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State Licensing Board for Residential & General Contractors

Recent legislation created the State Licensing Board for Residential and General Contractors. The following is a timeline regarding licensure in Georgia.

1/1/2006 through 6/30/2006...

Examination exemption applications are being accepted

7/1/2006...Reciprocity applications and applications for licensure by examination will begin being accepted

7/1/2007... Licensure will be required for the practice of contracting in Georgia.

They are now accepting applications for examination exemption for the three license types: residential-basic contracting; residential-light commercial contracting; and general contracting. These applications are for residents and citizens of Georgia or business organizations that have continuously maintained an office and place of business in Georgia for the previous five years. They cannot decide for you which license type for which you must apply. You must determine this by reading the definitions found in O.C.G.A. section 43-41-2 or by comparing the various license types and applying the definitions to your scope of work. If you have unanswered questions, please call 478-207-2440.

Frequently Asked Questions

Who is required to hold a license from the State Licensing Board for Residential and General Contractors?

Licensure to practice contracting is not required until July 1, 2007; however, when the time comes, a license from the State Licensing Board for Residential and General Contractors is required for the following:

Residential-Basic Contractor (contractor work relative to detached one-family and two-family residences and one-family townhouses not over three stories in height)

Residential-Light Commercial Contractor (same as residential-basic, and additionally, such contractor work or activity related to multifamily and multiuse light commercial buildings and structures)

General Contractor (contractor services unlimited as to type of work contracted for, undertaken to perform, bid or proposed upon or otherwise offered to perform, and performed as a contractor, except any work which falls under the licensing requirements of Chapter 14 of this title, which may not be performed by the general

contractor unless he or she possess licensure to do such)

Work costing less than \$2,500 does not require the services of a state licensed contractor.

What date does the new licensure requirement take effect?

The new law creating the Board and setting forth licensure requirements for residential and general contractors went into effect July 1, 2005. However, the date a license is actually required for practicing as a contractor in Georgia is July 1, 2007.

How can I obtain a state license?

1. Submit a completed application for licensure by examination exemption and non-refundable fee, along with all the supporting documents as indicated by the application. These applications will be accepted January 1, 2006 through June 30, 2006 only; **or**

Submit a completed application for licensure and non-refundable fee, along with all the supporting documents as indicated by the application, and submit to and pass an examination required for the particular license. These applications will begin being accepted by the Board after July 1, 2006. For a complete description of licensure requirements, see Board Rules 553-2-.01 through 553-1-.13; 553-3-.01 through 553-3-.06; and 553-4-.01 through 553-4-.04.

What are the required fees for a license?

The application fee is \$200. Additional fees will be set later and will be posted to this website.

Can a licensed general contractor perform work within the residential classifications?

Yes, a general contractor can do work under all three license classifications; residential-basic, residential-light commercial, and general.

Can a business have more than one qualifying agent?

Yes, a business organization can have more than one qualifying agent. However, all qualifying agents are equally responsible for the supervision of all operations of the business organization, all field work at all sites, and for financial matters, both for the organization in general and for each specific job for which his or her license was used to obtain the building permit.

If a company loses its qualifying agent can it continue to operate?

The business organization must notify the appropriate division within 45 days of the termination of the relationship with the qualifying agent and shall have 120 days from the termination of the agent's affiliation with the business to employ another qualifying agent and submit an application for licensure under the new qualifying agent. If such application is denied, then after passage of the 120 day period, the business organization shall cease to be considered licensed. The division, in such circumstances, may issue a temporary nonrenewable license which will allow the entity to proceed with incomplete contracts already in progress.

Is there a minimum net worth requirement for licensure?

Only the general contractor license requires a minimum net worth. As outlined in Board Rules 553-4-.01 and 553-4-.02, a general contractor must have a minimum net worth of \$150,000 and a Line of Credit in the minimum amount of \$50,000. If applying as a qualifying agent, the net worth and Line of Credit must be in the business name.

What are the insurance requirements under the new law?

Applicants for licensure must show proof of workers compensation insurance, as required by law, and general liability insurance in the following amounts:

Residential-Basic: \$300,000
Residential-Light Commercial: \$500,000
General Contactor: \$500,000

If you have unanswered questions, please call 478-207-2440 or visit www.sos.state.ga.us for more Rules of State Licensing Board for Residential and General Contractors.

FYI

IRS Commissioner Mark W. Everson highlighted some of the Service's enforcement priorities in a speech at the National Press Club in Washington, D.C., on March 14. Everson said that the IRS "is very serious about reducing the tax gap," which is estimated at more than \$300 billion annually. Roughly two-thirds of the tax gap, which is the difference between what taxpayers owe and what they actually pay, relates to individual income taxes.

Everson said that the IRS continues to increase the number of audits. Total audits of individuals exceeded 1.2 million in 2005, a 20-percent increase from 2004. Audits of higher income individuals doubled from 2002 to 2005. Enforcement revenues jumped from \$33.8 billion in 2004 to \$47.3 billion in 2005. Everson also said that making corporate tax returns public could improve compliance but the idea would have to be more fully developed.