

## Residential Contractor Licensing Frequently Asked Questions

[Click here](#) to see Frequently Asked Questions about Residential and General Contractor licensing on the Secretary of State's website.

### Frequently Asked Questions about licensing at the Greater Atlanta HBA

#### 1. Who is required to hold a license?

Per [O.C.G.A. § 43-41-17](#), effective July 1, 2008, licensure to practice contracting is required for the following:

- **Residential-Basic Contractor**—contractor work relative to detached one-family and two-family residences and one-family townhouses not more than three stories in height.
- **Residential-Light Commercial Contractor**—same as residential-basic and additionally, contractor work or activity related to multifamily and multiuse commercial buildings and structures.
- **General Contractor**—contractor services unlimited as to the type of work contracted for, undertaken to perform, bid or proposed upon or otherwise offered to 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. See O.C.G.A. § 43-41-2 for complete definitions. [Click here](#) for a comparison of license types.

#### 2. Who does NOT have to be licensed?

There are several exemptions under the contractor license, detailed in [O.C.G.A. § 43-41-17\(a\) through 43-41-17\(n\)](#), including:

- **Dams**
- **Department of Transportation (DOT)**—It is not required under [O.C.G.A. § 43-41-17\(d\)](#) for any person qualified by the DOT to "perform construction work on roads, streets, bridges, highways, sidewalks, or other grading, paving, or repaving projects; airport runways or taxiways; or railroads and services incidental thereto." It is required that the Board collaborate with DOT to define "services incidental thereto." Morgan Wheeler, a Board member in the general contractor division, has volunteered to work with the DOT to specifically define this requirement.
- **Persons Licensed by the Georgia Construction Industry Board**—Currently, the State Construction Industry Board licenses HVAC, electricians, low voltage contractors, plumbers and utility contractors. Under O.C.G.A. § 43-41-17(e), "nothing in this chapter shall preclude a [person licensed by the State Construction Industry Board] to perform plumbing, conditioned air contracting, utility contracting, electrical contracting, or low-voltage contracting to offering to perform, performing, engaging in, or contracting to engage in construction work or services directly with an owner, which work or services would otherwise require a general contractor license...where the total scope of work to be performed is predominately of the type for which the contractor is duly licensed." Further, the work must be "incidental to" and "integral" to the scope of work, as long as it "does not exceed the greater of \$10,000 or 25 percent of the total value at the time of

contracting of the work to be performed.” The contractor also “may not delegate the responsibility or assign the responsibility to manage the performance such work unto another person unless,” he/she is a licensed contractor.

- **Specialty Contractors**—Under Senate Bill 115, the Board was required to establish a list of specialties by January 2008. The Board identified two categories for specialty contractors: Traditional Specialty Contractors and Limited Service Specialty Contractors. The main difference between the two is the recognition that some specialty contractors practice only one trade (Traditional), and other contractors coordinate multiple specialty trades within their scope of work (Limited).  
[Click here](#) for a list of specialty trade contractors. These lists will be continuously updated as specialty trades are identified and determined to not require a contractor license. Additionally, like persons licensed by the Georgia Construction Industry Standard Board, specialty contractors may complete structures that may otherwise require a licensed contractor, as long as the work is “incidental to” and “integral” to the scope of work and “does not exceed the greater of \$10,000 or 25 percent of the total value at the time of contracting of the work to be performed.” The contractor “may not delegate the responsibility or assign the responsibility to manage the performance such work unto another person unless,” he/she is a licensed contractor.
- **Repair**—In addition to recognizing that specialty contractors were exempt from licensing, the Board developed a rule that would also exempt Repair people from having to hold a contractor license. The Board determined in Rule 553-8 that “[Repair] shall be deemed and construed to mean fixing, mending, maintenance, replacement and restoring of a part of or portions of real property to good condition.” Further, “nothing in this rule shall preclude a person or entity (including employees of said entity) from offering or contracting to perform or undertaking or performing for an owner repair work.” However, to do so, they have to disclose in writing that they are not a licensed contractor; cannot supervise or manage any work except their own employees’; the work cannot affect the structural integrity, affect the life safety requirements of the structure, or remove or add any load-bearing wall; and must obtain permits and inspections required by the local building authority. [Click here](#) to view the Repair Rule.
- **Owner Provision**—O.C.G.A. §43-41-17 allows for an owner to construct a building or structure on his own property, as long as the structure will only be occupied by the persons, “family, firm or corporation and its employees, and not for use by the general public and not offered for sale or lease...However, if...the person or his or her family, firm or corporation has previously sold or transferred a building or structure which had been constructed by such person acting without a licensed residential or general contractor within the prior 24-month period, starting from the date on which a certificate of occupancy was issued for such building or structure, then such person may not...construct another separate building without having first obtained on his or her own behalf an appropriate residential or general contractor license.” Also, an owner cannot hire someone to manage construction of a building on his behalf, unless that person is a licensed residential or general contractor.
- **Architects/Interior Designers/Engineers**—The licensing law does not require this group to have a license to perform within their scope of work or provide design-build

services to an owner, as long as a licensed contractor is used for the portions that require licensure.

- **Agricultural**—A license is not required for “construction, alteration, or repair of buildings classified as an agricultural occupancy or that are used for agricultural storage or agricultural purposes.”
- **Manufactured Homes**—A license is not required for “the construction or installation of manufactured homes.”

### **3. What do I need to do to obtain a contractors license?**

Your first step will be to apply for “licensure by examination” with the Board. [Get applications here](#). Then complete and submit the application to the State Licensing Board for Residential and General Contractors. Once approved, you will need to take the license exam. [Click here](#) for exam information.

The HBA offers prep classes for the Residential-Basic and Residential-Light Commercial exams. [Click here](#) to see upcoming classes and to register to attend Link to BF.

### **4. I am currently licensed in another state. Will I able to receive reciprocity?**

Not at this time. The Board decided to make the decision regarding reciprocity no sooner than one year after the license effective date.

### **5. When can I take the exam?**

Once approved to take the exam, the Board will send your information to PSI. PSI is the national testing company that administers the exam for Georgia and also for Alabama, South Carolina and Tennessee. Georgia exams are offered several times a week at PSI testing facilities in Atlanta, Tifton and Macon. [Click here](#) for exam information. The HBA offers prep classes for the Residential-Basic and Residential-Light Commercial exams.

Licensing Exam Prep Course dates:

[August 22-23, 2017](#)

[September 19-20, 2017](#)

[October 24-25, 2017](#)

[November 14-15, 2017](#)

### **6. Can I upgrade my license to the next level?**

Unfortunately, there is not a currently an upgrade opportunity. If you have a Residential Basic license, you will have to apply to the State and take the exam for the Residential Light Commercial license. The same is true to obtain the General Contractor license.

*\*All licensing information is provided as a voluntary service to the members of the Greater Atlanta Home Builders Association and The Housing Institute. The information provided herein is based on the Greater Atlanta Home Builders Association staff's understanding of the application requirements of those laws and regulations. HBA staff are not lawyers and are not providing legal advice. All person(s) reviewing this information are responsible, individually or with the assistance of their legal counsel, for complying with those laws and regulations.*