Notice of Renewal" or provide insurance to place the license in retirement.

#### **Bringing out of Retirement**

Retirement Fee

• \$ 25.00 – Yearly Fee

o \$200.00; and

• \$ 50.00 – Two Year Fee If license is expired (less

than 12 months), include:

• \$ 20.00 - Monthly Late Fee

To bring a license **out of retirement**, complete the "Notice of Renewal" or download from our website at: <u>http://tn.gov/commerce/boards/contractors/</u> Complete the renewal and submit with \*\$200.00 and a financial statement (a CPA/PA is <u>not</u> required to complete unless the monetary limit **exceeds \$1,500,000; no exams**). For further information, you may refer to statute T.C.A. § 62-6-126.

\*If the license was retired after renewing (due to lapse of insurance, etc.), the \$200 renewal fee does not need to be repaid to bring out of retirement prior to expiration.

Always check status of license on the website at:

http://verify.tn.gov/

-Office Use-				
Issued \	ears (Le	ess than 7 yea	ars)	
Denied for	Cert/ID	Ren Fee	Exp	
Need Open Ren Xact Canceled				
AL-13 to one year\$200 fee paid				

# **SUMMARY OF NEW LAWS, RULES & REGULATIONS**

Be sure to check the Board's website for new legislation, laws and rules. The following is summary of changes from recent legislative sessions. Current laws, rules and regulations may be reviewed from the Board's website at: <u>http://www.tn.gov/commerce/boards/contractors/law.shtml</u>

#### 2011 Legislation

**Public Chapter 422 – Workers' Compensation Amendment – effective October 1<sup>st</sup>.** Changes include allowing five in lieu of three owners to obtain exemption, etc.

#### Public Chapter 12 – Geothermal Well Drillers listed on outside of bid envelope – effective March 24<sup>th</sup>.

#### 2010 Legislation

#### PUBLIC CHAPTER NO. 1 and 1149 – Workers' Compensation Amendment

Amended prior law; new exemption for owners and the requirements, effective March 1, 2011.

#### PUBLIC CHAPTER NO. 768 - Masonry Bid Envelope Requirements

Requires masonry contractors to be listed on the outside of the bid envelope, for masonry portions (including materials and labor) over \$100,000.

#### PUBLIC CHAPTER NO. 801 – Electronic Bidding

Prohibits from requiring subcontractors license information to be provided prior to bid deadline.

#### PUBLIC CHAPTER NO. 950 – Masonry Subcontractors and Exam

Requires masonry subcontractors to be licensed by taking a "LMC" (Licensed Masonry Contractor) trade exam in order to bid or perform work in excess of \$100,000 (including materials and labor).

#### PUBLIC CHAPTER NO. 749 – Prohibited Liens from Unlicensed Home Improvement Contractors

Clarifies that unlicensed home improvement contractors are also prohibited from filing liens.

#### PUBLIC CHAPTER NO. 1055 - Criminal Violation/Punishment as Theft

A contractor who takes money without performing work is considered a felony.

#### 2009 Legislation

#### PUBLIC CHAPTER NO. 482 (Unlicensed Contractor- Recovery)

Contractor required to be licensed under this chapter, limited to recovery of expenses.

#### PUBLIC CHAPTER NO. 483 (Contracts - Lien Waiver Rights Prohibited)

Contractor who solicits a person to waive a right of lien is in violation.

#### PUBLIC CHAPTER NO. 529 (TN Clean Energy Future Act of 2009 / Statewide Code)

State fire marshal shall enforce the statewide codes with regard to those buildings for which the local jurisdiction has not adopted. October 1, 2010 – New permit and inspections required statewide.

#### PUBLIC CHAPTER NO. 804 (Retainage) July 1, 2008

Section 66-11-144(g), Applicable to all prime contracts and all subcontracts for the improvement of real property when the contract amount of such prime contract is (\$500,000) or greater.

#### RULE 0680-1-.25

Must contract in the name as licensed. (Clarification of T.C.A. 62-6-114 and 119)

Note: This is a summary and may review complete contents of the laws passed at our website or with the Tennessee General Assembly at: <u>http://www.legislature.state.tn.us/</u> or the Rules at: <u>http://www.state.tn.us/sos/rules/</u>

## **CONTRACTOR'S LICENSE RENEWAL - INSTRUCTIONS**

\*\*If you prefer to "Retire" the license, complete page 7 in lieu of renewal form before expiration date\*\*

FEES AND MAILING [Attach \$200 fee (with applicable late fee) to the completed renewal; 1. make check payable to "Contractor's Board" and include license ID#; copy renewal before mailing]

◆Renewal fee: \$200 for a two (2) year period (do not send cash); Cannot accept Credit/Debit cards. ▲Late fees: \$20 per month (beginning the day after expiration date).

- Expired 12 months or more; cannot renew and must complete new application for reinstatement.
- Send to Board's mailing address as listed on page one (1); (state mail takes up to 7 days!)
- \_\_\_\_\_ ♦If hand-delivering in lieu of mailing, the Board cannot accept fees at their physical location.
- ◆Please allow 30 days for our office to process. [Renewal is due 30 days prior to expiration]
- ♦Include change of address on page one (1) or complete the form from our website.

## 2.\_\_\_\_CONTRACTOR'S AFFIDAVIT (See Page 3)

- •All questions must be answered on the "Contractor's Affidavit", signed, dated and notarized with a visible notary seal. (If your state does not use a "seal", please let us know/make a note).
- Corporations and LLC's Ensure it is active with the Secretary of State. Confirm at: http://tnbear.tn.gov/Ecommerce/FilingSearch.aspx (attach a copy showing "Active")
- Changes, such as ownership or mode of operation, see supplemental instructions.

## 3.\_\_\_\_ATTACH A CURRENT FINANCIAL STATEMENT (F/S) - (See Page 6)

(See \*Supplement for more information. Limit is based on <u>10 times</u> the lesser of working capital and net worth) →If Monetary Limit is \$1,500,000 or less - May use (page 6) or attach F/S;

- \_\_\_\_ ♦If Monetary Limit is over \$1,500,000 Must attach a "Reviewed" or "Audited" financial statement prepared by an independent licensed \*CPA (or may request to lower the limit)
- •Name on the Financial Statement should be exactly the same as the name on the license.
- Financial statement should have a date which includes the month, day, and year.
- →If utilizing more than 50% of life insurance's cash value; must supply documentation.
- Guaranty Agreement is required by entities owned by a parent company
- A financial statement is required for all renewals except "Spec Builder" licenses (Spec licensee's certificate will state "Spec Builder" and not "Contractor" with \$350,000 I

#### CPA PREPARED FINANCIAL STATEMENTS (LIMITS ABOVE \$1,500,000 - UNLIMITED)

[If the Monetary Limit is over \$1,500,000 – Must attach a "Reviewed" or "Audited" statement with the following:]

- Accountant's report, opinion letter, balance sheet, and notes to financial statement
- →Helpful to have the CPA's State Accountancy License ID# on their opinion letter
- →When the corporate "year end" does not coincide with license expiration and it's more older than 12 months (not current), may include a copy of prior year's statement with a letter requesting to utilize until current is available, and with an approximate date it will be supplied to the Board.

## 5. **PROOF OF INSURANCE ATTACHED** (See Pages 4 & 5)

Attach a "Certificate of Insurance" for General Liability (GL) (see "Supplement for coverage amounts) Attach a "Certificate of Insurance" for \*\*Workers' Compensation (WC); or page 4; or

Attach proof of registration for exemption as a \*\*\*Construction Services Provider (CSP)

\*\*Effective March 1<sup>st</sup> and October 1, 2011, the new laws (Public Chapter 1149/422) require licensees to provide proof of WC insurance on owners/officer, unless they fall under new exemptions. Check at: http://tnbear.tn.gov/wc/

#### SIGN UP FOR EMAIL NOTIFICATIONS 6.

(Law changes, newsletters, etc.)

4.

For more renewal instructions, see "Supplemental Renewal Instructions" from our website at: http://tn.gov/commerce/boards/contractors/documents/RenewalInstructBookletWeb.pdf

\*Always include your license ID number on each page in case it gets separated in the mail\*

Late renewals may indicate a "Delinguent" status until issued. Check expiration date at: http://verify.tn.gov

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.