



OFFICIAL NOTICE

RESIDENTIAL AND GENERAL CONTRACTORS - EFFECTIVE MAY 28, 2008

On May 7, 2008, the Georgia State Licensing Board for Residential and General Contractors approved additional types of licenses by adopting Rule 553-4-.05 and Rule 553-4-.06. The rules provide for a General Contractor Limited Tier Individual license and a General Contractor Limited Tier Qualifying Agent license. The two rules are effective May 28, 2008.

All applicants for licensure, including applicants for previously available licenses, must pass a two part examination: a practical section related to general contracting and a business and law section.

Applications for examination may be found on the Board's website at: www.sos.ga.gov/plb/contractors. Once approved by the Board to sit for the examination, applicants will receive a letter with instructions to schedule the examination. Examinations are offered Monday through Friday in Atlanta, Macon, and Tifton. Please submit your application for examination well in advance of July 1, 2008 to allow sufficient time to process your application and to take the exam.

After July 1, 2008, residential basic contractors, residential light-commercial contractors, and general contractors must have a state license before they may work in Georgia.

The **financial requirements** for the General Contractor – Limited Tier licenses are as follows:

- **General Contractor Limited Tier – Individual:**
 - Affirm an individual minimum net worth of \$25,000
 - Provide proof of a \$25,000 line of credit
 - Provide proof of general liability insurance in the amount of \$500,000
 - Provide proof of workers' compensation insurance as required by state law

- **General Contractor Limited Tier - Qualifying Agent:**
 - Affirm that the business organization has a minimum net worth of \$25,000
 - Provide proof of a \$25,000 line of credit
 - Provide proof of general liability insurance in the amount of \$500,000
 - Provide proof of workers' compensation insurance as required by state law

The **educational and experience requirements** for General Contractors are as follows:

Applicants must have obtained a 4 year degree from an accredited college or university in engineering, architecture, construction management, building construction, or other field acceptable to the division and 1 year of work experience as or in the employment of a general contractor; **or**, applicants must have a combination of college level academic accredited courses and proven experience working as or in the employment of a general contractor equaling at least four years in the aggregate; **or**, applicants must have a total of at least 4 years of proven active experience in a construction industry related field, at least two of which shall have been as or in the employment of a general contractor and at least one of which shall have been in or relating to administration, marketing, accounting, estimating, drafting, engineering, supervision, or project management.

The new General Contractor Limited Tier license and the General Contractor Limited Tier Qualifying Agent license have an established limit of \$500,000 per contract.

For a comprehensive list of *frequently asked questions, state laws, a side-by-side comparison of the contractor categories and board rules*, please visit: www.sos.ga.gov/plb/contractors.

Georgia State Board Residential and General Contractors
P.O. Box 13446 • Macon, Georgia 31208 • 478-207-2440
www.sos.ga.gov/plb/contractors

**RULES FOR
GENERAL CONTRACTOR LIMITED TIER (553-4-.05)
AND
GENERAL CONTRACTOR LIMITED TIER QUALIFYING AGENT (553-4-.06)**

553-4-.05 Licensure Requirements for an Individual to Practice as a General Contractor in the Individual's Own Name or Doing Business as an Individual in a Trade Name or as a Sole Proprietorship – General Contractor Limited Tier

(1) An individual person seeking issuance of a Georgia license in his or her own name for purposes of engaging in the profession of general contracting at the general contracting limited tier in his or her own name or doing business as an individual in a trade name as a sole proprietorship shall file an application on a form provided by the general contractor division, accompanied by an application fee as provided by the board.

(2) Additionally, such applicants must submit to and successfully pass an examination prepared by the general contractor division unless exempted from examination pursuant to O.C.G.A. § 43-41-8.

(3) A person shall be eligible for licensure as a general contractor limited tier by the general contractor division if the person:

(a) Is at least 21 years of age;

(b) Is of a good character and is otherwise qualified as to competency, ability, and integrity, and financial responsibility; and

(c) Meets eligibility requirements according to one of the following criteria:

1. Has received a baccalaureate degree from an accredited four-year college or university in the field of engineering, architecture, construction management, building construction, or other field acceptable to the division and has at least one year of proven experience working as or in the employment of a general contractor or other proven experience deemed substantially similar by the division;

2. Has a combination acceptable to the division of academic credits from any accredited college-level courses and proven practical experience working as or in the employment of a general contractor, or other proven experience deemed substantially similar by the division equaling at least four years in the aggregate. For purposes of this subparagraph, all university, college, junior college, or community college-level courses shall be considered accredited college-level courses; or

3. Has a total of at least four years of proven active experience working in a construction industry related field, at least two of which shall have been as or in the employment of a general contractor, or other proven experience deemed acceptable by the division and at least one of which shall have been in or relating to administration, marketing, accounting,

estimating, drafting, engineering, supervision, or project management, or functions deemed substantially similar by the division.

(d) In order to satisfactorily prove (a), (b) and (c) above, each applicant must swear on the application for licensure that the applicant satisfies each requirement and submit satisfactory proof of such when directed to do so by the application. Applicants seeking to engage in limited tier general contracting shall affirm a minimum net worth in the amount of \$25,000. To satisfactorily show “financial responsibility” as mentioned in (3)(b) above, as well as minimum net worth, applicants shall provide a line of credit form in the amount not less than \$25,000. Additionally, in completing the application and submitting it to the general contractor division, the applicant consents to the division performing a background check, including a criminal history, on the applicant if the division so chooses.

(4) Before being entitled to take an examination or otherwise qualify for issuance of a license, an applicant must show to the satisfaction of the general contractor division from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility. Much proof of this will come as detailed in (3)(d) above. Additionally, the application shall include a list of all persons, entities, and business organizations that the applicant will be affiliated with as a licensed general contractor, whether by way of employment, ownership, serving as an owner or director, partnership, or membership or by serving as a qualifying agent under this chapter. Additionally, all applicants shall provide satisfactory proof of general liability insurance in an amount not less than \$500,000 and of workers’ compensation insurance as required by the laws of this state in their name. All applicants shall also provide their social security numbers. Applicants shall also provide suitable verification of tax payments in a form and manner and for the duration prescribed by the general contractor division. Such proof of verification shall be submitted by the applicant as directed by the application for licensure and any form(s) that might accompany the application. The decision of the general contractor division as to the qualifications of applicants shall be conclusive. A certificate by the insurer or other appropriate evidence of such coverages shall be maintained with the general contractor division and shall be a condition of renewal. A licensee, on his or her own behalf, must notify the general contractor division in writing within 30 days of any changes in the information required to be on file with such division, including, but not limited to, the licensee’s current mailing address, insurance coverages, and affiliated entities.

(5) The general contractor division shall conduct an examination of all qualified applicants, except those exempted from the examination requirement pursuant to Code Section 43-41-8.

(a) The general contractor division shall conduct an examination to ascertain the particular applicant’s ability to make a practical application of his or her knowledge of the profession of commercial general contracting; the applicant’s qualifications in reading plans and specifications; his or her knowledge of building codes, estimating costs, construction, ethics, contracting, and other similar matters pertaining to the general contracting business; his or her knowledge as to the responsibilities of a general

contractor to the public and to owners, subcontractors, and suppliers; and his or her knowledge of the requirements of the laws of this state relating to general contractors, construction, workers' compensation, insurance, surety bonding, and liens.

(b) If the results of the applicant's examination are satisfactory to the general contractor division, or he or she is exempted from the examination requirement under Code Section 43-41-8, and if he or she has met the other qualifications and requirements set forth in this Code section, then the general contractor division shall issue to the applicant a limited tier license to engage in business as a general contractor in this state, as provided in such license, in his or her own name as a sole proprietor, pursuant to and in accordance with the requirements set forth in Code Section 43-41-9.

(6) Any otherwise qualified applicant failing this examination may be reexamined at any regularly scheduled examination within one year of the date of original application upon payment of a reexamination fee, in an amount to be set by the board, without need to resubmit an application, unless any information set forth in the previously submitted application is no longer accurate or complete. Anyone requesting to take the examination a third or subsequent time shall wait at least one calendar year after the taking of the last examination and shall submit an application with the appropriate examination fees.

(7) Upon the payment of fees prescribed by the board, a limited tier general contractor license shall be issued to an applicant who successfully completes the requirements for licensure.

(8) There is established a limited tier general contractor license type that is limited as to any contract of no more than \$500,000.00.

(9) In order to move from the General Contractor Limited tier to the General Contractor tier, a contractor must submit an application for the General Contractor license and meet the financial requirements and other requirements for that license type.

(10) Any Change Orders as defined in O.C.G.A. § 36-91-2 may not exceed the maximum amount allowed per contract for a project to be completed.

Authority: O.C.G.A §§ 43-1-24; 43-1-25; 43-41-1; 43-41-2; 43-41-5; 43-41-6; 43-41-8; 43-41-9; and 43-41-17. Adopted: May 8, 2008. Effective: May 28, 2008.

553-4-.06 Licensure Requirements for an Individual Acting as a Qualifying Agent for a Business Organization Seeking to Engage in the Profession of General Contracting in the Name of the Business Organization – General Contractor Limited Tier

(1) An individual person affiliated by ownership or employment with and acting as a qualifying agent for a business organization seeking to engage in the profession of general contracting at the general contracting limited tier in the name of the business organization in accordance with and pursuant to Code Section 43-41-9 shall file an

application on a form provided by the general contractor division, accompanied by an application fee as provided by the board.

(2) Additionally, such applicants must submit to and successfully pass an examination prepared by the general contractor division unless exempted from examination pursuant to O.C.G.A. § 43-41-8.

(3) A person shall be eligible for licensure as a general contractor limited tier by the general contractor division if the person:

(a) Is at least 21 years of age;

(b) Is of a good character and is otherwise qualified as to competency, ability, and integrity and financial responsibility; and

(c) Meets eligibility requirements according to one of the following criteria:

1. Has received a baccalaureate degree from an accredited four-year college or university in the field of engineering, architecture, construction management, building construction, or other field acceptable to the division and has at least one year of proven experience working as or in the employment of a general contractor or other proven experience deemed substantially similar by the division;

2. Has a combination acceptable to the division of academic credits from any accredited college-level courses and proven practical experience working as or in the employment of a general contractor, or other proven experience deemed substantially similar by the division equaling at least four years in the aggregate. For purposes of this subparagraph, all university, college, junior college, or community college-level courses shall be considered accredited college-level courses; or

3. Has a total of at least four years of proven active experience working in a construction industry related field, at least two of which shall have been as or in the employment of a general contractor, or other proven experience deemed acceptable by the division and at least one of which shall have been in or relating to administration, marketing, accounting, estimating, drafting, engineering, supervision, or project management, or functions deemed substantially similar by the division.

(d) In order to satisfactorily prove (a), (b) and (c) above, each applicant must swear on the application for licensure that the applicant satisfies each requirement and submit satisfactory proof of such when and where directed to do so by the application. Applicants acting as a qualifying agent for a business organization seeking to engage in limited tier general contracting, shall affirm that the business organization possesses minimum net worth in an amount of \$25,000. To satisfactorily show "financial responsibility" as mentioned in (3)(b) above, and minimum net worth, applicants shall provide a line of credit form in an amount of not less than \$25,000. Additionally, in completing the application and submitting it to the general contractor

division, the applicant consents to the division performing a background check, including a criminal history, on the applicant if the division so chooses.

(4) Before being entitled to take an examination or otherwise qualify for issuance of a license, an applicant must show to the satisfaction of the general contractor division from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility. Much proof of this will come as detailed in (3)(d) above. Additionally, the application shall include a list of all persons, entities, and business organizations that the applicant will be affiliated with as a licensed general contractor, whether by way of employment, ownership, serving as an owner or director, partnership, or membership or by serving as a qualifying agent under this chapter. Additionally, all applicants shall provide satisfactory proof of general liability insurance in an amount not less than \$500,000 and of workers' compensation insurance as required by the laws of this state in their name. All applicants shall also provide the federal taxpayer identification numbers of any business organization for which the applicant is seeking licensure as a qualifying agent. Applicants shall also provide suitable verification of tax payments by the business organization in a form and manner and for the duration prescribed by the general contractor division. Such proof of verification shall be submitted by the applicant as directed by the application for licensure and any form(s) that might accompany the application. The decision of the general contractor division as to the qualifications of applicants shall be conclusive. A certificate by the insurer or other appropriate evidence of such coverages shall be maintained with the general contractor division and shall be a condition of renewal. A licensee, where acting as a qualifying agent on behalf of the business organization so qualified, must notify the general contractor division in writing within 30 days of any changes in the information required to be on file with such division, including, but not limited to, the business organization's current mailing address, insurance coverages, and affiliated entities.

(5) The general contractor division shall conduct an examination of all qualified applicants, except those exempted from the examination requirement pursuant to Code Section 43-41-8.

(a) The general contractor division shall conduct an examination to ascertain the particular applicant's ability to make a practical application of his or her knowledge of the profession of commercial general contracting; the applicant's qualifications in reading plans and specifications; his or her knowledge of building codes, estimating costs, construction, ethics, contracting, and other similar matters pertaining to the general contracting business; his or her knowledge as to the responsibilities of a general contractor to the public and to owners, subcontractors, and suppliers; and his or her knowledge of the requirements of the laws of this state relating to general contractors, construction, workers' compensation, insurance, surety bonding, and liens.

(b) If the results of the applicant's examination are satisfactory to the general contractor division, or he or she is exempted from the examination requirement under Code Section 43-41-8, and if he or she and any affiliated business organization has met the other qualifications and requirements set forth in this Code section, then the general contractor

division shall issue to the applicant a limited tier license to engage in business as a general contractor in this state, as provided in such license, in his or her own name as a qualifying agent for the affiliated business organization and in the name of such business organization, pursuant to and in accordance with the requirements set forth in Code Section 43-41-9.

(6) Any otherwise qualified applicant failing this examination may be reexamined at any regularly scheduled examination within one year of the date of original application upon payment of a reexamination fee, in an amount to be set by the board, without need to resubmit an application, unless any information set forth in the previously submitted application is no longer accurate or complete. Anyone requesting to take the examination a third or subsequent time shall wait at least one calendar year after the taking of the last examination and shall submit an application with the appropriate examination fees.

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(9) In order to move from the General Contractor Limited tier to the General Contractor tier, a contractor must submit an application for the General Contractor license and meet the financial requirements and other requirements for that license type.

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