



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

BOARD FOR LICENSING CONTRACTORS – HOME IMPROVEMENT

Mailing Address: 500 JAMES ROBERTSON PARKWAY/ NASHVILLE, TENNESSEE 37243-1150
(615) 532-3994 or (800) 544-7693 or FAX - (615) 532-2868

<http://tn.gov/commerce/boards/contractors/> Email: Contractors.Home-Improvement@tn.gov

HOME IMPROVEMENT

Thank you for your interest in obtaining a home improvement license. This state license is required by those contracting directly with the homeowner to perform residential remodeling where the cost or contract is in the amount of \$3,000 - \$24,999. (*Anything over \$25,000 requires a "Contractor's" license.*)

- County Requirement: This law applies to Bradley, Davidson, Haywood, Hamilton, Knox, Robertson, Rutherford, and Shelby counties. (Local government licenses and permits are also required.)
- Home Improvement is defined as: Repair, replacement, remodeling, alteration, conversion, modernization, improvement, or addition to structures and land.
- Examples of Home Improvement: Driveways, swimming pools, porches, garages, landscaping fences, shelters, roofing, painting and other improvements (see TCA § 62-6-502).
- Those performing lead paint abatement, well drilling, security, electrical, and plumbing are required to obtain other licenses (see our website for additional information).

Please read these instructions carefully before completing the attached "*Home Improvement License Application*" and also read the license law; particularly, regarding advertising, obtaining payments and preparing contracts, to prevent license law violations.

HOME IMPROVEMENT LICENSE - INSTRUCTIONS

NO EXAMINATION REQUIRED

Your application CANNOT be considered until all questions are answered information provided.

- **Application fee for two (2) year license - \$250.00 - check or money order (do not mail cash);**
(Board office cannot accept fees at their physical location)
- **Bond or ILOC - Attach an original proof of financial responsibility; (COPIES ARE NOT ACCEPTABLE) Must be in the amount of \$10,000 in one of the four following formats:**
(Bond must remain on file for one (1) year after license inactivated or replaced, and cannot be released prior. The license is issued in the name of the entity on the bond, and if a corporation or LLC, should be as registered. See Rule 0680-7-.13)
 1. **Surety Bond** (with written Power of Attorney from Insurance company);
(See attached format for your insurance company. Contractor signs as "Principal" and include bond number)
 2. **Cash Bond;**
(No sample form available; check with your bank for preparation)
 3. **Property Bond; or**
(No sample form available; requires an attorney to prepare)
 4. **Irrevocable Letter of Credit (ILOC)**
(Must be in attached format and from a FDIC approved bank, savings and loan financial institution)

INSURANCE

Proof of **Workers Compensation and General Liability** (*minimum coverage of \$100,000*).

FELONY CONVICTION

If you have been convicted of a felony in Tennessee or another state, must attach a statement with details of conviction and documentation (charging document; disposition; proof of fulfilled court ordered probation. These must be reviewed by the Board at their regular scheduled meetings. (See "Calendar" on the website for dates).

LICENSE ISSUANCE/RENEWAL

A license will issued within two to three weeks or less. Display license in a noticeable place at your business location and list your license I.D. number in advertisements. Renew license biennially; license cannot be renewed if expired in excess of three (3) months.



\$250.00 - Fee Validation- Home Improvement – 1701 Initial

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE & INSURANCE
BOARD FOR LICENSING CONTRACTORS – HOME IMPROVEMENT

Mailing Address: 500 JAMES ROBERTSON PKWY.
NASHVILLE, TN 37243-1140
TELEPHONE: (615) 532-3994 or 800-544-7693 or FAX: (615) 532-2868
Physical Address: 3rd Floor, Andrew Johnson Bldg.,
Website: http://tn.gov/commerce/boards/contractors/ Email: Contractors.Home-Improvement@tn.gov

HOME IMPROVEMENT LICENSE - APPLICATION
\$250.00 – FEE (2 year License)

New – First Time Applicant
OR
Additional License (Prior License #
Reinstatement of Expired License (License # - Exp:)

NAME TO APPEAR
ON LICENSE:

(Name should be the same as listed on Bond or ILOC)

ADDRESS: (If listing a P.O. Box, include physical address)

CITY STATE ZIP

TELEPHONE : () - CELL: () - FAX: () -

EMAIL: FEIN Tax ID#

TYPE OF WORK PERFORMED: Remodeling Environmental Lead Asbestos Mold

Other:

1. Mode of Operation: Sole Proprietor Partnership/Joint Venture *Corporation *LLC
If this is a Corporation or LLC; please attach charter/articles of organization, and proof of active registration with the Secretary of State's office. Yes – Attached Tax FEIN# No – Not Applicable

2. Please list name(s) of all owners/officers, their *SS#, ownership percentage, and address if different from above (may submit attachment):

Name SS#
Title: Ownership: %
Address: (Same as above)

Name SS#
Title: Ownership: %
Address: (Same as above)

See attachment for additional owners.

Disclosure: You are required to provide your Social Security Number (SSN) to be used for identification purposes, only, and will not be a part of public record, in accordance of 42 USC 666.

Continued =>

In accordance of T.C.A. § 62-6-501; please answer on behalf of all owners:

LICENSE/BUSINESS HISTORY

- 3. ___ *Yes ___ No Have you ever, or an officer or partner, associated with this business, held a contractor, home improvement or other trade license, in Tennessee or another State? (If *yes, please submit an attached list with the license number, type of license and the State issued?)
- 4. ___ *Yes ___ No Have you ever, or an officer or partner, associated with this business, had a license denied, suspended or revoked, in Tennessee or any other State; or associated with any business which had a license denied, suspended or revoked? (If *yes, please attach an explanation. Disclosure required by T.C.A. § 62-6-506.)
- 5. ___ *Yes ___ No Do you provide mortgage loans or act as a lender? (If *yes, please attach business information and an explanation on how it does not violate T.C.A. § 62-6-510.)

CRIMINAL HISTORY

- 6. ___ Yes ___ No Have you or anyone associated with this business, ever been convicted of a felony? (If *yes, please submit documentation as stated in the instructions. Failure to supply complete documentation may delay license consideration for issuance; non-disclosure may cause the license to be denied or revoked.) See § T.C.A. 62-6-510.

COMPLAINTS/JUDGMENTS

- 7. ___ Yes ___ No Have there been judgments(s) rendered for actions arising in the field of construction? (If *yes, submit explanation with dates and final action.) See T.C.A. § 62-6-506.
- 8. ___ Yes ___ No Do you currently have complaint(s) with the Board or in violation of performing work where a license is required? (If *yes, attach an explanation.) See T.C.A. § 62-6-509.

INSURANCE INFORMATION (See T.C.A. § 62-6-506)

- 9. Proof of General Liability Insurance ___ Yes (Attached); ___ No (License cannot be issued)
- 10. Proof of Workers Compensation Insurance: ___ Yes (Attached); ___ *No (*No Employees)
* Effective 12/31/09, may be required to obtain coverage. If you check "No", must supply page 8.

As owners(s), I certify all questions on this application have been answered true and correctly, to the best of my knowledge. Failure to disclose all information as requested may result in license denial. If for any reason the \$10,000 surety bond, ILOC or insurance is canceled, notify the Board immediately to prevent formal disciplinary action taken, as license is considered invalid. Any change, including address, requires notification within 30 days. Further, I affirm I am over 18 years of age and have read the law, rules and regulations, which may be obtained by the Board office or website.

_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date

Reference & Experience Information

Owner/Employer _____ Year: _____ Contract/Cost \$ _____

Address: _____ Telephone: _____

Type of Work:

Painting; Roofing; Swimming Pool; Porch/Deck/Garage; Gutters/Siding;
 Fencing; Driveway; Room Addition; Landscaping Windows/Doors;
 Masonry; Concrete; Foundations; Site Work; Framing
 HVAC; Electrical; Plumbing; Restoration Room Additions
 Environmental: _____ Other: _____
 Performed /Managed Work Contractor Employee Subcontractor – Did not perform work

Owner/Employer _____ Year: _____ Contract/Cost \$ _____

Address: _____

Telephone: _____

Type of Work:

Painting; Roofing; Swimming Pool; Porch/Deck/Garage; Gutters/Siding;
 Fencing; Driveway; Room Addition; Landscaping Windows/Doors;
 Masonry; Concrete; Foundations; Site Work; Framing
 HVAC; Electrical; Plumbing; Restoration Room Additions
 Environmental: _____ Other: _____
 Performed /Managed Work Contractor Employee Subcontractor – Did not perform work

Owner/Employer _____ Year: _____ Contract/Cost \$ _____

Address: _____

Telephone: _____

Type of Work:

Painting; Roofing; Swimming Pool; Porch/Deck/Garage; Gutters/Siding;
 Fencing; Driveway; Room Addition; Landscaping Windows/Doors;
 Masonry; Concrete; Foundations; Site Work; Framing
 HVAC; Electrical; Plumbing; Restoration Room Additions
 Environmental: _____ Other: _____
 Performed /Managed Work Contractor Employee Subcontractor – Did not perform work

Personnel (May attach list or their resumes)

Name of Employee: _____ Title: _____ Years Experience: _____

Name of Employee: _____ Title: _____ Years Experience: _____

Name of Employee: _____ Title: _____ Years Experience: _____

Certifications/Licenses No Yes – Attach copy(s)

INSTRUCTIONS/CHECK-LIST

1. _____ Answer all questions (1 – 10) of the application. License “Name” should be as you operate; must be the same name as your bond and insurance.
2. _____ Attach explanation to items answered “Yes” on questions 2-8:
Attachments for Questions Marked “Yes”
- _____ Additional Owners – More than two (question 2)
 - _____ License Lists of Owners (question 3)
 - _____ Explanation of Revoked/Suspended Licenses (question 4)
 - _____ Explanation of Lending Company (question 5)
 - _____ Explanation of Felony Conviction (question 6)
 - _____ Explanation of Judgments (question 7)
 - _____ Explanation of Complaints (question 8)

3. _____ \$10,000 Proof of Financial Responsibility Attached (one (1) of the following)
- _____ *Surety Bond (*with written Power of Attorney from Insurance company*);
 - _____ Cash Bond;
 - _____ Property Bond;
 - _____ *Irrevocable Letter of Credit” (ILOC) (*must be in exact format*)

*(*Required sample formats attached for the **Surety Bond** and **ILOC**. There are no sample forms for “property or cash bonds”, as they need to be specially prepared from another source, such as an attorney or the bank.)*

4. _____ Corporations and LLCs - Attach copy of charter/articles of organization, and show proof of registration with the Secretary of State, in the same name as on the bond. You may obtain online at: http://tn.gov/sos/bus_svc/corporations.htm

5. _____ FEIN Tax ID numbers may be obtained from the Department of Revenue at:
<http://www.state.tn.us/revenue/>

6. _____ Experience and Reference List - Please include a list (page 3); or may attach resume(s) providing same information. (Note: If no experience is provided, the Board must approve license issuance at their regular scheduled meeting. See calendar on the website for dates and locations.)

7. _____ Fee – **\$250.00** - Two (2) year biennial license. Attach a check or money order (no cash), made payable to “Home Improvement” and mail to:

Contractors Board – Home Improvement
500 James Robertson Parkway
Nashville, TN 37243-1140

If hand delivering, fees must be submitted to the “Cashier’s Office” located at the mailing address listed above, on the 1st Floor of the Davy Crockett Tower. The Board office cannot accept fees at their physical location at 710 James Robertson Parkway, 3rd Floor Andrew Johnson Tower. Keep a copy for your records! Please allow 5 to 7 business days for mail delivery. License issuance takes less than two to three weeks to process, if submitted complete. Those submitted incomplete will be mailed a letter requesting additional information. Status of license issuance is available at the “License Search” on the website.

Warning: If you performed work where a license was required, should we receive a complaint, a citation for unlicensed activity may be issued.

Summary

- Check the website for important laws, rules and regulations at: <http://tn.gov/commerce/boards/contractors/>
- Include license ID number in advertisements
- Contracts must be in writing and include information identified in the law
- Avoid conflict of interests within the Consumer Protection Law (acting as a lender, cosigner, etc.)
- Law has exceptions before requiring more than 1/3 payment

Other Resources and License Requirements

- Lead Based Paint Abatement - <http://health.state.tn.us/lead/abatement.htm>
- Limited Licensed Electrician (LLE); Limited License Plumber (LLP); and Alarm Systems licensing information may be obtained from the “Valuable Resources” of our website at: <http://tn.gov/commerce/boards/contractors/>

CONTRACTS

NOTICE: Effective July 1, 2007, changes in the contractor's law for home improvement requires the following:

- (1) Contracts must be in legible writing and contain the complete agreement between the owner and the home improvement contractor;
- (2) State the full names and addresses of all parties, the license number of the home improvement contractor, the date when executed by the parties and contain a description of the work to be done and the goods to be used;
- (3) Be completed in full without any blank spaces to be filled in after the contract is signed by the owner and clearly describe any other documents which are to be incorporated, and shall contain the following notice directly above the space provided for the signature of the owner: "NOTICE TO OWNER: Do not sign this contract if blank. You are entitled to a copy of the contract at the time you sign";
- (4) Contain the approximate dates when the work will begin and be substantially completed;
- (5) Contain the agreed upon consideration for the work;
- (6) Contain a notice that all home improvement contractors must be licensed by the board and that any inquiries about a contractor should be transmitted to the board's office;
- (7) Contain all other matters upon which the parties lawfully agree;
- (8) Not contain any power of attorney to confess judgment. No sales person, agent or employee of the home improvement contractor shall be authorized to make any changes in the agreement on behalf of the owner;
- (9) Before accepting more than 1/3 down payment prior to contracting, must include disclosure in written contract and schedule of payments; and
- (10) Must operate and advertise in the name as licensed; must reference license number.

The above is an abbreviated list of the home improvement law. Please review in it's entirety by requesting a copy from the Board office or download from the website at www.state.tn.us/commerce/boards/contractors

Acts Prohibited – Conflict of Interest

T.C.A. 62-6-133, prohibits home improvement contractors from having a controlling ownership in the lender providing a mortgage loan or from acting as a co-signer for home improvement work.

Violation of this law is considered an unfair or deceptive act under the Consumer Protection Act, pursuant title 47, chapter 18, part 1 and may result in civil penalties up to \$25,000.

Local Municipality Licensing and Permits

Always check with the local codes or permit office for their requirements and inspections. The home improvement license does not cover electrical, plumbing and HVAC local licenses, or any residential work of \$25,000 or more (state contractor's license required). (Note: An additional permit bond may be required by local codes offices, such as in Nashville's Davidson County!)

You may check the status of a home improvement license from our website or at: <http://licsrch.state.tn.us/>



STATE OF TENNESSEE
 DEPARTMENT OF COMMERCE AND INSURANCE
 BOARD FOR LICENSING CONTRACTORS
 Mailing Address: 500 James Robertson Pkwy., Nashville, TN 37243-1140
 (615) 532-3994 or 800-544-7693 or Fax (615) 532-2868
<http://tn.gov/commerce/boards/contractors/>

TENNESSEE HOME IMPROVEMENT CONTRACTOR'S SURETY BOND

Bond # _____

BE IT KNOWN, that we _____
 (Name as to be on License)

of _____
 (Mailing and Physical Address)

as principal, and _____
 (Name of Surety Company)

as surety, are held and firmly bound unto the State of Tennessee, for the benefit of all owners, as defined by *Tennessee Code Annotated*, Title 62, Chapter 6, undertaken by the principal in the full and just sum of ten thousand dollars (\$10,000.00) for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden principal has applied to the Tennessee Board for Licensing Contractors for a license as a Home Improvement Contractor; and

WHEREAS, under the provisions of Public Chapter 460, Title 62, chapter 6, Section 506 of Tennessee Code Annotated, and as amended, the principal is required to file this bond in order to obtain said license.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, if the above bounden principal shall comply in all respects with Title 62, Chapter 6, of Tennessee Code Annotated, and the regulations promulgated thereto, then this obligation shall be void otherwise to remain in full force and effect.

PROVIDED, HOWEVER, this bond may not be construed to require the surety to be responsible for the completion of any home improvement contract entered into by the principal on this bond.

PROVIDED, FURTHER, this bond may not be construed to require the surety to be responsible for damages arising from any breach of a home improvement contract, if such contract was entered into after the inactivation, expiration or revocation of the contractor's license.

This bond shall become effective on the _____ day of _____, 20_____, and shall be continuous; however, each annual renewal period or portion thereof shall constitute a new bond term. 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, suit or action under this bond shall not exceed the sum of \$10,000.00. The surety may cancel this bond by giving thirty (30) days notice to the Tennessee Board for Licensing Contractors and principal by certified mail of such cancellation, it being understood that surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

Witness our hands and official seals this _____ day of _____, 20_____.

 NAME OF COMPANY (As to be Licensed)

 NAME OF SURETY

 SIGNATURE OF PRINCIPAL (Contractor)

 ADDRESS OF SURETY

DATE: _____

 NAME OF SURETY AGENT

(SEAL)

 SIGNATURE OF SURETY AGENT

 ADDRESS OF SURETY AGENT

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC CHAPTER 460; OF *TENNESSEE CODE ANNOTATED*. SHOULD THERE BE ANY CONFLICT WITH THE TERMS THEREOF, AND THE STATUTE, THE STATUTE OR REGULATION SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

SAMPLE - IRREVOCABLE LETTER OF CREDIT

(This form MAY be supplied in lieu of the \$10,000 Surety Bond)

(NOTICE: It must remain on file for one (1) year after the license expiration or inactivation)

State of Tennessee
Board for Licensing Contractors
Home Improvement Section
500 James Robertson Pkwy.,
Nashville, TN 37243-1150

RE: Irrevocable Letter of Credit No. _____
Effective Date: _____
Expiration Date: _____

Board:

You have requested of (Name of Lending Institution) that we establish an irrevocable letter of credit which will remain available to (Applicant) for use in conducting home improvement residential remodeling business for which a license is being sought from the Tennessee Board for Licensing Contractors (Board).

We hereby establish an irrevocable letter of credit for these purposes in the amount of (Dollar Amount) which will be maintained for a period of one year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board of any significant changes in your financial condition during the term of this commitment.

(Name of Lending Institution) may cancel this letter of credit by giving thirty (30) days written notice to the Board and licensee by certified mail, of such cancellation, it being understood that the lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation and that claims which arise during the effective period may be filed up to one year after this letter of credit expires.

Except so far as otherwise stated, this documentary credit is subject to the "Uniform Customs and Practice for Documentary Credits" fixed by the International Chamber of Commerce applicable at the date of this letter.

Yours truly,

(Bank Officer) (Date)

(Lending Institution)

Instructions

In order to obtain a Home Improvement license, the applicant must supply a form of financial responsibility, such as a bond or a Irrevocable Letter of Credit in the Board's format and from an FDIC approved bank, savings and loan. For further clarification, contact the Board office at: 800-544-7693 or review our website at: <http://tn.gov/commerce/boards/contractors/>

Workers Compensation Insurance Coverage Determination Questionnaire

The following questionnaire has been developed to assist licensee applicants to determine whether they are exempt from submitting proof of coverage. If you check "Exempt" and do not supply proof of Workers' Compensation insurance, please attach this form. (For more information, you may check the Board's website at: <http://tn.gov/commerce/boards/contractors/>)

Workers Compensation Insurance Coverage Determination Questionnaire

I. If you check ALL of the following, you are considered EXEMPT from submitting proof of insurance (see PC 1041).

- ____ - No Employees and/or Corporate Officer receiving no compensation (pay); not considered an employee
- ____ - Sole Proprietor, Partnership or Limited Liability Company (LLC)
- ____ - Contracts directly with the homeowner and performs the work; does not hire subcontractors

II. If you check ONE of the following, you are **NOT EXEMPT** and must submit proof of insurance:

- ____ - One or More Employees
- ____ - Corporation (*Note: Officer(s) must always carry workers' compensation insurance on the corporation unless receives no pay

*Corporate officers may file the I-6 Form with the Department of Labor and Workforce, to be excluded from the policy; but not from having to carry workers' compensation insurance. Per the law, corporate officers who reject the coverage, does not exempt the corporation; the corporation is still included in § T.C.A. 50-6-103(b). Example, the President makes the first employee. (Note: According to the Department of Labor and Workforce Development, this portion of the law applying to corporations is not considered a change in the new law, and has always been the case.)

III. If you have checked with the Tennessee Department of Labor and Workforce Development and they have determined you to be EXEMPT or a new law amendment, please explain:

- ____ - Exempt Explanation: _____

Format - Requirements for Proof of Insurance Submitted to the Contractors Board

The Board requests a Certificate of Insurance (available from your insurance agency) which lists a policy number (not binder or account number); a beginning and expiration date. This is required in addition to General Liability coverage. The name on the license must match the name in the "insured box". The Board should be listed as the certificate holder.

- "Producer" section must include the name of the insurance agency, and telephone number;
- "Insured" section should list the contractor's name as licensed;
- "Insurer" should list the name of the insurance company;
- To Be Determined" or "TBD" is not acceptable;
- Policy effective and expiration date listed;
- "Description of Operations" portion must list: "State of Tennessee Contractors License";
- "Certificate Holder" section should list the "Board for Licensing Contractors" with address; and
- "Cancellation Notice" section must be completed with at least **10 days** notice to be given.

Effective December 31, 2009 - PC 1041 - Information from Department of Labor and Workforce Development, Division of Workers' Compensation Division:

The new law, Public Chapter 1041 (2008), requires everyone in the construction industry to have workers' compensation coverage. The new law becomes effective December 31, 2009.

- Owners are required to carry workers compensation on all subcontractors, workers, and employees who work for them and on themselves.
- Exception--a sole proprietor or partner (with no subcontractors, workers, or employees) being paid directly by a residential property owner.

Workers' Compensation Division website is at: <http://www.state.tn.us/labor-wfd/wcomp.html>

**RULES
OF
TENNESSEE BOARD FOR LICENSING CONTRACTORS**

**CHAPTER 0680-07
GENERAL REGULATIONS FOR HOME IMPROVEMENT CONTRACTORS
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0680-07-.01 FEES.

- (1) Initial application and license fee (biennial)\$250.00 per business Location
- (2) Renewal fee (biennial)..... \$200.00 per business location
- (3) Late renewal fee \$10.00 each month; not to exceed three (3) Months
- (4) Duplicate license fee for one lost, destroyed or mutilated.....\$10.00

Authority: T.C.A. §§ 62-6-504 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.02 DEFINITIONS.

The definitions contained in T.C.A. § 62-6-501, are incorporated into these regulations by references as 0680-07-.02.

Authority: T.C.A. § 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.03 LICENSE FOR HOME IMPROVEMENT CONTRACTORS.

All home improvement contractors required to be licensed shall have licenses on and after January 1, 1989.

Authority: T.C.A. §§ 62-6-502 and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.04 ADVERTISING.

(1) A licensed home improvement contractor may not solicit home improvement business by way of advertisement in a newspaper, magazine, circular, or printed document, or by way of television or radio announcement, unless the name and license number of the contractor is stated in the advertisement.

(2) A licensee may not directly or indirectly publish any advertisement relating to home improvements, including finance or credit terms, that contains an assertion, representation, or statement of fact that is false, deceptive or misleading.

(3) General statements, such as "Factory to You," "Direct to You," "Buy from the Manufacturer," "Save the Middleman's Profit," or phrases of similar meaning may not be used unless the advertiser is actually the maker or producer of the merchandise advertised or offered for sale.

Authority: T.C.A. §§ 62-6-510(9) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.05 NOTICE OF CHANGE OF LICENSING INFORMATION.

A licensee shall notify the Board in writing within thirty (30) days of any change of control in ownership, management, address or trade name. Upon notification of a substantial change in control of ownership, the Board reserves the right to require a new application for licensure.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.06 TIME LIMITATIONS FOR FILING COMPLAINTS.

The Board may summarily dismiss any complaint brought against a licensee after one (1) year from the date of the home improvement contract for the work from which the complaint arises, unless the Board finds that the delay was justified and does not result in an undue burden for the licensee.

Authority: T.C.A. §§ 62-6-513(3) and 62-6-513(4). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.07 APPLICATION FOR LICENSURE AS HOME IMPROVEMENT CONTRACTOR.

(1) An application for licensure as a home improvement contractor, whether it is in the name of an individual, partnership, proprietorship, or corporation, may not be accepted, if the name under which the licensee will be trading is the name being used by an existing licensee, or is so similar to the name being used by an existing licensee that it will cause confusion on the part of the public at large, unless the applicant has obtained exclusive use of this name under the federal trademark laws.

(2) If the applicant's mailing address is a post office box, the applicant must also include a physical address for the business location.

Authority: T.C.A. §§ 62-6-506(c) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.08 TEMPORARY LICENSES.

(1) Pursuant to T.C.A. § 62-6-506(d), the Executive Director may grant an application for a home improvement license a temporary license pending a final decision of the Board on the Application for a permanent license if:

(a) applicant has properly filed for a permanent license and has paid the requisite license fee;

(b) applicant has filed a bond or evidence of financial responsibility in accordance with T.C.A. §62-6-506(h);

(c) applicant submits a written request for a temporary license to the Executive Director; and

(d) Executive Director determines that granting the applicant a temporary license is in the public interest and that granting the applicant a temporary license does not pose a substantial risk of harm to owners for whom the applicant would do home improvement work.

(2) As soon as reasonably possible after receiving a written request for a temporary license, but not more than forty-five (45) days after receiving the request, the Executive Director shall inform the applicant in writing whether the Executive Director has denied or granted the applicant a temporary license. If the Executive Director grants an applicant a temporary license, the writing to the applicant shall state that the temporary license terminates automatically when the Board decides to issue or deny the applicant a permanent license and that the Executive Director can terminate the temporary license at any time before final action on the application for a permanent license. Notwithstanding the above, a temporary license shall automatically expire after sixty (60) days from the effective date, and may not be renewed. If an additional application for a temporary license is filed within thirty (30) days after expiration of a previously issued temporary license, then the fee shall be twenty-five dollars (\$25.00).

(3) When the Executive Director issues a temporary license to an applicant, the Executive Director shall issue the applicant a license which is specially marked as temporary. This temporary license may be in the form of a letter from the Executive Director. The Executive Director shall state in this letter the effective date of the temporary license.

(4) A temporary license shall automatically expire if the Board issues a Final Order denying the applicant's request for a permanent license.

(5) The Executive Director or the Board may terminate a temporary license at any time for any reason which is not arbitrary or capricious. When the Executive Director or the Board terminates a temporary license, it shall take effect upon receipt by the applicant of the notice of termination, or ten (10) days after the mailing of the notice of termination, or whichever comes first.

Authority: T.C.A. §§ 62-6-506(c), 62-6-506(d) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.09 LICENSE RENEWALS.

(1) An application for a license previously issued which is received within one (1) year from the date of issue shall be presumed to be an application for a renewal of that license; no renewal application will be accepted more than ninety (90) days after the expiration of the license.

(2) An application for a license previously issued which is received more than ninety (90) days from the date of the previously issued license's expiration shall be presumed to be an application for a new license.

(3) Effective Date of Renewals. A license renewed pursuant to this regulation may not be retroactive to the date that the previously issued license expired, but shall take effect on the date that the applicant fulfills the Board's requirements for renewal. The license shall expire two (2) years from the date on which the previously issued license expired.

Authority: T.C.A. §§ 62-6-506(g), 62-6-513(3) and 62-6-507(d). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.10 CREDIT REPORTS.

(1) The Board in its discretion may require an applicant for an original contractor's license to submit to the Board a credit report from an approved credit reporting agency and a statement of all outstanding judgements against the applicant.

(2) The Board shall consider this credit report and statement in determining whether the applicant has demonstrated financial solvency.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.11 FINANCIAL STATEMENT.

The Board may require any applicant to submit a reviewed financial statement attested to by either a certified public accountant or licensed public accountant; or on a form prescribed by the Board with a notarized affidavit, in order to determine the applicant's financial stability.

Authority: T.C.A. §§ 62-6-506(a) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.12 FILING OF SECURITY PRIOR TO ISSUANCE OF LICENSE.

(1) The requirements of T.C.A. § 62-6-506(h) must be effective and evidence thereof filed with the Board prior to issuance of the contractor's license.

(2) Upon cancellation of an instrument described in T.C.A. § 62-6-506(h) the licensee must notify the Board in writing within ten (10) days of such cancellation.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.13 BONDS.

(1) Bonds shall be written on a form approved by the Insurance Commissioner, available through the Board, which shows the name of the principal as it appears on the license application.

(2) Description of Bonds.

(a) Cash Bonds.

Cash bonds may not include personal checks.

Cash bonds may include:

1. Currency, which shall be deposited with the State Treasurer, subject to the order of the Board, and which may not earn interest;

2. Cashier's check, certificate of deposit for a term of at least two (2) years or certified check:

- (i) Issued by a financial institution;
- (ii) Showing the name of the purchaser; and
- (iii) Assigned and payable to the Board;

3. Savings and loan association certificates, passbook or share accounts, credit union or share accounts, passbook savings or other similar accounts assigned and payable to the Board, which shall be issued for periods of not less than one (1) year and accompanied by delivery of the certificate passbook, share account, certificate, passbook or other similar account to the Board.

(b) Property Bond

1. A property bond shall be the assignment to the Board by an owner applicant of an interest of ten thousand dollars (\$10,000.00) in real property located in Tennessee; and submission of a title search showing any encumbrances on the property.

2. The Board may require the applicant to submit an appraisal of the property to ascertain that the unencumbered value of the property is at least ten thousand dollars (\$10,000.00).

(c) Surety Bond.

1. A surety bond shall be in the amount of ten thousand dollars (\$10,000.00), issued to a home improvement contractor by an approved insurance company authorized to do business in Tennessee, for the benefit of a claimant, who has been damaged by the contractor's breach of a home improvement contract. If the bond ceases to be in effect, the home improvement contractor's license shall become invalid.

2. The Board may refuse to accept a bond written for a home improvement contractor by a surety which has failed to meet its obligations under this subtitle.

(d) Letter of Credit.

1. A bond in the form of an irrevocable letter of credit shall be an agreement, between a financial institution and a home improvement contractor on record at the Board wherein the FDIC insured financial institution agrees to extend an irrevocable line of credit amounting to ten thousand dollars (\$10,000.00), for the purpose of honoring claims filed with the Board.

2. The irrevocable letter of credit shall show the name of the financial institution extending the credit and the name of the applicant or home improvement contractor to whom the letter of credit was issued as it appears on the applicant's or home improvement contractor's license application.

(3) Release of Bond.

A bond may not be released until whichever occurs last: 5

- (ii) Showing the name of the purchaser; and
- (iii) Assigned and payable to the Board;

3. Savings and loan association certificates, passbook or share accounts, credit union or share accounts, passbook savings or other similar accounts assigned and payable to the Board, which shall be issued for periods of not less than one (1) year and accompanied by delivery of the certificate passbook, share account, certificate, passbook or other similar account to the Board.

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2. The irrevocable letter of credit shall show the name of the financial institution extending the credit and the name of the applicant or home improvement contractor to whom the letter of credit was issued as it appears on the applicant's or home improvement contractor's license application.

(3) Release of Bond.

A bond may not be released until whichever occurs last:

(a) One (1) year after the inactivation, expiration or revocation of home improvement contractor's license;

(b) After the pending claims against the licensee filed during the period described in 3(a) have been heard and satisfied, or dismissed.

Authority: T.C.A. §§ 62-6-506(h) and 62-6-513(3). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009.

0680-07-.14 COUNTY ADOPTION OF HOME IMPROVEMENT LAW.

The legislative body of the county may, by two-thirds (2/3) majority vote, adopt the home improvement license law. Such county must notify the Board in writing of the effective date to implement the requirements to home improvement contractors.

Authority: T.C.A. §62-6-516(b). **Administrative History:** Original rule filed March 19, 2009; effective June 2, 2009

-End-

RESOURCES

Rule updates are available online at: <http://www.state.tn.us/sos/rules/0680/0680.htm>
(Home Improvement Section is under 0680-7

The law may be reviewed at: <http://www.michie.com/tennessee/>
(Home Improvement section is under Title 62, Chapter 6, Section 5 (T.C.A. § 62-6-501)

More information is also available at the Boards website at:
<http://tennessee.gov/commerce/boards/contractors/>

LEAD ABATEMENT

Lead abatement remodelers are required to be certified through the Department of Environment and Conservation and may be contacted at 1-888-871-5323 or their web site at: State.TN.US/Environment/swm/leadpaint.

Quick facts on EPA's Renovation Repair and Painting (RRP)

Fully effective on April 22, 2010 - Firms must be certified, workers must be trained, and follow specific lead-safe work practices for work performed in pre-1978 homes and child-occupied facilities, if lead paint is disturbed, impacts general contractors, carpenters, painters, electricians, plumbers, "handymen", window and door replacement crews, etc.

Time Line for Lead Abatement Requirements

- Now – Contractors that disturb paint in buildings built prior to 1978 must distribute EPA's new Renovate Right brochure, (Renovate Right is available at www.epa.gov/lead/pubs/renovaterightbrochure.pdf).
- Summer 2009 – Appropriate staff can take training course to become certified, once trainers are accredited.
- October 2009 – Firms can apply for EPA or state certification.
- April 2010 – Businesses engaged in renovation, repair or painting activities in buildings built prior to 1978 must be certified, use trained workers, and follow specific lead-safe work practices to prevent lead contamination.

For more information, the Environmental Protection Agency's website is at: www.epa.gov/lead

ASBESTOS ABATEMENT

Please check with the Department of Environment and Conservation relative to requirements for asbestos abatement. Their website is at: <http://tennessee.gov/environment/swm/asbestos/>

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

For details on becoming certified as a weatherization contractor, contact the Department of Human Services at: <http://tn.gov/wap/>