



Tennessee Board for Licensing Contractors

The licensing instructions and application is available on the Board's website at: <http://www.tn.gov/commerce/topic/cont-contractors>

Hardship - Early Review

The statute requires the full Board's approval to issue a contractor's license. The Board for Licensing Contractors meets six (6) times each year during which time applications are reviewed and approved for issuance. However, in circumstances when it would be a hardship to the owner/awarding authority to wait until the Board's next regularly scheduled meeting, there is a provision in the law to obtain an early review. The hardship process does not waive any of the contractor license application requirements. The exams, financial statement, insurance, etc., must all be complete. Instructions for obtaining an early review are available at:

<http://www.tn.gov/assets/entities/commerce/attachments/HardshipLicenseRequests.pdf>

License Application Process

Before completing the license application, you will need to know and have the following in place:

- **License Name and Mode of Operation** - A contractor's license is obtained as a Sole Proprietor, Corporation, Partnership or LLC, and issued in the exact name as listed on the financial statement. Contractors must bid in the exact name listed on the license.
- **Exams** – The “*Tennessee Business and Law*” exam is required for all new license applicants. There is not a trade exam required for a specialty license classification, S-Target System. The exam cost is \$55.00. PSI is the exam vendor.
- **Reciprocal** – The Board has a “trade” exam waiver (reciprocal) agreement with several states, however, since there is not a trade exam required, it would not apply.
- **Qualifying Agent (QA)** – This is the person who passes the exam. This individual may be the owner, officer or full time employee of the business entity. (*The license does not belong to the QA unless they are the owner of the business entity providing the financial statement*).
- **Classifications** – All licenses are assigned a classification to cover the work performed. This includes: S-Specialties; BC (Building); CE (Electrical); CMC (Mechanical); HC (Heavy Construction); HRA (Highway, Railroad & Airport); LMC (Masonry); MU (Municipal Utility); Environmental; and building subcategories such as, landscaping, excavation, fencing, roofing, cell towers, solar panels, audio visual, etc.,)
- **Monetary Limit** - All licenses are issued with a monetary limit which is an amount they are approved for contracting/bidding. This amount is based upon the business entity's financial statement prepared by a CPA.
- **Financial Statement** – A “Reviewed” financial statement is required to be prepared by an actively licensed CPA. An “Audited” financial statement is only required for monetary limits more than \$1,500,000. The license is issued in the same name as on the financial statement.
- **Proof of Insurance** – Certificate of Insurance showing proof of General Liability (GL) and Workers' Compensation (WC) coverage is required. Employer may register for an exemption

Board for Licensing Contractors ▪ 500 James Robertson Pkwy ▪ Nashville, TN 37243-1150

Tel: 615-741-1202 ▪ Fax: 615-532-2868 ▪ Email: Carolyn.Lazenby@tn.gov

Website: www.tn.gov/commerce/section/contractors-home-improvement

from covering themselves (but cannot exempt employees). More information is at: <http://www.tn.gov/workforce/topic/wc-employer-responsibilities>

- **Secretary of State** – For those operating as a corporation, general partnership or LLC, you must register with the Tennessee Secretary of State in the name to be licensed. <https://tnbear.tn.gov/ecommerce/default.aspx>
- **License Application** - Provide list of owners, officers, and qualifying agent (QA) information; experience, history and disclosures (*prior licenses; convictions; judgments; law violations; disciplinary actions; complaints; etc.*). Application fee is \$250.00 and issued for two (2) years. The application must be submitted by the 20th of the month prior to the Board meeting. The application may be printed from: <http://www.tn.gov/assets/entities/commerce/attachments/ContLicenseApplicationWeb.pdf>
- **License Approval** - Board approval is required

Exam Information

The Business and Law exam is open book and you may obtain a reference manual to study and use during the exam from the vendor, PSI Services, LLC. An outline of the exam, registration and obtaining the reference manual is at: <https://candidate.psiexams.com/>

Exam Fee: \$55 / Offered at various states
Exam Outline: Candidate Information Bulletin (CIB) at: https://candidate.psiexams.com/bulletin/display_bulletin.jsp?ro=yes&actionname=83&bulletinid=200&bulletinurl=.pdf
Exam Scheduling: Must make an appointment online or telephone
Exam Locations: Test is offered in several locations in Tennessee; also available to take in other states by applying for special accommodations
Exam Vendor: PSI Services LLC - <https://candidate.psiexams.com/index.jsp>
Telephone: 800-733-9267
Bookstores: Reference manuals and code books may be purchased at:
PSI - <http://www.psionlinestore.com/> -or- at
NASCLA – <https://store.nascla.org/catalog/nascla-store/bookstore/state-specific/tennessee>

Licensing Steps – Website Links

The following are step-by-step procedures from the website :

[Step 1 \(Testing - Exam Information\)](#)

[Step 2 \(Financial Statement\)](#)

[Step 3 \(Reference Letter and Insurance\)](#)

[Step 4 \(Corporations, LLC's and Partnerships - Registration with Secretary of State\)](#)

[Step 5 \(Application, Signatures, and Notarize\)](#)

[Step 6 \(Submit Application & \\$250 fee\)](#)

>>>>[Contractor's License Application](#)

[Step 7 \(Board Review\)](#)

[Final Step \(Issuance of License\)](#)

Board for Licensing Contractors ▪ 500 James Robertson Pkwy ▪ Nashville, TN 37243-1150

Tel: 615-741-1202 ▪ Fax: 615-532-2868 ▪ Email: Carolyn.Lazenby@tn.gov

Website: www.tn.gov/commerce/section/contractors-home-improvement