

**STATE LICENSING BOARD FOR
RESIDENTIAL AND GENERAL CONTRACTORS
Conference Call
March 11, 2010**

A meeting of the State Licensing Board for Residential and General Contractors was held on Thursday, March 11, 2010 via conference call.

The following Board members were present:

Bob Barnard, Board Chairperson
Timothy Ansley
Andy Cooper
Dan Cash (arrived at 9:18 a.m./departed at 9:35 a.m.)
Keely Fennell
Melissa Henderson
Roger Huggins
Allen Richardson
Edward Strain

Others present:

Tanja Battle, Executive Director
Brandi Howell, Board Support Specialist
Kevin Veler, Legal Counsel for Business and Construction

At 9:10 a.m. Chairperson Barnard called the meeting to order as a committee as a quorum was not established.

At its meeting on March 3, 2010, a representative from SEA (Southeast Energy Assistance) spoke to the Board regarding their request to be considered as a Specialty Contractor. The Board had requested that SEA provide additional information to include a detailed scope of work that the company performs. This additional information was received following the March 3, 2010 meeting and was provided to the board members to review during the conference call.

Dan Cash joined the conference call. Chairperson Barnard established that a quorum was present.

Chairperson Barnard suggested that the statement "All work listed above must be completed by employees of the company that is contracted to do low-income weatherization and energy efficiency work" needed to be added.

Ms. Henderson suggested that "repair only" be added to Exterior Sheathing as it could be considered structural.

A motion was made by Allen Richardson, seconded by Melissa Henderson, and the Board voted unanimously to amend the Limited Service Specialty Contractors list to include Low-Income Weatherization and Energy Efficiency.

Ms. Battle discussed proposed changes to Rule 553-4-.01 and Rule 553-4-.02 with the Board.

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A motion was made by Roger Huggins, seconded by Melissa Henderson, and the Board voted unanimously to post the following amended rules:

553-4-.01 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.

(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 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, except where an applicant is otherwise qualified for licensure and has satisfied the general contractor division requirements and regulations for licensure pursuant to Code Section 43-41-8 exempting such applicant from the examination requirement.

(3) A person shall be eligible for licensure as a general contractor 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 seeking to engage in general contracting shall provide satisfactory proof of minimum net worth in the amount of \$150,000. To satisfactorily show "financial responsibility" as mentioned in (3)(b) above, as well as minimum net worth, applicants

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shall provide a line of credit form in an amount not less than \$50,000. For additional proof of net worth and “financial responsibility”, applicants must provide, together with and as directed by the application for licensure, an appropriate reference letter from a certified public accountant (CPA) wherein the CPA performs an audit, ~~or review,~~ audit of or compilation of the applicant’s financial information. This reference letter will be on a form included with the application for licensure and must be notarized upon submission to the division. 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.

(e) The line of credit requirement as detailed in (3)(d) above shall be suspended from the effective date of this amended rule until July 1, 2012.

(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)(a) 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.

(b) 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.

(c) If the results of the applicant’s examination are satisfactory to the general contractor

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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 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) A general contractor license shall be issued to an applicant who successfully completes the requirements therefor upon the payment of fees prescribed by the board.

553-4-.02 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.

(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 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, except where an applicant is otherwise qualified for licensure and has satisfied the general contractor division requirements and regulations for licensure pursuant to Code Section 43-41-8 exempting such applicant from the examination requirement or where the applicant is an individual acting as a qualifying agent for a business organization and has previously obtained and maintained continuously a license issued by the general contractor division.

(3) A person shall be eligible for licensure as a general contractor 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

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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 general contracting, shall provide satisfactory proof that the business organization possesses minimum net worth in an amount of \$150,000. 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 \$50,000. For additional proof of net worth and “financial responsibility”, applicants must provide, together with and as directed by the application for licensure, an appropriate reference letter from a certified public accountant (CPA) wherein the CPA performs an audit, ~~or review, audit~~ ~~or compilation of~~ the applicant’s financial information. This reference letter will be on a form included with the application for licensure and must be notarized upon submission to the division. 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.

(e) The line of credit requirement as detailed in (3)(d) above shall be suspended from the effective date of this amended rule until July 1, 2012.

(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

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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)(a) 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.

(b) 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.

(c) 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 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.

(7) A general contractor license shall be issued to an applicant who successfully completes the requirements therefor upon the payment of fees prescribed by the board.

A motion was made by Roger Huggins, seconded by Allen Richardson, and the Board voted unanimously that the formulation and adoption of this amended rule does not impose excessive regulatory cost on any licensee and any cost to comply with the proposed rule cannot be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A §§ 43-41-5, 43-41-6, and 43-41-9 and 8 U.S.C.A. § 1621.

A motion was made by Roger Huggins, seconded by Allen Richardson, and the Board voted unanimously that it is not legal or feasible to meet the objectives of O.C.G.A §§ 43-41-5, 43-41-6, and 43-41-9 and 8 U.S.C.A. § 1621 to adopt or implement differing actions for businesses as listed

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at O.C.G.A. §50-13-4(a)(3)(A), (B), (C) and (D). The formulation and adoption of this rule will impact every licensee in the same manner and each licensee is independently licensed, owned and operated and dominant in the field of residential and general contracting.

Ms. Battle stated that she had spoken to Commissioner Bill Collins who was part of the group in Rome that Mark Woodall, Associated General Contractors of Georgia, met with recently. The Commissioner is requesting the Board raise the \$2500 threshold. The Board responded by stating that this issue would take a legislative change. Ms. Battle indicated that she did relay this to Commissioner Collins who then asked if the Board would take an active role in supporting such a legislative change. Discussion ensued. The Board stated that this issue has come up several times before and that it was not going to pursue legislation to change the threshold.

Mr. Huggins started a discussion concerning the proposed advertising rule for licensed contractors and what to do about displaying the business organization's license number as many companies have multiple qualifying agents and thus, multiple company license numbers. Discussion ensued. Ms. Battle suggested having at least one license number displayed. Ms. Battle stated that she will have the draft ready for the Board's April meeting and asked that if any of the board members had any suggestions to please send them to her via email.

With no further business for the Board to discuss, the meeting was adjourned at 9:45 a.m.

Minutes recorded by:

Brandi Howell, Board Support Specialist

Minutes Edited/Reviewed by:

Tanja D. Battle, Executive Director