

62-6-101. Short title. —

This part shall be known and may be cited as the “Contractors Licensing Act of 1994.”
[Acts 1976, ch. 822, § 1; T.C.A., § 62-601; Acts 1994, ch. 986, § 17.]

62-6-102. Chapter definitions. —

As used in this chapter, unless the context otherwise requires:

- (1) “Board” means the state board for licensing contractors created pursuant to § [62-6-104](#);
- (2) “Commercial building contractors” are those contractors authorized to bid on and contract for every phase of the construction, direction, alteration, repair or demolition of any building or structure for use and occupancy by the general public;
- (3) “Contracting” means any person or entity that performs or causes to be performed any of the activities defined in subdivision (4)(A) or (7);
- (4) (A) (i) “Contractor” means any person or entity that undertakes to, attempts to or submits a price or bid or offers 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 for any building, highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, housing, housing development, improvement or any other construction undertaking for which the total cost is twenty-five thousand dollars (\$25,000) or more;
 - (ii) “Contractor” includes, but is not limited to, a prime contractor, electrical contractor, electrical subcontractor, mechanical contractor, mechanical subcontractor, plumbing contractor and plumbing subcontractor;
 - (iii) If the cost of a project exceeds twenty-five thousand dollars (\$25,000), “contractor” also includes a construction manager of any kind, including, but not limited to, a residential construction manager, construction consultant, architect or engineer who conducts or provides any activity or service described in this subdivision (4) other than normal architectural and engineering services;
- (B) As used in subdivision (4)(A)(iii), “normal architectural and engineering services” means:
 - (i) The preparation of bids, proposals, plans, specifications or other contract documents or the evaluation of contractors, subcontractors or suppliers;
 - (ii) The approval of shop drawings, submittals, substitutions, pay requests or other certifications required by contract documents;
 - (iii) Conducting representative reviews for progress and quality of construction on behalf of the owner;
 - (iv) Interpretations and clarifications of contract documents;
 - (v) Preparation and approval of changes in construction; and
 - (vi) Preparation of as-built drawings and operation and maintenance manuals;
- (C) “Contractor” does not include an engineer licensed in accordance with chapter 2 of this title who is:
 - (i) Managing and supervising the removal, remediation or clean up of pollutants or wastes from the

environment;

(ii) Serving as a corrective action contractor, as defined by the rules and regulations of the department of environment and conservation;

(iii) Conducting subsurface investigation or testing, or both, by drilling or boring to determine subsurface conditions;

(iv) Conducting geophysical or chemical testing of soil, rock, ground water or residues; or

(v) Installing of monitoring detection wells or plezometers for evaluating soil or ground water characteristics;

(D) “Contractor” does not include:

(i) Any undertaking, as described in former subdivision (3)(D)(i) [repealed] for the department of transportation; or

(ii) Subcontractors other than electrical subcontractors, mechanical subcontractors and plumbing subcontractors defined as a contractor pursuant to subdivision (4)(A);

(5) “Limited licensed electrician” means any person or entity that performs any electrical work that has a total cost of less than twenty-five thousand dollars (\$25,000) and that is required to be registered under § [68-102-150](#);

(6) “Prime contractor” is one who contracts directly with the owner; and

(7) “Residential contractor” means one whose services are limited to construction, remodelling, repair or improvement of one (1), two (2), three (3) or four (4) family unit residences not exceeding three (3) stories in height and accessory use structures in connection with the residences.

[Acts 1976, ch. 822, § 2; 1977, ch. 101, § 1; 1977, ch. 406, § 1; 1980, ch. 652, § 3; 1981, ch. 399, § 1; T.C.A., § 62-602; Acts 1982, ch. 737, § 1; 1985, ch. 245, § 1; 1988, ch. 589, § 1; 1989, ch. 336, § 1; 1991, ch. 173, §§ 1-3; 1991, ch. 217, § 1; 1992, ch. 1020, §§ 1-18; 1993, ch. 147, § 1; 1994, ch. 986, § 1; 1998, ch. 645, § 1; 1998, ch. 764, § 1; 1999, ch. 238, §§ 1, 2; 1999, ch. 245, § 1; 2000, ch. 625, § 1; 2002, ch. 772, § 1; 2003, ch. 409, §§ 1, 2; 2006, ch. 577, § 1; 2009, ch. 482, § 2.]

62-6-103. License requirement — Recovery of expenses by unlicensed contractor. —

(a) (1) Any person, firm or corporation engaged in contracting in this state shall be required to submit evidence of qualification to engage in contracting, and shall be licensed as provided in this part. It is unlawful for any person, firm or corporation to engage in or offer to engage in contracting in the state, unless the person, firm or corporation has been duly licensed under this part. Any person, firm or corporation engaged in contracting, including a person, firm or corporation that engages in the construction of residences or dwellings constructed on private property for the purpose of resale, lease, rent or any other similar purpose, shall be required to submit evidence of qualification to engage in contracting and shall be licensed. It is unlawful for any person, firm or corporation to engage in, or offer to engage in, contracting as described in this subdivision (a)(1) unless the person, firm or corporation has been duly licensed under this part.

(2) (A) Notwithstanding subdivision (a)(1), any person, firm or church that owns property and constructs on the property single residences, farm buildings or other buildings for individual use, and not for resale, lease, rent or other similar purpose, is exempt from the requirements of this part.

(B) Except in counties with a population of not less than seven hundred seventy-seven thousand one

hundred thirteen (777,113), according to the 1980 federal census or any subsequent federal census, a person or firm specified in subdivision (a)(2)(A) shall not make more than one (1) application for a permit to construct a single residence or shall not construct more than one (1) single residence within a period of two (2) years. There shall be a rebuttable presumption that the person or firm intends to construct for the purpose of resale, lease, rent or any other similar purpose if more than one (1) application is made for a permit to construct a single residence or if more than one (1) single residence is constructed within a period of two (2) years. This subdivision (a)(2)(B) shall not be construed to alter the definition of “contractor” as defined in § [62-6-102](#).

(3) Notwithstanding subdivisions (a)(1) and (2), the license requirements and restrictions contained in this subsection (a) shall not apply to single residences constructed by:

(A) Nonprofit charitable or religious corporations, associations and organizations that are exempt from federal income taxation under § 501(c)(3) of the Internal Revenue Code of 1986, compiled in 26 U.S.C. § 501(c)(3); or

(B) Students enrolled in educational institutions who construct the residences under the direct supervision of faculty as part of the curriculum of the institution.

(4) The exemption provisions of subdivisions (a)(2) and (3) concerning licensure shall apply to limited licensed electricians.

(5) Notwithstanding subdivision (a)(1), any single residence homeowner is exempt from the limited licensed electrician requirements of this part for purposes of performing electrical work on the homeowner's own residence.

(b) Any contractor required to be licensed under this part who is in violation of this part or the rules and regulations promulgated by the board shall not be permitted to recover any damages in any court other than actual documented expenses that can be shown by clear and convincing proof.

[Acts 1976, ch. 822, § 3; 1977, ch. 9, § 1; 1979, ch. 59, § 7; 1980, ch. 652, § 5; T.C.A., § 62-603; Acts 1986, ch. 913, § 1; 1989, ch. 487, § 1; 1990, ch. 763, §§ 1, 2; 1993, ch. 192, § 1; 1994, ch. 986, § 1; 1999, ch. 238, § 8; 2000, ch. 876, § 1; 2009, ch. 482, § 1.]

62-6-104. Board. —

(a) (1) There is created a state board for licensing contractors, called the “board” in this part, to be appointed by the governor. The board shall be composed of nine (9) members, all of whom shall be residents of this state and at least three (3) of whom shall be actively engaged as residential contractors and shall compose the residential review board to consider and handle all informal conferences pertaining to residential construction, at least two (2) of whom shall be actively engaged as commercial building contractors, at least one (1) of whom shall be actively engaged as a mechanical contractor, at least one (1) of whom shall be actively engaged as an electrical contractor, at least one (1) of whom shall be actively engaged as a highway, railroad or airport contractor, and at least one (1) of whom shall be a person who is not engaged as a contractor in any county of this state and has no significant financial interest in residential contracting. For purposes of this section, “significant financial interest” means ten percent (10%) of gross personal income for a calendar year, except that it means fifty percent (50%) of gross personal income for a calendar year if the recipient is over sixty (60) years of age and is receiving that portion pursuant to retirement, pension or similar arrangement. All board members who are required to be in the business of contracting shall have been actively engaged in the business for a period of no less than ten (10) years immediately preceding their appointment and shall be licensed in the classification in which the member is serving upon the board. There shall be no more than one (1) board member in any specific classification provided in this subdivision (a)(1) residing within any one (1) grand division of this state and no more than three (3) board members residing in any one (1) grand division. In making appointments to the board, the governor shall strive to ensure that at least one (1) person serving on the

board is sixty (60) years of age or older and that at least one (1) person serving on the board is a member of a racial minority.

(2) For each member appointed to the board who is a residential contractor, the Home Builders Association of Tennessee, Inc. shall submit a list of recommended persons to the governor; and the governor shall consult with the Home Builders Association of Tennessee, Inc. about its recommendations before making any such appointment. Appointments made pursuant to this subdivision (a)(2) shall be made by the governor at the expiration of the respective terms of the members presently serving on the board.

(b) Any member of the board who fails to attend at least two thirds (2/3) of the regularly scheduled meetings of the board shall automatically be removed from the board and a successor member shall be appointed by the governor in the way and manner provided by this part.

(c) All subsequent appointments of successor members shall be made by the governor at the expiration of the respective terms of the members in the way and manner provided by this part.

[Acts 1976, ch. 822, § 4; 1979, ch. 59, § 2; T.C.A., § 62-604; Acts 1988, ch. 1013, § 30; 1994, ch. 986, § 1; 1998, ch. 944, § 1; 2008, ch. 861, § 1.]

62-6-105. Qualification of members — Terms — Vacancies — Removal. —

(a) (1) Each member of the board shall be at least twenty-five (25) years of age and of good moral character.

(2) (A) Each member shall be of recognized standing in the member's branch of the contracting business.

(B) Subdivision (a)(2)(A) does not apply to the member who is not engaged in the business of contracting.

(b) The terms of members shall be for a seven-year period and staggered so that the term of at least one (1) member shall expire each December 31.

(c) In event of death, resignation or failure of a member to serve the full term, a successor shall be appointed to the unexpired term. Each member shall hold over after the expiration of the member's term until the successor has been duly appointed and qualified. If vacancies occur in the board for any cause, the vacancies shall be filled by appointment of the governor.

(d) The governor may remove any member of the board for official misconduct, incompetency or willful neglect of duty.

[Acts 1976, ch. 822, § 5; 1979, ch. 59, § 3; T.C.A., § 62-605.]

62-6-106. Certificate of appointment — License requirement — Legal assistance. —

(a) Each member of the board shall receive a certificate of appointment from the governor and, before entering upon the discharge of the duties of office, shall file with the secretary of state the constitutional oath of office.

(b) (1) No one shall be eligible for appointment on the board who does not at the time hold an unexpired license to operate as a contractor under this part.

(2) Subdivision (b)(1) does not apply to the appointment of a member who by law is not permitted to be engaged in the business of contracting in any county of this state.

(c) The board, or any committee of the board, shall be entitled to the services of the attorney general and reporter or the legal department of Tennessee in connection with the affairs of the board.

[Acts 1976, ch. 822, § 6; 1979, ch. 59, § 4; T.C.A., § 62-606.]

62-6-107. Executive director. —

The board shall appoint an executive director to provide all administrative functions for the board. The compensation of the executive director shall be fixed by the board and the director shall serve at the pleasure of the board.

[Acts 1945, ch. 135, § 5; mod. C. Supp. 1950, § 7182.28 (Williams, § 7182.29); Acts 1972, ch. 633, § 2; 1978, ch. 906, § 20; T.C.A. (orig. ed.), § 62-607; Acts 1994, ch. 986, § 2.]

62-6-108. Bylaws and rules — Seal. —

(a) The board has the power to make bylaws, rules and regulations not inconsistent with the laws of this state that it deems best, subject to the final approval of the commissioner of commerce and insurance.

(b) The board shall adopt a seal for its own use. The seal shall have on it the words “Board for Licensing Contractors, State of Tennessee.” The executive director shall have care, charge and custody of the seal.

[Acts 1976, ch. 822, § 9; T.C.A., § 62-609.]

62-6-109. Board meetings — Officers. —

(a) The board shall meet at least six (6) times each year for the purpose of transacting business.

(b) At the first meeting of each calendar year the board shall elect officers, including a chair, vice chair and secretary.

(c) Special meetings of the board shall be held at times that the board may provide.

(d) Five (5) members shall constitute a quorum at a board meeting.

(e) Due notice of each meeting and the time and place of the meeting shall be given each member in the manner that the bylaws may provide.

(f) The board shall meet in each grand division at least one (1) time each year.

(g) The board may specify by rules and regulations specific board actions that may be taken by the executive director without a meeting of the board. The actions shall be limited to increases in the monetary limits and timely consideration of licensure applications or renewal applications for which there are no evident impediments to licensure and for which loss of substantial business is imminent if licensure is delayed. Notice of emergency actions shall be posted on the board's website and shall be scheduled as the first agenda item at the next scheduled meeting of the board in order that the board may review and, in its discretion, modify the actions of the executive director.

[Acts 1976, ch. 822, § 10; 1979, ch. 59, § 8; T.C.A., § 62-610; Acts 1984, ch. 676, § 8; 1989, ch. 487, § 2; 1994, ch. 986, § 3; 2001, ch. 222, §§ 1, 2; 2007, ch. 191, § 1.]

62-6-110. Register of applicants — Roster of licensees. —

(a) The executive director shall keep a register of all applicants for license, showing for each applicant the date of application, name, qualifications, place of business, place of residence and whether license was granted or refused.

(b) The books and register of the board shall be prima facie evidence of all matters recorded in the books and register.

(c) A roster showing the name, business address, business telephone number and qualifying agent of each licensed contractor shall be prepared by the executive director of the board. The roster may be printed by the board, the expense of which shall be part of the expenses of the board as provided in § [56-1-302](#).
[Acts 1976, ch. 822, § 11; 1980, ch. 652, § 1; T.C.A., § 62-611; Acts 1989, ch. 487, § 3; 1994, ch. 986, § 4; 2001, ch. 261, § 2.]

62-6-111. License and examination — Transfer of license. —

(a) (1) (A) Anyone desiring to be licensed as a contractor for this state shall make written application to the board on forms prescribed by the board and shall furnish the board with an affidavit stating that the applicant is not currently performing any construction work and has not offered to engage in any construction work where the amount of the applicant's contract exceeds twenty-five thousand dollars (\$25,000) or, in the case of a limited licensed electrician, where the amount of the applicant's contract is less than twenty-five thousand dollars (\$25,000). The application shall be accompanied by an application fee as set by the board. The application shall also be accompanied by evidence of the applicant's current workers' compensation insurance coverage. Failure to provide evidence of insurance coverage shall make the applicant ineligible for licensure by the board until evidence of insurance coverage is provided. Any application for initial licensure or for renewal of licensure also shall be accompanied by an affidavit affirming that the applicant maintains general liability insurance and workers' compensation insurance and specifying the amount of the insurance as well as any other information the board may require.

(B) Anyone desiring to be licensed as a contractor for this state who resides in a state that does not practice reciprocity with licensees of the Tennessee board for licensing contractors shall make written application on forms prescribed by the board and shall attach an affidavit to the application stating that the applicant is not currently performing any construction work and has not offered to engage in any construction work in this state in which the amount of the applicant's contract exceeds two thousand five hundred dollars (\$2,500) or, in the case of a limited licensed electrician, in which the amount of the applicant's contract exceeds twenty-five thousand dollars (\$25,000). The application shall be accompanied by an application fee as set by the board. The application shall also be accompanied by evidence of the applicant's current workers' compensation insurance coverage. Failure to provide the evidence of insurance coverage shall make the applicant ineligible for licensure by the board until the evidence of insurance coverage is provided. Any application for initial licensure or for renewal of licensure also shall be accompanied by an affidavit affirming that the applicant maintains general liability insurance and workers' compensation insurance and specifying the amount of the insurance as well as any other information the board may require.

(2) Anyone desiring to be licensed as a contractor in this state shall take a written examination to determine the applicant's qualifications. This examination may be given orally at the discretion of the board if a written examination is precluded by reason of disability. Each applicant shall pay an examination fee for each written or oral examination. If the results of the examination constitute a passing score, then the applicant shall make a written application to the board in accordance with subdivision (a)(1).

(3) If the results of the examination of any applicant are satisfactory to the board, then it shall issue to the applicant a certificate authorizing the applicant to operate as a contractor in this state. The board shall state the construction classifications in which the applicant is qualified to engage as a contractor and for each classification shall list the monetary limitations on the classification as determined by the board.

(4) Whenever any applicant is advised to appear before the board for an interview and fails to appear at the scheduled time and place without notifying the board at least three (3) days in advance, the applicant shall pay an additional fee as set by the board before being rescheduled for an interview. In the event of failure to appear for an interview on three (3) separate occasions, a new application and fee are required.

(b) (1) The board shall promulgate rules and regulations that establish uniform criteria to govern issuance by the board of the classifications and monetary limitations required by subdivision (a)(3). The board shall have discretionary authority in individual cases to modify the criteria for an applicant if the public safety and welfare clearly require modification and if the board furnishes the applicant with a written statement justifying modification.

(2) The criteria so established by the board shall include, but not be limited to, a letter of reference from a past client, employer of the applicant or codes administration official, as well as a financial statement of the applicant.

(3) If an applicant requests a monetary limitation of greater than one million five hundred thousand dollars (\$1,500,000), the applicant's financial statement shall be audited and attested to by a licensed public accountant or certified public accountant.

(4) The financial statement of any applicant requesting a monetary limitation of one million five hundred thousand dollars (\$1,500,000) or less shall be either reviewed or audited by a licensed public accountant or certified public accountant. The board may, in its discretion, require the financial statement of the applicant be audited and attested to by a licensed public accountant or certified public accountant.

(c) The issuance by the board of a certificate of license authorizing the licensee to engage in any major construction classification or classifications of contracting shall not authorize the licensee to engage in twenty-five thousand dollars (\$25,000) or more of any other major construction classification or specialty classification under the major construction classification unless the licensee is additionally licensed in the other major construction classification or specialty classification under the major construction classification.

(d) A contractor may bid on a contract requiring work in a classification or classifications other than the one in which the contractor is licensed if and only if the contractor has a commercial building contractor's license or if the contractor's license will permit the contractor to perform at least sixty percent (60%) of the bid amount or price of the work for the project being bid or priced; however, the contractor may not actually perform any work in excess of twenty-five thousand dollars (\$25,000) or, in the case of a limited licensed electrician, where the amount of work is less than twenty-five thousand dollars (\$25,000) in any classification unless the contractor has a license to perform work in that classification.

(e) (1) Whenever a partnership licensed as a contractor dissolves, no former member of the partnership shall further undertake contracting before filing a new application with the board and receiving a license.

(2) In the case of a merger, purchase by nonstockholders of the majority interest or reorganization pursuant to a bankruptcy proceeding of any licensee engaged in contracting, the licensee shall make written application to the board and obtain a new license before undertaking contracting.

(f) (1) Upon application of any individual who was formerly a partner in a dissolved partnership, the board shall transfer to the individual the license formerly held by the partnership upon a showing that:

(A) The individual was a partner in a dissolved partnership;

(B) The current financial statement of the individual meets the requirements promulgated by the board. If the financial statement fails to meet the requirements, the board may in its sole discretion modify the monetary limitation prior to transfer; and

(C) All liabilities of the partnership were satisfied prior to dissolution or will be satisfied by the

individual.

(2) The board shall collect a fee as set by the board for transferring the license.

(g) (1) The board shall transfer, upon application and payment of a fee as set by the board, by any proprietorship or partnership that subsequently incorporates as a Tennessee corporation, the license formerly held by the proprietorship or partnership to the corporation upon a showing that:

(A) The officers or directors or management of the corporation were the owners or managers of the proprietorship or partnership;

(B) A copy of the corporation's charter has been filed with the board;

(C) The partnership or proprietorship is currently in good standing with the board;

(D) The current financial statement of the corporation meets the requirements promulgated by the board. If the financial statement fails to meet the requirements, the board may in its sole discretion modify the monetary limitation prior to transfer; and

(E) All liabilities of the proprietorship or partnership were satisfied prior to incorporation or will be satisfied by the corporation.

(2) The board shall develop an application for the transfer of licenses.

(h) Notwithstanding § [56-1-302\(7\)](#) to the contrary, all revenues generated from fees, penalties or interest shall be allocated solely to the board for licensing contractors to be utilized for the administration and enforcement of this part.

(i) (1) Notwithstanding any law to the contrary, the board may issue a license to any person who establishes the person's competency in any classification by successfully passing a proficiency test or examination for measurement of industry expertise in such work that is administered by the board; and the license shall authorize the licensee to engage in contracting in this state or any of its political subdivisions.

(2) The licensee shall be eligible to contract for such work in any county or municipality upon:

(A) Exhibiting evidence of a current certificate of license to the appropriate local officials;

(B) Paying any local licensing fees in effect on May 8, 1992; and

(C) Paying any inspection or permit fees customarily required by any county or municipality for such work. No county or municipality shall require the state licensee or its employees to pass any county or municipal test or examination; nor shall a county or municipality impose any additional requirements upon the state licensee or its employees, nor in any way discriminate against the state licensee or its employees on the basis of the licensee's nonresidency within the county or municipality.

(j) (1) Notwithstanding any law to the contrary, the board may issue a license as a limited licensed electrician to any individual without an examination as required by this part, except as provided in subdivision (j)(3), if the individual makes an application to the board in which the following information is provided:

(A) On September 1, 2000, the applicant was registered in accordance with § [68-102-150](#); and

(B) Evidence that all fees and taxes relative to the operation of the applicant's electrical work have been paid to the appropriate agencies when the application is filed under this subsection (j); or

(C) A current license or certificate issued by any county or municipality of this state prior to September 1, 2000, that is evidence that the applicant had by examination by an official of the county or municipality demonstrated the qualifications required to perform the electrical contract work within its jurisdiction and was

actively engaged in that business on September 1, 2000.

(2) An application for a license under subdivision (j)(1)(A), (j)(1)(B) or (j)(1)(C) shall be filed with the board by July 1, 2001. If a license issued to a limited licensed electrician pursuant to subdivision (j)(1)(A), (j)(1)(B) or (j)(1)(C) is not periodically renewed as provided by this part, then the limited licensed electrician shall be eligible for a license only after the satisfactory completion of the examination required by the board for initial applications.

(3) Any individual who is licensed as a limited licensed electrician under subdivisions (j)(1)(A) and (B) shall be required to have satisfactorily completed the examination of the board to engage in business as a limited licensed electrician in any county or municipality that is within subdivision (j)(1)(C).

(4) Any person who performs electrical work and who is subject to licensure as a limited licensed electrician shall apply to the board for a license. To receive a license, the applicant shall pay a fee as set by the board for the license and shall pass an examination prescribed by the board. The board may administer the examination or may contract for the administration of the examination.

(5) Notwithstanding any provision of this part to the contrary, a license as a limited licensed electrician shall not be required in any municipality or county that issues licenses to persons who perform electrical work in the municipality or county.

(6) Any limited licensed electrician requesting an electrical inspection must first have a license from the board for licensing contractors as required by § [62-6-103](#).

(7) Any person with knowledge of faulty electrical work performed by a limited licensed electrician must report the electrician to the state board for licensing contractors, which may initiate proceedings against the electrician for the faulty work.

(8) The board for licensing contractors may revoke or suspend the license of a limited licensed electrician for faulty electrical work performed by the licensee.

(9) The Uniform Administrative Procedures Act, compiled in title [4](#), chapter 5, governs all matters and procedures respecting the hearing and judicial review of any contested case arising under this section.

(10) The state fire marshal and board for licensing contractors shall formulate a system for inspectors to report to the board any problems they may encounter with the workmanship of a limited licensed electrician.

(11) Any person who holds a current, unexpired license as a limited licensed electrician issued by the board shall be deemed to have met the registration requirements of § [68-102-150](#).

(k) (1) A licensee may request the board to consider revision of the licensee's classification or classifications or monetary limitation or limitations, or both, at any of its regular meetings. The request shall be made by letter, which shall be accompanied by financial, equipment and experience statements relative to the classification request accurate as of no more than twelve (12) months prior to the date of the request. The request must be received in the office of the board by the last day of the month before the month in which it is to be considered.

(2) If an applicant requests a change in monetary limitation to an amount of one million five hundred thousand dollars (\$1,500,000) or less, the applicant shall submit a financial statement that has been reviewed or audited by a licensed public accountant or certified public accountant. If an applicant requests a change in monetary limitation to an amount greater than one million five hundred thousand dollars (\$1,500,000), the applicant shall submit a financial statement that has been audited and attested to by a licensed public accountant or certified public accountant.

(3) The board reserves the right to require examination pursuant to a request for change of classification. The board further reserves the right to consider a request for change of classification or limitation at any time, if

consideration of the request at the regularly scheduled meeting would cause an undue hardship on the owner and be in the best interest of the public safety and welfare.

(4) Increases within the first year will not be allowed without special permission from the board.

(I) Notwithstanding any other law, rule or regulation to the contrary, to qualify for the Tennessee mechanical plumbing (CMC-A) license examination, a person must have three (3) years' experience as a plumber prior to taking the examination or have an engineering degree in plumbing or in a mechanical field.

[Acts 1976, ch. 822, § 12; 1977, ch. 101, § 2; 1977, ch. 406, § 2; 1979, ch. 59, § 5; 1980, ch. 652, §§ 2, 4; 1981, ch. 497, §§ 1, 3, 4; T.C.A., § 62-612; Acts 1984, ch. 888, §§ 1, 2; 1985, ch. 245, § 2; 1986, ch. 657, § 1; 1986, ch. 718, § 1; 1988, ch. 758, §§ 3-6, 8; 1989, ch. 487, §§ 4-9; 1989, ch. 523, §§ 135-139; 1991, ch. 217, § 2; 1992, ch. 909, §§ 1, 2; 1993, ch. 395, § 1; 1994, ch. 986, §§ 5-8; 1999, ch. 238, §§ 4, 5, 7; 2000, ch. 876, §§ 2-11; 2004, ch. 516, §§ 1, 2; 2005, ch. 133, § 1; 2007, ch. 130, § 1; 2007, ch. 219, § 1; 2007, ch. 460, §§ 4, 5; 2008, ch. 904, § 1.]

62-6-112. License classifications — Specialty classifications — Contractor's authority to bid and contract.

(a) There shall be nine (9) major construction classifications in which a contractor may apply for a license, the major classifications being:

- (1) Commercial building construction;
- (2) Industrial construction;
- (3) Heavy construction;
- (4) Highway, railroad and airport construction;
- (5) Municipal and utility construction;
- (6) Mechanical construction;
- (7) Electrical construction;
- (8) Environmental and special construction; and
- (9) Residential construction.

(b) The board shall promulgate by rules or regulations specialty classifications required under each major classification set out in subsection (a). Issuance of a license by the board to a contractor in any major classification automatically includes issuance of a license to the contractor in all specialty classifications included under the major classification.

(c) A contractor may obtain a license in any of the specialty classifications that the board by rule or regulation may promulgate under each major classification, but the license in a specialty classification allows the contractor to bid, contract for or perform contracting work in that specialty classification only.

(d) A contractor may not be licensed in six (6) or more specialty classifications under any one (1) major classification without successfully passing the written or oral examination, or both, for the major classification.

(e) Notwithstanding any provision of this part to the contrary, the board may promulgate rules or regulations establishing subclassifications within the residential construction classification for which a limited license may be issued to an applicant who has successfully completed a seminar sponsored by the board in lieu of the

written or oral examination, or both, and who has otherwise complied with the requirements of this part.

(f) (1) A commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public, including residential construction with more than four (4) units or greater than three (3) stories in height.

(2) A small commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public, the total cost of which does not exceed seven hundred fifty thousand dollars (\$750,000).

[Acts 1994, ch. 986, § 9; 2000, ch. 632, § 1.]

62-6-113. Issuance of duplicate certificate. —

A duplicate license certificate to replace any certificate lost, destroyed or mutilated may be issued subject to the rules and regulations of the board.

[Acts 1976, ch. 822, § 14; T.C.A., § 62-614.]

62-6-114. Certificate as evidence of rights. —

The issuance of a certificate of license shall be evidence that the person, firm or corporation named in the certificate is entitled to all the rights and privileges of a licensed contractor while the license remains unrevoked or unexpired.

[Acts 1976, ch. 822, § 15; 1977, ch. 406, § 3; T.C.A., § 62-615; Acts 1989, ch. 487, § 11.]

62-6-115. Corporations and partnerships. —

Corporations and partnerships may engage in the business of contracting; provided, that at least one (1) of the major stockholders or partners or full-time employees with a written power of attorney to bind the corporation or partnership has sufficient knowledge of the construction business in which the persons are licensed to perform. If the person who took the examination for the partnership or corporation leaves the firm for any reason, the partnership or corporation must designate an individual to take the examination within three (3) months.

[Acts 1976, ch. 822, § 16; T.C.A., § 62-616; Acts 1989, ch. 487, § 12; 1993, ch. 214, § 1; 1994, ch. 986, § 10.]

62-6-116. Expiration of license — Renewal. —

(a) A certificate of license expires on the last day of the twenty-fourth month following its issuance or renewal and becomes invalid on that date unless renewed.

(b) Renewal notices shall be mailed ninety (90) days prior to the expiration date of the license. The renewal must be received in the office of the board thirty (30) days prior to the expiration of the license.

(c) Renewal may be effected at any time during the thirty (30) days prior to the expiration of the license by filing with the board a financial statement, a report of any personal or corporate bankruptcies and other

information that the board may require, by the payment of a fee as set by the board and by submitting evidence of the applicant's current workers' compensation insurance coverage. Failure to provide evidence of workers' compensation insurance coverage shall make the applicant ineligible for renewal until evidence of insurance coverage is provided.

(d) A renewal application for a monetary limitation greater than one million five hundred thousand dollars (\$1,500,000) shall be accompanied by a reviewed or audited financial statement prepared by a licensed public accountant or a certified public accountant. If a renewal applicant requests a monetary limitation of one million five hundred thousand dollars (\$1,500,000) or less, the applicant shall submit a notarized statement that the information contained in the financial statement is true and correct.

(e) It is the duty of the executive director to notify by mail every person licensed under this part of the date of expiration of this certificate of license and the amount of fee required for its renewal for two (2) years. Notice shall be mailed in accordance with this section.

(f) The fee to be paid for the renewal of a certificate of license after the expiration date shall be increased ten percent (10%) for each month or fraction of a month that payment for renewal is delayed. The maximum fee for a delayed renewal shall not exceed twice the normal fee.

(g) No contractor shall be qualified to receive a renewal license when the contractor has been in default in complying with this part for a period of one (1) year and in such event the contractor, in order to qualify under the law, shall make a new application as in the case of the issuance of the original license.

(h) The board shall promulgate rules and regulations that establish uniform criteria to govern the review and adjustment of the general construction classifications, specialty classifications and monetary limitations of certificates of license that are subject to renewal by the board. The criteria shall also establish a method for identifying those licensees applying for renewal who may require a greater degree of scrutiny by the board than usual.

[Acts 1976, ch. 822, § 17; 1977, ch. 406, § 4; 1979, ch. 59, § 6; T.C.A., § 62-617; Acts 1984, ch. 888, § 3; 1988, ch. 758, § 7; 1989, ch. 487, §§ 13, 14; 1989, ch. 523, § 140; 1994, ch. 986, § 11; 2000, ch. 865, §§ 1, 2; 2004, ch. 516, § 3; 2005, ch. 133, § 2.]

62-6-117. Certificate issued to person who enters or has entered military service. —

Any certificate of license issued by the state board for licensing contractors to any person now in any branch of the armed service of the United States or who hereafter enlists or is called into service remains in full force and effect until one (1) year after the person is discharged from service and is subject to renewal at that time by the payment of the annual fee set out in this part.

[Acts 1976, ch. 822, § 18; T.C.A., § 62-618.]

62-6-118. Revocation or suspension of license — Reissuance. —

(a) (1) Whenever any person, firm or corporation claims to have been damaged or injured by the gross negligence, incompetency, fraud, dishonest dealing or misconduct in the practice of contracting on the part of any person, firm or corporation licensed under this part files suit upon the claim in any of the courts of record in this state and recovers judgment on the claim, the court may, as a part of its decree or judgment in the case, revoke the certificate of license under which the contractor is operating at the time of the wrongdoing.

(2) It is the duty of the clerk of the court to notify the executive director of the board of the revocation.

- (b) The board may reissue a license to any person, firm or corporation whose license has been revoked; provided, that all of the members of the board vote in favor of reissuance for reasons the board may deem sufficient.
- (c) The executive director shall immediately notify the secretary of state and the clerk of each county of any revocation of a license or the reissuance of a revoked license.
- (d) The board has the power to revoke or suspend any license or renewal granted by it for any of the reasons stated in this section, for a failure to observe the terms and conditions of any license or renewal granted under this part or any bylaws, rules or regulations adopted or promulgated by it as provided in § [62-6-108](#) or for a violation of the terms of any license.
- (e) The board shall, in all cases before hearing any charges against a contractor, furnish a written copy of the charges against the accused, including notice of the time and place where the charges will be heard, and give reasonable opportunity for the accused to be present and offer any evidence the accused may wish. The accused shall have the waivable right to an attorney if so desired.
- (f) The affirmative vote of a majority of the board is necessary to revoke or suspend a license or renewal.
- (g) The board may refuse to issue or renew a license to any person, firm or corporation for lack of financial stability, lack of expertise, submission of false evidence with regard to application of license or renewal, conviction of a felony and any other conduct that constitutes improper, fraudulent or dishonest dealing or violation of the statute.
[Acts 1976, ch. 822, § 19; 1977, ch. 406, § 5; 1978, ch. 891, § 1; T.C.A., § 62-619; Acts 1991, ch. 272, § 9; 1994, ch. 986, § 12.]

62-6-119. Bid documents — Required disclosures by bidders. —

- (a) Any person or entity preparing plans, specifications or any other documentation for inclusion or consideration in an invitation to bid or comparable bid document shall include a copy of this part, at least by reference and a specific statement informing the invited bidder that it is necessary for the bidder to provide evidence of a license in the appropriate classification before the bid may be considered.
- (b) Any person or entity involved in the preparation of the invitation to bid or comparable bid documents shall direct that the name, license number, expiration date of the license and license classification of the contractors applying to bid for the prime contract and, for the electrical, plumbing, heating, ventilation and air conditioning contracts and for each vertical closed loop geothermal heating and cooling project, the company name, Tennessee department of environment and conservation license number, classification (G, L or G,L) and the expiration date, appear on the outside of the envelope containing the bid except when the bid is in an amount less than twenty-five thousand dollars (\$25,000). When the bid is less than twenty-five thousand dollars (\$25,000), the name of the contractor only may appear on the outside of the envelope containing the bid; and upon opening the envelope, if the bid is in excess of twenty-five thousand dollars (\$25,000), the bid shall automatically be disqualified. Only one (1) contractor in each classification may be listed. Prime contractor bidders who are to perform the electrical, plumbing, heating, ventilation and air conditioning or the geothermal heating and cooling must be so designated upon the outside of the envelope. Failure of any bidder to comply shall void the bid and the envelope containing the bid shall not be opened or considered. It is the duty and responsibility of the awarding person or entity that received the envelope containing the bid to verify only the completeness of the required licensure information prior to the opening of the envelope. Prior to the opening of the envelope, the names of all contractors listed on the envelope shall be read aloud at the official bid opening and incorporated into the bid. Prior to awarding a contract, the awarding person or entity and its authorized representatives shall verify the accuracy, correctness and completeness of the information required by this

subsection (b). The failure of any bidder to comply with all of the provisions of this subsection (b) shall automatically disqualify the bid. However, bids administered by the Tennessee department of general services shall require that the information be furnished within the bid or bid document and need not appear on the envelope.

(c) Any person or entity, public and private, failing to observe this section shall be penalized in the same manner as any person under § [62-6-120](#) who accepts a bid from a person who is not licensed in accordance with this part.

(d) A violation of this section is a Class A misdemeanor.

[Acts 1976, ch. 822, § 20; T.C.A., § 62-620; Acts 1986, ch. 718, § 2; 1989, ch. 591, § 111; 1990, ch. 868, §§ 1, 2; 1991, ch. 247, § 1; 1994, ch. 986, § 13; 1995, ch. 341, § 1; 1997, ch. 153, § 1; 2001, ch. 222, § 3; 2008, ch. 792, §§ 1, 2.]

62-6-120. Penalties. —

(a) (1) Any person, firm or corporation that engages or offers to engage in contracting without a license as required by § [62-6-103](#) or who violates the terms and conditions of any license or renewal granted by the board pursuant to this part commits a Class A misdemeanor. The penalties imposed by this subdivision (a)(1) shall not apply to a person who engages a contractor without a license for the purpose of constructing a residence for the use of that person.

(2) Any person, firm or corporation that engages or offers to engage in contracting without a license as required by § [62-6-103](#) is ineligible to receive the license until six (6) months after a determination by the board that a violation has occurred. Additionally, no such person, firm or corporation shall be awarded any contract for the project upon which it engaged in contracting without a license or permitted to participate in any rebidding of the project.

(b) Any person, firm or corporation that accepts a bid in excess of twenty-five thousand dollars (\$25,000) from a contractor who is not licensed, with appropriate classifications and sufficient monetary limitations, or in the case of a limited licensed electrician where the amount is less than twenty-five thousand dollars (\$25,000), in accordance with this part, commits a Class A misdemeanor.

(c) (1) No official of the state other than of the department of transportation shall issue a permit or contract work order to any applicant for a permit or work order to engage in contracting, unless the applicant holds a license as a contractor with appropriate classifications and sufficient monetary limitations, in accordance with this part.

(2) Any official violating this subsection (c) commits a Class A misdemeanor.

(d) Notwithstanding the Uniform Administrative Procedures Act, compiled in title [4](#), chapter 5, relative to the amount of civil penalties that may be imposed, the board may impose a civil penalty not to exceed five thousand dollars (\$5,000) per offense against any person or firm that violates the terms and conditions of an existing license to engage in contracting or against any person or firm that engages in unlicensed contracting.

(e) (1) (A) The director of the board, acting on behalf of the board, is authorized to issue citations against persons acting in the capacity of or engaging in the business of a contractor without a license in violation of § [62-6-103](#).

(B) Each citation shall be in writing and shall describe with particularity the basis of the citation.

(C) Each citation shall contain an order to cease all violations of this part and an assessment of a civil penalty in an amount no less than fifty dollars (\$50.00) nor more than one thousand dollars (\$1,000).

(2) The board shall promulgate rules and regulations to specify those conditions necessary to the issuance of a citation and the range of penalties for violations of this part.

(3) The sanctions authorized pursuant to this subsection (e) shall be in addition to any other remedies, civil and criminal, available to any person harmed by a violation of this part.

(4) Service of a citation issued pursuant to this subsection (e) may be made by certified mail at the last known business address or residence address of the person cited.

(5) A citation issued pursuant to this subsection (e) shall be issued by the director within one (1) year after the act or omission that is the basis for the citation.

(6) Any person served with a citation pursuant to this subsection (e) may appeal to the director by written notice postmarked within fifteen (15) working days after service of the citation with respect to violations alleged, scope of the order or amount of civil penalty assessed.

(7) If a person cited timely notifies the director that the person intends to contest the citation, the director shall afford an opportunity for a contested case hearing pursuant to the Uniform Administrative Procedures Act, compiled in title [4](#), chapter 5, part 3.

(8) After all administrative appeals have been exhausted, the director may apply to the appropriate court for a judgment in an amount of the civil penalty, plus applicable court costs, and for an order to cease activities in violation of § [62-6-103](#). The motion for the order, which shall include a certified copy of the final order of the hearing officer or administrative judge, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

(9) (A) Notwithstanding any other law to the contrary, the director may waive part of the civil penalty if the person against whom the civil penalty is assessed satisfactorily completes all the requirements for, and is issued, a license as a general contractor.

(B) Any outstanding injury to the public shall be settled satisfactorily before a license as a general contractor is issued.

(f) Any individual or entity that fails to pay a civil penalty assessed by the board pursuant to the terms of a final order entered by the board after a contested case hearing against the individual or entity pursuant to the Uniform Administrative Procedures Act, compiled in title [4](#), chapter 5, may be referred to a collection agency.

(g) Failure to pay any civil penalty assessed by the board shall subject the individual or entity to suspension or revocation of a license issued pursuant to this part.

[Acts 1976, ch. 822, § 21; 1981, ch. 399, § 2; 1981, ch. 497, § 2; T.C.A., § 62-621; Acts 1984, ch. 888, § 4; 1986, ch. 718, § 3; 1989, ch. 487, § 15; 1989, ch. 591, § 111; 1991, ch. 247, §§ 2, 3; 1994, ch. 986, § 14; 1999, ch. 238, § 6; 2007, ch. 460, § 6; T.C.A., § [62-6-118](#)(e); T.C.A., §§ [62-6-201](#) — 62-6-207.]

62-6-121. Enforcement. —

The board shall inquire into the identity of any person, firm or corporation operating under the general classifications of this part and shall prosecute any person, firm or corporation violating this part.

[Acts 1976, ch. 822, § 22; 1978, ch. 906, § 22; T.C.A., § 62-622.]

62-6-122. Injunctions. —

(a) In order to secure the effective enforcement of this part, jurisdiction is conferred on the chancery courts of this state to grant injunctive relief against:

(1) Any person, firm or corporation undertaking to engage in the contracting business in violation of the terms of this part; or

(2) Any person, firm, corporation or official of this state or any political subdivision of this state who accepts a bid in violation of § [62-6-120](#)(b) or (c).

(b) The injunction suit shall be filed in the name of the state of Tennessee on relation of the board for licensing contractors, or any member of the board, without bond being required for prosecution of the suit or for the issuance of injunction.

(c) Any expenses incurred, such as depositions, travel expenses or attorney fees, required for the prosecution of the suit, shall be paid in the same manner as other expenses incurred by the board.

[Acts 1976, ch. 822, § 23; T.C.A., § 62-623; Acts 1989, ch. 25, § 1.]

62-6-123. Indemnify or hold harmless agreement invalid. —

A covenant promise, agreement or understanding in or in connection with or collateral to a contract or agreement relative to the construction, alteration, repair or maintenance of a building, structure, appurtenance and appliance, including moving, demolition and excavating connected therewith, purporting to indemnify or hold harmless the promisee against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the promisee, the promisee's agents or employees or indemnitee, is against public policy and is void and unenforceable.

[Acts 1976, ch. 822, § 24; T.C.A., § 62-624.]

62-6-124. Access to and use of financial statements. —

(a) The financial statements submitted by contractors shall be treated as confidential and shall be used by the board only for the purposes of determining the qualifications of applicants for licenses and the monetary limitations.

(b) The comptroller of the treasury or the comptroller's designated representative shall be accorded access to and may examine any financial statement solely for the purpose of a legitimate audit, § [10-7-508](#) to the contrary notwithstanding.

[Acts 1979, ch. 165, § 1; T.C.A., § 62-625.]

62-6-125. Hearings and judicial review. —

The Uniform Administrative Procedures Act, compiled in title [4](#), chapter 5, governs all matters and procedures respecting the hearing and judicial review of any contested case arising under this part.

[Acts 1980, ch. 451, § 11; T.C.A., § 62-626.]

62-6-126. Retirement of license — Procedure — Fee — Reinstatement — Disciplinary actions — Renewal — Transferability. —

(a) Any licensee may retire the licensee's license by submitting a form prescribed by the board accompanied by the current active license certificate and a fee of twenty-five dollars (\$25.00). Upon receipt of an acceptable application to retire, the board shall issue a retired inactive license certificate to the contractor. The holder of a retired license shall not be entitled to practice as a contractor until the licensee is reinstated.

(b) Any licensee who is not engaged in work or activities that require a contractor's license may apply for a retired license.

(c) A retired license shall be valid for a period of one (1) year from the annual renewal date. If the inactive licensee wishes to remain inactive for any portion of a subsequent calendar year, the licensee shall pay an additional inactive fee of twenty-five dollars (\$25.00) on or before the annual renewal date of each such year.

(d) The board shall not refund any of the renewal fee that a licensee may have paid prior to the receipt of the application to retire.

(e) A retired license may be reinstated by submitting an application acceptable to the board, by paying the full renewal fee for an active license and by fulfilling all other requirements of this part. No examination shall be required to reinstate a retired license.

(f) The retired status of a license shall not bar any disciplinary action by the board against a licensee for any of the causes provided in this part.

(g) In no event may a retired license be renewed for more than seven (7) years dated from the time of initial application.

(h) No retired license is transferable.

[Acts 1991, ch. 216, § 1.]

62-6-127. Exempt counties. —

This part does not apply in any county having a population of not less than eight thousand six hundred (8,600) nor more than eight thousand nine hundred (8,900), according to the 1990 federal census or any subsequent federal census.

[Acts 1994, ch. 866, § 1.]

62-6-128. Availability of liens. —

Notwithstanding title [66](#), chapter 11 or any other law to the contrary, title [66](#), chapter 11, shall not be available on single family residential construction to any person, firm or corporation that performs residential construction and that is required to be licensed as a contractor pursuant to this part and fails to have a valid license when acting as a contractor.

[Acts 1994, ch. 986, § 16.]

62-6-129. Bid bonds. —

In addition to any applicable requirement of § [12-4-201](#), no contract for the services of a construction manager shall be awarded for any public work in this state by any city, county or state authority or any board of education unless there is posted at the time of the submittal of a proposal for services by a construction manager a bid bond equal to ten percent (10%) of the value of the services proposed and the value of the work to be

managed or may at the time of contracting provide payment and performance bonds in amounts equal to the combined monetary value of the services of the construction manager and the value of the work to be so managed.

[Acts 1995, ch. 342, § 1.]

62-6-130. Limited licensed electricians not contractors. —

Nothing in this part shall be construed to provide that a limited licensed electrician is a contractor. It is the intent of this part to provide that a limited licensed electrician is subject to the jurisdiction of the board solely for the purposes of licensure and disciplinary proceedings. No limited licensed electrician shall be authorized to use the appellation “contractor” or any other designation that gives or is designed to give the impression that a limited licensed electrician is a contractor unless the limited licensed electrician also holds a valid contractor's license issued by the board.

[Acts 1999, ch. 238, § 3; 2000, ch. 876, § 12.]

62-6-131. Bonds — Expiration of licenses — Fees. —

(a) No person shall be required to post a bond, provide a financial statement or provide a letter of reference in order to obtain a license as a limited licensed electrician.

(b) All limited licensed electrician licenses shall expire biennially on the month of their issuance.

(c) The board shall prescribe fees for the issuance and renewal of licenses of limited licensed electricians. The fees shall be in an amount that provides for the cost of administering the licensing and regulation of limited licensed electricians. Fees shall be adjusted as necessary to provide that the licensing of limited licensed electricians is fiscally self-sufficient and that revenues from fees do not exceed necessary and required expenditures.

(d) In no event shall the fee for an initial limited licensed electrician license exceed seventy-five dollars (\$75.00) per year nor shall the fee for a renewal of the license exceed fifty dollars (\$50.00) per year.

[Acts 1999, ch. 238, § 9; 2000, ch. 876, § 13.]

62-6-132. Inspection of temporary electrical service. —

No person is required to register with the state fire marshal nor obtain a license from the board for licensing contractors to inspect temporary electrical service.

[Acts 2000, ch. 876, § 14.]

62-6-133. Acts prohibited by residential contractor — Conflicts of interest. —

(a) The following acts are prohibited by a residential contractor:

(1) Having a controlling ownership interest in the lender providing a mortgage loan for home improvement for the work being performed by the contractor; or

(2) Being a cosigner or acting as a guarantor for a mortgage loan for home improvement.

(b) As used in this section, “mortgage loan for home improvement” shall have the same meaning as defined in § 45-13-123(c).

[Acts 2003, ch. 368, § 3.]

62-6-134. Violations by residential contractors — Penalties. —

(a) For each violation of § [62-6-133](#) by a residential contractor, the board is authorized to impose a civil penalty in an amount not to exceed twenty-five thousand dollars (\$25,000) after notice and an opportunity for a hearing. The penalty shall be in addition to any other penalty authorized pursuant to this part.

(b) In addition to the civil penalty authorized pursuant to subsection (a), a violation of § [62-6-133](#) shall be construed to constitute an unfair or deceptive act or practice affecting the conduct of trade or commerce under the Tennessee Consumer Protection Act of 1977, compiled in title [47](#), chapter 18, part 1; and, as such, the private right of action remedy under the Tennessee Consumer Protection Act of 1977 shall be available to any person who suffers an ascertainable loss of money or property, real, personal or mixed, or any other article, commodity or thing of value wherever situated as a result of the violation.

[Acts 2003, ch. 368, § 3.]

62-6-135. Applicability to alarm systems contractors. —

This part shall not apply to entities certified under chapter 32, part 3, of this title, when those entities are performing functions for which those entities are certified.

[Acts 2003, ch. 68, § 1.]

62-6-136. Unlawful representation as a licensed contractor or acting as a contractor — Penalties — Liability. —

(a) It is unlawful for any person, firm or corporation to represent itself as a licensed contractor or to act in the capacity of a “contractor” as defined in §§ [62-6-102](#), or [62-37-103](#) [repealed], and related rules and regulations of this state, or any similar statutes, rules and regulations of another state, while not licensed, unless such person, firm or corporation has been duly licensed under § [62-6-103](#) or § [62-37-104](#).

(b) In addition to the penalties set out in § [62-6-120](#), § [62-37-114](#) or § [62-37-127](#), a violation of this section shall be construed to constitute an unfair or deceptive act or practice affecting the conduct of trade or commerce under the Tennessee Consumer Protection Act of 1977, compiled in title [47](#), chapter 18, part 1; and, as such, the private right of action remedy under the Tennessee Consumer Protection Act of 1977 shall be available to any person who suffers an ascertainable loss of money or property, real, personal or mixed, or any other article, commodity or thing of value wherever situated as a result of the violation.

(c) An individual who violates this section and would, but for this section, have limited liability as owner of an entity having limited liability protection, including, but not limited to, a corporation, is personally liable for the individual's own representations, acts or omissions to the same extent as if that individual rendered the representations, acts or omissions as an individual.

[Acts 2004, ch. 492, § 2.]

62-6-137. Registration with the department of codes administration or other appropriate department — Posting of permit bonds. —

(a) It shall be the duty of every person who makes contracts described in subdivisions (a)(1)-(4), and every person, making such contracts or subletting such contracts, or any part of the contracts, to register with the department of codes administration or other appropriate departments and to post a permit bond in the amount set forth in this section:

- (1)** For the construction, erection, alteration, repair, removal or demolition of any building or structure or part of any building or structure;
 - (2)** For repair or replacement of any damage to a building or structure caused by insects or natural disasters;
 - (3)** To erect or construct any sign, billboard or similar structure or to construct any public or private swimming pool; or
 - (4)** To do or perform any work for which a permit is required.
- (b) (1)** For building permits under twenty-five thousand dollars (\$25,000), the bond amount shall be ten thousand dollars (\$10,000).
- (2)** For all building permits of twenty-five thousand dollars (\$25,000) and larger, the bond amount shall be fifty thousand dollars (\$50,000).
- (3)** For all gas/mechanical, plumbing and excavation permits, the bond amount shall be forty thousand dollars (\$40,000).
- (c)** The bond required by this section shall be a permit bond conditioned to conform to the requirements of this section and to all applicable laws, ordinances, rules and regulations of the municipality or county relating to work that is performed by the principal pursuant to a permit issued under this bond or for work performed by the principal for which a permit should have been obtained prior to commencement of the activity, and to indemnify the municipality or county and property owners against any and all loss suffered by them by reason of the failure of the contractor to comply with the laws, ordinances, rules and regulations. The bond shall be continuous and may not be cancelled without at least a ten-day prior notice in writing to the director of codes administration or other appropriate director. The liability of the surety shall continue to attach to work performed pursuant to any permit issued prior to the termination date of the bond, even if the noncomplying act occurs after the termination date of the bond. The liability of the surety for any and all claims, suits or actions under this bond shall not exceed the bond penalty. Regardless of the number of years this bond may remain in force, the liability of the surety shall not be cumulative and the aggregate liability of the surety for any and all claims, suits or actions under this bond shall not exceed the face amount. The bond shall be issued by a United States treasury listed corporate surety or a Tennessee domestic insurance company, on forms provided by the department of codes administration or other appropriate department.
- (d)** It shall be the duty of every person, firm or corporation desiring to register with the department of codes administration or other appropriate department under this section to secure the required contractor's business license from the municipality or county.
- (e)** Contractors with multiple trades or contractors involved in the construction, repair or alteration of more than one (1) structure in the municipality or county may provide one (1) fifty thousand dollar (\$50,000) bond to meet the requirements of this section.
- (f)** The bond shall be referenced by a standard form legal agreement, approved by the city or county attorney.
- (g)** This section shall have no effect unless approved by a two-thirds (2/3) vote of the governing body of any municipality or county.
- (h)** This section shall not apply to nonprofit housing ministries that, through volunteer labor and donations of money and materials, build and rehabilitate houses with the help of the homeowner families.
- (i)** This section shall not be construed to extend the amount of time a contractor is liable under current law regarding construction, erection, alteration, repair, removal or demolition of any building or structure.
- (j)** Nothing in this section shall be construed to apply to or alter or affect any municipality, county or

metropolitan government that, on June 22, 2005, has similar or more stringent requirements than those required in this section relative to bonding requirements and insuring that a contractor secures the required business license from the municipality, county or metropolitan government.
[Acts 2005, ch. 489, §§ 1-10.]

62-6-138. Prelicensing general contractor education courses or workshops. —

(a) All prelicensing courses designed to assist an applicant in taking an examination as required by the board must be approved by the board before accepting applicants.

(b) A prelicensing general contractor education course or workshop shall be qualified for approval, if the board determines that it:

(1) Constitutes an organized program of learning, including a symposium, that contributes directly to the professional competency of the licensee;

(2) Is related to the practice of general contracting;

(3) Is conducted by individuals considered experts in the subject matter of the program by reason of education, training or experience; and

(4) Is accompanied by a paper, manual or written outline that substantially describes the subject matter of the program.

(c) The board or its representative shall be admitted to prelicensing general contractor education courses at no charge, in order to monitor the persons present, the content of the course and supporting paperwork.

(d) The person or firm conducting prelicensing general contractor education courses shall apply to the board for renewal of approval of the courses every three (3) years.

(e) The board may charge a fee for reviewing and approving prelicensing general contractor education courses; provided, that the fee shall not be greater than that necessary to carry out this section.

(f) The director of the board, acting on behalf of the board, is authorized to issue citations against persons acting in the capacity of or engaging in the business of conducting prelicensing general contractor education courses without approval of the board as required by this section. Each citation shall be in writing and shall describe with particularity the basis of the citation. Each citation shall contain an order to cease all violations of this part and an assessment of a civil penalty in an amount no less than two hundred fifty dollars (\$250) nor more than one thousand dollars (\$1,000). The commission shall promulgate rules and regulations to specify those conditions necessary to the issuance of a citation and the range of penalties for violations of this part.

(g) The board is authorized to promulgate rules and regulations pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to effectuate this section.

[Acts 2006, ch. 657, §§ 1, 2.]